

HAWAIIAN HOMES COMMISSION

Minutes of June 21, 2021, via Interactive Conferencing Technology (ICT)
DHHL Main Office, Hale Pono'i, Kapolei, O'ahu, Hawai'i

Pursuant to proper call, the meeting of the Hawaiian Homes Commission was held via teleconference, moderated by Chairman William Ailā Jr., from Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, O'ahu, Hawai'i, beginning at 9:30 a.m.

PRESENT William J. Ailā Jr., Chairman
Randy K. Awo, Maui Commissioner (via ICT)
Zachary Z. Helm, Moloka'i Commissioner (via ICT)
Michael L. Kaleikini, East Hawai'i Commissioner (via ICT)
Russell K. Ka'upu, O'ahu Commissioner (via ICT)
Pauline N. Namu'o, O'ahu Commissioner (via ICT)
Dennis L. Neves, Kauai Commissioner (via ICT, 10:40)
Patricia A. Teruya, O'ahu Commissioner (via ICT)

EXCUSED David B. Ka'apu, West Hawai'i Commissioner

COUNSEL Katie Lambert, Deputy AG

STAFF Tyler I. Gomes, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Andrew Choy, Acting Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Cedric Duarte, Information & Community Relations Officer
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Acting Contact and Awards Division Administrator
Jamilia Pacheco, Information Specialist
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Ailā called the meeting to order at 9:39 a.m. seven (7) members were present via videoconference at roll call.

Pursuant to the Governor's 21st Proclamation, related to COVID-19 Emergency, Hawai'i Revised Statutes ("HRS") Chapter 92 regarding public agency meetings and records are currently suspended through August 8, 2021, to the extent necessary to enable boards to conduct business without holding meetings open to the public and to allow state agencies the ability to effectively and efficiently provide emergency relief and engage in emergency management functions.

Chair Aila stated Items H-1, C-3 and C-4 were uploaded over the weekend. The CIP Budget details were emailed this morning. Item C-3 will be taken up after lunch, and the Commission will convene into Executive Session for approximately 30 minutes at noon.

APPROVAL OF AGENDA

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Teruya, to approve the agenda.
Motion carried unanimously.

APPROVAL OF MINUTES FOR MAY 17 & 18, 2021

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Helm, to approve the May 17 & 18, 2021 Minutes. Motion carried unanimously.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

Chair Ailā stated there were five (5) public testimonies submitted and uploaded to the cloud folder. Commissioner Awo stated he did not have the opportunity to review the public testimonies, so he had no comments. Chair Aila stated they could revisit it when Commissioner Awo is ready.

Commissioner Teruya had concerns that the documents do not reach the Commissioners on time to give them enough time to review. She hoped for a better system to get the documents to the Commissioners. Chair Aila stated the staff just got the Budget from the Legislature. The DHHL staff had to review and do the analysis to put a draft budget together and get it to the Commission as quickly as possible.

Commissioner Awo echoed the concerns raised by Commissioner Teruya and stated that the information briefing given last Friday on the Budget was confusing for him. The Commissioners should've gotten the information beforehand to review and use as a guide. He does not appreciate being subjected to that kind of 11th-hour deliberation and thinks it is done intentionally at times.

Chair Ailā stated the Commission could have more discussion, and the vote can be taken tomorrow. If amendments are made, they can be done after approval. The staff has been working long hours to get the information to the Commission as quickly as possible, and the short turnaround is not intentional.

Commissioner Teruya asked if the items on the agenda have time limits? She also suggested that agenda items be reduced. Chair Aila stated yes, but the Budget can be voted on tomorrow.

Note: Testimonies are attached.

ITEMS FOR DECISION MAKING

CONSENT AGENDA

HOMESTEAD SERVICES DIVISION

- | | |
|-----------------|--|
| ITEM D-2 | Approval of Consent to Mortgage (see exhibit) |
| ITEM D-3 | Ratification of Loan Approvals (see exhibit) |
| ITEM D-5 | Approval of Homestead Application Transfers / Cancellations (see exhibit) |
| ITEM D-6 | Commission Designation of Successors to Application Rights – Public Notice 2019 (see exhibit) |

- ITEM D-7** **Reinstatement of Deferred Application – APRIL L.M. MORGAN**
ITEM D-8 **Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive the Net Proceeds (see exhibit)**
ITEM D-9 **Approval of Assignment of Leasehold Interest (see exhibit)**
ITEM D-10 **Approval of Amendment of Leasehold Interest (see exhibit)**
ITEM D-11 **Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)**
ITEM D-13 **Commission Designation of Successor – CHERVONNE LEHUANANI SMITH MAGAOA, Agricultural Lease No. 499, Lot No. 33F1 & 33F2, Ho`olehua, Moloka`i**
ITEM D-15 **Commission Designation of Successor – MAHINALANI JERROLD ANN DOLOR KEALAKAI, Pastoral Lease No. 9139, Lot No. 38, Kahikinui, Maui**
ITEM D-16 **Commission Designation of Successor – NORMAN L. YOUNG, Residential Lease No. 4674, Lot No. 38, Kekaha, Kaua`i**

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following:
 Motion to approve the Consent Agenda items listed for the Commission's consideration.

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Kaleikini, to approve the items listed in the Consent Agenda. Motion unanimously passed.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			
Commissioner Ka'apu						X
Commissioner Kaleikini		X	X			
Commissioner Ka'upu			X			
Commissioner Namu'o			X			
Commissioner Neves						X late
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED Motion passed unanimously- seven (7) Yes votes.						

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

- ITEM C-1** **Approval of Lease Award – Ho`olehua Agriculture Subdivision, Ho`olehua, Moloka`i (see exhibit)**

RECOMMENDED MOTION/ACTION

Acting Contact and Awards Division Administrator Paula Aila presented the following:
 That the Hawaiian Homes Commission approve the Lease Award for an Agricultural Lot Lease for 99 years in Ho`olehua, Moloka`i

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Teruya, to approve the motion as stated in the submittal. Motion unanimously passed.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			
Commissioner Ka'apu						X
Commissioner Kaleikini			X			
Commissioner Ka'upu			X			
Commissioner Namu'o			X			
Commissioner Neves						X late
Commissioner Teruya		X	X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously- seven (7) Yes votes.						

Chair Aila stated Item C-3 would be taken up after lunch.

HOMESTEAD SERVICES DIVISION

ITEM D-4 Approval of DHHL Loan Modification Product

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following:

Motion that the Hawaiian Homes Commission approve the DHHL Loan Services Modification Product

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Ka'upu, to approve the motion as stated in the submittal.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			
Commissioner Ka'apu						X
Commissioner Kaleikini			X			
Commissioner Ka'upu		X	X			
Commissioner Namu'o			X			
Commissioner Neves						X late
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: <input type="checkbox"/> UNANIMOUS <input checked="" type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously- seven (7) Yes votes.						

ITEM D-12 Request to Surrender Lease – JOEL NAKILA, Residential Lot Lease No. 9434, Lot No. 124, Kaniohale, Kailua-Kona, Hawai`i

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following:
Motion that the Hawaiian Homes Commission approve the request to surrender Lease No. 9434, Lot No. 124, Kaniohale, Kailua-Kona, Hawai`i

MOTION

Moved by Commissioner Kaleikini, seconded by Commissioner Helm, to approve the motion as stated in the submittal.

DISCUSSION

Commissioner Teruya asked to explain “surrender.” J. Garcia explained that surrender is a voluntary action requested by the lessee. In this case, the lessee is moving to the mainland due to financial hardships. After several attempts to sell the property, the lessee has requested to surrender the property and make it available for another beneficiary on the waitlist. Pursuant to the Hawaiian Homes Commission Act and the Administrative Rules, the Department must appraise the property, deduct any outstanding balances, and pay the balance of the net proceeds to the lessee.

Commissioner Ka’upu asked in cancellation or surrender, does it automatically go back to the next person highest on the list, or does the lessee have the opportunity to transfer? J. Garcia stated the surrender automatically gives the Department the authority to reissue. The Department goes to the waitlist or a qualified beneficiary to reissue the lease. P. Aila stated the property is in Kaniohale, where there is an undivided interest waitlist which will be acknowledged first, then the relocation list, and then the waitlist. That is the process. Commissioner Ka’upu asked for a workshop relating to the relocation list. He also asked about the lessees in Waiāhole and how they transferred from Waianae to Waiāhole as part of a settlement. Chair Aila asked J. Garcia to provide Commissioner Ka’upu the history of the Waianae to Waiāhole settlement.

ACTION

Moved by Commissioner Kaleikini, seconded by Commissioner Helm, to approve the motion as stated in the submittal.						
Commissioner	1	2	‘AE (YES)	A’OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm		X	X			
Commissioner Ka’upu						X
Commissioner Kaleikini	X		X			
Commissioner Ka’upu			X			
Commissioner Namu’o			X			
Commissioner Neves						X late
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED Motion passed unanimously- seven (7) Yes votes.						

ITEM D-14 Cancellation of Lease – KANOE SASSY HARDIN, Residential Lease No. 11472, Lot No. 55, Leiali‘i, Maui

RECOMMENDED MOTION/ACTION

Homestead Services Division Administrator Juan Garcia presented the following:
Motion that the Hawaiian Homes Commission approve the cancellation of Residential Lease No. 11472, Lot No. 55 in Leiali‘i, Maui.

MOTION

Moved by Commissioner Helm, seconded by Commissioner Ka‘upu, to approve the motion as stated in the submittal.

DISCUSSION

Commissioner Teruya asked how long before the public notice goes out? J. Garcia stated the first publication date was December 2nd, and 120 days after the first publication date is the deadline. Anyone submitting after 120 days is barred from submitting a claim. In this case, the Department did not receive any claims. The Department highly recommends the lessees to designate a successor.

Commissioner Ka‘upu asked how often is there more value of the property in the case of a cancellation or surrender? J. Garcia stated it’s hopeful that there’s more value most of the time, but there are situations where the value is less than what is owed, and the Department would write off that amount. Commissioner Ka‘upu asked about the credit balance for lease rent paid? J. Garcia stated it is an internal requirement by fiscal for the Commission to approve the action to reimburse any credits under the lease rent account. Commissioner Ka‘upu asked what if there were no successors, transferees, or claimants. J. Garcia stated it is clear in the Act and the Rules that any net proceeds be paid out to the former lessee, the representative, or the estate.

Commissioner Teruya asked why the father who occupies the residence, is a personal beneficiary and representative of her estate, is not qualified for her homestead. J. Garcia stated that Mr. Hardin is less than 25% Hawaiian, and the Act and the Rules require a spouse to have no less than 25% blood quantum.

ACTION

Moved by Commissioner Helm, seconded by Commissioner Ka‘upu, to approve the motion as stated in the submittal.						
Commissioner	1	2	‘AE (YES)	A’OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			
Commissioner Ka‘upu						X
Commissioner Kaleikini			X			
Commissioner Ka‘upu		X	X			
Commissioner Namu‘o			X			
Commissioner Neves						X late
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED Motion passed unanimously- seven (7) Yes votes.						

LAND MANAGEMENT DIVISION

ITEM F-1 Approval to Issuance of Right of Entry Permit, Aha Pūnana Leo, Inc. Waimea, Island of Hawaiʻi, TMK No. (3) 6-4-001: 059 (por.)

RECOMMENDED MOTION/ACTION

Acting Administrator Land Management Division Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission approve the issuance of a Right of Entry Permit for Aha Pūnana Leo, Inc., Waimea, Island of Hawaiʻi, TMK No. (3) 6-4-001: 059 (por.)

K. Albinio stated Aha Pūnana Leo was under a License Agreement but exhausted its extension period. To issue a new license, it would have to go through a Community Consultation before issuing a long-term license again. The request for approval is for a right of entry until the Department gets input from the community before issuing a long-term license.

MOTION

Moved by Commissioner Awo, seconded by Commissioner Kaʻupu, to approve the motion as stated in the submittal.

DISCUSSION

Commissioner Teruya asked if beneficiary consultations were conducted for both the items presented. Chair Aila stated the items are for temporary dispositions, and the beneficiary consultation is not required. A beneficiary consultation will be conducted for the longer termed license. Commissioner Teruya asked all temporary land dispositions do not require beneficiary consultation. Is that correct? K. Albinio stated right of entries does not require beneficiary consultation; longer than 5 years would require a beneficiary consultation. A. Choy reiterated the four requirements for a beneficiary consultation in which one of the requirements is for a long-term disposition of Hawaiian homeland.

Commissioner Awo asked if the license did not expire and renewed timely, beneficiary consultation would not have been necessary? K. Albinio stated the license had only a 1-year extension which was exhausted, so there could be no more extensions after that.

Commissioner Kaʻupu asked under the license, does the Department have a calendar or tickler for a reminder that a certain license will expire? K. Albinio stated there is no tickler. Commissioner Kaʻupu asked if the licensee came in before the expiration and asked for an extension of their term, the Department could not give it to them? K. Albinio stated no because the license only is good for one ten-year term and one ten-year extension. Commissioner Kaʻupu asked how it was different from the industrial lease in Hilo that he mentioned? K. Albinio stated that was a lease under the HRS statute; this is a license.

Commissioner Namuʻo stated she gives her total support to Aha Pūnana Leo. Commissioners Kaleikini and Teruya also voiced their support.

Commissioner Awo asked if a license can provide Pūnana Leo O Maui a space to occupy in a development that comes up in the future? K. Albinio stated there is no development in the Pulehunui area right now. In the future, when the Department does have a development, it can be considered at that time. Commissioner Awo stated he, too, is a strong supporter of Aha Pūnana Leo.

ACTION

Moved by Commissioner Awo, seconded by Commissioner Ka'upu, to approve the motion as stated in the submittal.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm			X			
Commissioner Ka'apu						X
Commissioner Kaleikini			X			
Commissioner Ka'upu		X	X			
Commissioner Namu'o			X			
Commissioner Neves						X late
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously- seven [7] Yes votes.						

ITEM F-2 Approval to Issuance of Right of Entry Permit, Kamehameha Schools, Hilo, Island of Hawai'i, TMK Nos. (3) 2-1-013: 157(por.) & :158(por.)

RECOMMENDED MOTION/ACTION

Acting Administrator Land Management Division Kahana Albinio presented the following:
Motion that the Hawaiian Homes Commission approve the issuance of a right of entry permit for Kamehameha Schools, Hilo, Island of Hawai'i, TMK Nos. (3) 2-1-013: 157(por.) & :158(por.)

MOTION/ACTION

Moved by Commissioner Kaleikini, seconded by Commissioner Helm, to approve the motion as stated in the submittal.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm			X			
Commissioner Ka'apu						X
Commissioner Kaleikini			X			
Commissioner Ka'upu		X	X			
Commissioner Namu'o			X			
Commissioner Neves						X late
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			7			2
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously- seven [7] Yes votes.						

RECESS
RECONVENED

10:38 AM
10:48 AM

ITEMS FOR DECISION MAKING

REGULAR AGENDA

OFFICE OF THE CHAIRMAN

ITEM C-3 Approval to Consolidate Lot 4 (Residence/Agriculture Lot) of Lease No. 106 to Harry K. Purdy III, and Lot 4 (Detached Agricultural Lot) unencumbered and re-subdivision into Lot 4 Agricultural Lot Lease No. 106 to Harry K. Purdy III, and Lot 4A Subsistence Agricultural Lot unencumbered; Ho`olehua, Moloka`i; Authorization to Extend the Term of Lease No. 106 to Harry K. Purdy III.

RECOMMENDED MOTION/ACTION

Executive Assistant Jobie Masagatani presented the following:

Motion that the Hawaiian Homes Commission approve the following:

1. Authorize the Chair to consolidate Lot 4 TMK 5-2-07:31 encumbered by Residence/Agricultural Lease no. 106 to Harry K. Purdy III with Detached Agricultural Lot 4 TMK 5-2-07:79 and 5-2-07:88 currently unencumbered; and re-subdivide into two lots: (1) Agricultural Lot no. 4 encumbered by Lease no. 106 to Harry K. Purdy III (approximately 37 acres); and Subsistence Agricultural Lot 4A (approximately 3 acres) with access. The consolidation/re-subdivision is subject to the following conditions:
 - a. Lease terms and conditions are brought up to date;
 - b. Lessee is in good standing; and
 - c. The proposed map and location of the two new lots, including access easements, are approved by the Chair.
2. Authorized the payment of costs to complete item no. 1, including reimbursement to lessee Harry K. Purdy III for any appropriate costs with prior DHHL approval. Reimbursement costs are not to exceed \$25,000.
3. Authorize extension of Lease No. 106 for an additional 100 years.

MOTION

Moved by Commissioner Awo, seconded by Commissioner Helm, to approve the motion as stated in the submittal.

DISCUSSION

Also connect by Zoom were Harry Purdy III, his wife Marlene Purdy, and daughter Kilia Purdy.

Commissioner Neves asked how the Department accesses the water tanks. H. Purdy stated the Department has back area access that goes through a homesteader's property. There is no clear DHHL road that goes directly to the tanks. Commissioner Neves asked that the access road that is being proposed will not impede his operations. H. Purdy stated not at all. Mrs. Purdy stated the eastside roadway could go all the up to the two tanks.

J. Masagatani stated there is no easement. The Department proposes to retain it like an easement as a roadway for access to the water tanks. Staff doesn't want the access too easy for the safety of the water tanks. When 4A is issued, it will be an emergency roadway for the Department.

Commissioner Ka'upu stated he thinks that 4A should be a flag lot that includes access down to the roadway and that the Department should retain as an easement over 4A for access to the water tanks.

Commissioner Neves stated, so there is no water access at the bottom of 4A. H. Purdy stated they would have to get their own and get it from the top, and they have to pay for their meter. J. Masagatani stated it's like what Commissioner Ka'upu suggested, the property flag lot to 4A and the pole of the flag running the entire length of lot 4. It solves the access problem.

Commissioner Neves stated the bigger question is who would be responsible for maintaining the new roadway. J. Masagatani state that it is something that can be discussed with the new lessee. Commissioner Neves asked if the roadway would be fenced to protect the Purdy's orchard. J. Masagatani stated the Department would check on what is standard practice with a new award.

Commissioners Helm and Namu'o commended the Department on the work done and voice their support for the Purdys. Commissioner Ka'upu voiced his support and consideration regarding his suggestion on the lot.

Mrs. Purdy stated they know that they have two generations to take care of their homestead and the business to continue their legacy.

Chair Aila asked if Commissioner Ka'upu is okay with the motion because he had a different configuration. Commissioner Ka'upu stated he thinks the squaring off of the lot makes more sense, but it is okay to approve today with the configuration drawn instead of waiting two months. J. Masagatani stated the final delineation is set with the Chair. She stated they would look at the option of squaring off the lot and get more information.

ACTION

Moved by Commissioner Awo, seconded by Commissioner Helm, to approve the motion as stated in the submittal.						
Commissioner	1	2	'AE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo	X		X			
Commissioner Helm			X			
Commissioner Ka'apu						X
Commissioner Kaleikini			X			
Commissioner Ka'upu		X	X			
Commissioner Namu'o			X			
Commissioner Neves			X			
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			8			1
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED Motion passed unanimously- eight [8] Yes votes.						

ITEMS FOR INFORMATION/DISCUSSION

GENERAL AGENDA

REQUESTS TO ADDRESS THE COMMISSION

ITEM J-6 Donna Sterling – Kahikinui

D. Sterling requested that the Commission help empower lessees to be better homesteaders. The road improvements made by DHHL were not enough for the 22 vacant lots that need to be leased to beneficiaries. She asked that the Department not take any action until their cattle working group reviews the plans. On May 23, 2021; the community got together, which included the two Associations; one recognized by the Department and the other not, on the plan that was presented by a cattle expert on how he would remove the animals from the forest and the homestead area. A vote was taken to start a cattle-working group dedicated to helping with the community's needs. A community survey was taken and the Kahikinui Kuleana Support Plan was created. A Lokahi Team was created to assist the community. There is also a petition in support of the ungulate removal. To date, there are 85 signatures. At a meeting, Commissioner Awo was informed of the plan. The community was informed there was a plan to work with DLNR to take over the forest. D. Sterling stated they don't want another state agency taking over the homesteaders' lives or their forest.

Commissioner Awo stated that reforestation and the community's health and safety are the current issues. The health and safety issue due to the cattle being killed and the carcass left behind on homestead land.

Chair Aila stated there are three issues; one is the cattle posing a hazard to beneficiaries living at Kahikinui. The second is fencing off 4,500-acres and removing ungulates within the fenced area. The third issue is to work with the Department to remove other ungulates in the area. He stated the Department would have to partner with DLNR because DLNR is the legal entity that governs game mammals. Cattle is not a game mammal, so DHHL will have to manage the cattle on Hawaiian homelands. The Department will work with KOOK.

ITEM J-2 Liliana Napoleon – President Nā'īwa Association

L. Napoleon represented the Nā'īwa Subdivision on Moloka'i. They are asking for the Commission's continued support. Currently, they are nearing the environmental assessment. She stated that they don't have the funds secured for construction and when that time comes around, she asked that the Department allocate funds for that.

Chair Aila asked for their continued support to the Legislature. He explained that even though the Department gets a lump sum of funding, the money is often directed to spend it for a specific project. He asked L. Napoleon to help in letting the Legislature know the need for construction funds for Nā'īwa so the Legislature can allocate specifically for Nā'īwa.

Commissioner Teruya asked what the Nā'īwa project was and if he could highlight it. S. Matsunaga stated the Nā'īwa Agricultural Subdivision as part of the accelerated program awarded in the mid-80s. Planning and design funds were received from the Legislature to further the Nā'īwa subdivision. They have gone through a pre-consultation, started the environmental

assessment, and the preliminary engineering report is being prepared to accompany the Draft EA. The initial assessment was \$9-\$10 million, but those numbers need to be updated.

ITEM J-4 Kekoa Enomoto – Pa‘upena Community Development Council

K. Enomoto testified about the DHHL accelerated awards before the Maui Affordable Housing Committee. Her testimony ignited responses for four Hawaiian Homes proposals for two county resolutions, a DHHL general grant provision, and a Maui County Charter amendment. The Council chose to support the DHHL projects and initiatives. (Technical difficulties 2:32)

ITEM J-5 Princeslehuana Kumaewakainakaleomomona – Wait List

P. Kumaewakainakaleomomona stated she asked for a fair hearing twice and was denied twice, and without any reason why. She is seeking a solution or an option to get to a Hawaiian homeland before she passes. She has been on the waiting list for 30-years.

ITEM J-4 Kekoa Enomoto – Pa‘upena Community Development Council

(2:39 continued after Item J-5) K. Enomoto continued reading her testimony to the Maui Affordable Housing Committee.

Chair Aila stated the Accelerated Awards Program was a way that the Commission and the Director sought to get beneficiaries involved by issuing the lots out so the beneficiaries on the waitlist and who received the awards would go to the Legislature to lobby for funds. K. Enomoto stated that they would advocate for their brothers and sisters on Moloka‘i in Nā‘iwa for funds from the Legislature.

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Helm to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions issue pertaining to the Commission’s powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

12:09 PM

The Commission anticipates convening an executive meeting pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission’s powers, duties, privileges, immunities, and liabilities on these matters.

1. Update on *Richard Nelson III et al., v. Hawaiian Homes Commission*, Civ. No. 07-1-1663

EXECUTIVE SESSION OUT

1:08 PM

ITEMS FOR INFORMATION/DISCUSSION

GENERAL AGENDA

REQUESTS TO ADDRESS THE COMMISSION

ITEM J-9 Blossom Feiteira – Maui Concerns

B. Feiteira stated she was frustrated that Commission packets are constantly void of certain items and cannot address if against or in support of. Her examples were the Budget and the blood quantum, where presentations were done in the past year without information in the packets. She asked Chair Aila to address that issue.

B. Feiteira stated the Kuhio Awards has a more defined timeline and can attach a lease to an upcoming development in place or the future. She heard what K. Enomoto said about the accelerated awards and stated that 2500 applicants got a lease after waiting 30 years. In part, it was because the Department did not have sufficient funding to address those lease awards. She mentioned. Nā‘iwa is one of the accelerated awards being realized, but the Department still has outstanding undivided accelerated awards on Kaua‘i.

B. Feiteira stated there is also a more sophisticated group of beneficiaries that understand the budgeting process with the Legislature and assist the Department in moving a budget allocation forward on the beneficiaries’ behalf. She stated she advocates for a reinstatement of the undivided interest program because kupuna is continuously being lost on the waitlist, thus denying their successor the opportunity to realize the benefits of being on Trust lands.

She asked that the Commission reinstate the meetings that used to have before the pandemic relative to the Pūwalu. She stated it is going on 3-years with no interaction with people and the staff to discuss matters of importance like laying out a budget strategy to present to the Legislature.

Regarding Resource Management, B. Feiteira stated Kahikinui waited for 26-years to see its forest get attention. She thanked the Department for moving forward and establishing a partnership with DLNR.

B. Feiteira stated the Commission provided support for establishing a working group for Kalaupapa and meeting with the staff to talk about structuring the working group and the issues and challenges that Kalaupapa may face with the National Parks. The federal government couldn’t be trusted as they have never been able to keep agreements made with native people across the nation for over 200 years. The government has made drastic decisions relating to Kalaupapa that have impacted the beneficiaries’ ability to see the future of Kalaupapa as the NP started with the environmental impact statement and decided to switch over to an environmental assessment which has not yet been filed. She stated the federal EIS does not follow Chapter 343; it is following the National Historic Preservation Act. An EIS at the federal level is compared to an EA at the state level. Section 106 has been closed with no MOU in place. There is a part in the programmatic agreement that looks to defer maintenance in the park for 25-years. She stated the National Park is embarking on an update of their utility system estimated to be around \$25 million with no EA to do it. There is also the danger of uncovering iwi kupuna, in which there are over 3,000 unmarked burials in Kalaupapa.

Chair Aila stated there are plans in the Budget for a Pūwalu.

Commissioner Awo stated that Department being a signatory to the Programmatic Agreement (PA) gives the Department the ability to weigh in on issues. In the PA, he stated by the time you read Section 106; certain matters become moot because it's already deactivated in the PA.

Chair Aila stated that the PA is about how things will be carried forward as he understands it. Individual projects will still have their own EA and their consultation process. Any activity proposed by the National Park Service (NPS) will have to undergo EAs unless exempted, and Section 106 consultation will be conducted on a project by project basis. The PA does not give the NPS to do anything they want. Being a signatory on the PA means the Department can call a timeout, have discussions with the NPS and other state agencies, if necessary, move to have the PA dissolved. If so, it's back to square one and or appeal to the Advisory Council on Historic Preservation about disagreements in the PA. Chair Aila stated before he signed the Programmatic Agreement, he wanted it in writing that the NPS would continue to have discussions with the Department and through the Department and beneficiaries of other organizations. The Department received a letter of the NPS's commitment, and it is a move forward.

Chair Aila acknowledged Commissioner Awo's assistance in making a difference in enclosing the fence for the 4,000 acres in Kahikinui and keeping the promise the Department made to the original inhabitants of Kahikinui.

ITEM J-10 Sam Kalalau III – Wakiu Community Development Corporation

S. Kalalau is the Interim President for the Wakiu Community Development Corporation. They have nine board members and formed on August 14, 2020. He stated that the Wakiu's CDC's highest priority is for beneficiaries to have the opportunity of homeownership. He asked that the Commission's support in its upcoming budget deliberations include the Wakiu Hawaiian homelands in Hana as Hana faces severe house shortage.

Chair Aila stated the Department's staff in Planning would be interfacing with him to move things forward to be homesteaded. Chair Aila stated that the Department would be needing the community's help in obtaining sufficient sums to move that project forward.

Commissioner Awo encouraged S. Kalalau to continue and also let him know that he is available to talk story.

- ITEM J-1 Gil Campbell – Lease concerns (deferred)**
- ITEM J-3 Jerome Kekiwi Jr. – President Na Moku Aupuni o Ko'olau Hui (no contact)**
- ITEM J-7 Melonie Serion – Royal Sovereign Queen (no contact)**
- ITEM J-8 Naomi Pua Pahukoa – Kahikinui (no contact)**
- ITEM J-11 Noelani Lee – Kahikinui (no contact)**

ITEMS FOR DECISION MAKING

REGULAR AGENDA

ADMINISTRATIVE SERVICES OFFICE

ITEM H-1 Approval of the Fiscal Year 2022 Department of Hawaiian Home Lands Budget

RECOMMENDED MOTION/ACTION

Administrative Officer Rodney Lau and Executive Assistant Jobie Masagatani presented the following:

Motion that the Hawaiian Homes Commission approve the Fiscal Year 2022 Department of Hawaiian Home Lands' Budget.

DISCUSSION

R. Lau stated in the General Fund Budget; current expenses were reduced by \$2 million, so they had to do the spread and allocate the costs. He thinks the Budget being presented to the Commission is solid.

In the last 3-years of the general fund budget, there was a decline in the general fund support and funding of the personnel positions, which dropped from 200 positions to 160 positions; between 2021 and 2022, there was a difference \$2 million. He stated they had to allocate according to the permitted use of each of the funds. The parity between 2021 and 2022 is a \$3.8 million difference. R. Lau stated it took a long time to get it right.

J. Masagatani addressed the concerns brought up by Commissioner Awo and Blossom Feiteira and stated that staff strives to get the documents out promptly, and it is a challenge every year.

J. Masagatani talked about the process and stated that staff starts with the Sufficient Sums budget, which begins the budgeting cycle. Then they go through the Legislative process to see what gets funded by the Legislature. The staff receives the worksheets and everything needed from the Legislature in the middle of May. From mid-May to Mid-June, staff works on putting the Budget together. Considering the Development Budget and the Operating Budget, the staff identifies what can be afforded and where it can be spent.

Commissioner Helm asked if the additional 11 positions are there to be filled or need to be created. J. Masagatani stated many of the positions exist and need to be filled, and a subset needs to be established as civil service. The Governor has asked that Budget & Finance provide a prioritized list; as the economy gets better, more positions can be requested and filled.

Commissioner Teruya stated the Commission did not travel because of COVID and asked which Budget saw the savings. J. Masagatani stated the travel expenses for the Department come out of the general fund and administration accounts. Chair Aila stated that the State was looking at a \$1.6 billion deficit, so the Governor put restrictions on everybody's spending each quarter.

Commissioner Teruya asked how the positions are broken down as far as civil service positions, exempt positions, and contract positions. J. Masagatani stated the majority of the positions are civil service or exempt. The Department is converting the vacant exempt positions into civil service positions. The positions that are occupied exempt will be converted to civil service. The

exempt positions are like a contract, but there isn't a formal contract; they are extended on a year-to-year basis. Their employment is based on funding and the authorization and the extension of that "contract" for an additional year.

Commissioner Teruya asked about filling the enforcement positions. J. Masagatani stated that is a high priority for the Department. There are technical challenges because there isn't a clean classification for that, and the job description needs to be updated to reflect the type of activities the positions take on.

Commissioner Neves asked for clarification of the administrative account. J. Masagatani stated the operating fund looks about the same. The only money that is not DHHL's money is the general fund. The administration account is DHHL's money, but DHHL cannot spend it unless appropriated by the Legislature. The Operating Fund, which is a Trust fund, is also DHHL's money, but a portion of it is appropriated and a portion that is not appropriated.

Commissioner Neves asked what the Department is asking for the Commission to approve its \$5.7 million of additional funds that the Commission has control of? J. Masagatani stated that's correct. Commissioner Neves asked the Department needs to refill what was taken out. J. Masagatani stated not every department can access resources as DHHL does within its discretion. It is a policy call for what staff is recommending to not lose momentum in the upcoming year by filling the gap from the cuts left in the general fund with trust funds that the Commission has the authority to do.

Commissioner Neves asked what accounts need to be reduced to make this work. It's good to know where the cut was made, but now it has to be refilled. What did the Department do in 2020 that it will continue to do in 2022? If it's not approved, what accounts are affected, and can it be cut back, or is the Department at bare bones? J. Masagatani stated she would say bare-bones or close.

J. Masagatani stated the amounts included in the operating fund that's non-appropriated, the \$5.7 million. If the Department had the general fund, it would have funded all the expenses under the general fund.

Commissioner Neves suggested a quarterly review of the Budget of where all the actual costs are, like electricity and the other expenses. Still, every quarter the Commission is watching it. He stated the Department keeps drawing from the fund but not investing in trying and getting money back. The Department should be paying it through the investments. He would like to see a quarterly review of the Budget and invest it with interest earned. He mentioned that getting the report last minute is difficult for all the Commissioners.

Commissioner Ka'upu asked where the litigation expenses are? J. Masagatani stated the litigation expenses are under services on a fee basis along with the consultants.

Commissioner Kaleikini asked about the \$3.9 million breakdowns. J. Masagatani stated they would get that to him. Commissioner Kaleikini asked if the \$114 million in the trust fund is what was discussed on Friday. J. Masagatani stated no resources are coming out of the Hawaiian Home Lands Trust Fund. Staff considered the Commission's concern about the amount of spending coming out of the HHL's Trust Fund, which was \$37.5 million. \$31.15 is coming out of the Trust Fund; staff eliminated and saved about \$6 million.

Commissioner Kaleikini asked what staff's standard process for monitoring the Budget throughout the year. J. Masagatani stated that once the budgets are approved, the divisions take the lead, and their managers are good at staying within the allocated budget parameters. The Chair is allowed the discretion if adjustments need to be made in the line items. Commissioner Kaleikini supports Commissioner Neves' suggestion of a quarterly report.

Commissioner Awo appreciated the mana'o from the other Commissioners. He asked about the mandate to convert to civil service for the positions and asked what the percentage forecast for the exempt positions is. J. Masagatani stated the exempt position has to be converted to civil service to be filled.

Commissioner Neves stated that the first quarter variance report should have end-year actual numbers by the time that report is out. Most of the funds waiting for Commission approval are for the projects that have to happen. He stated when it was said that staff reduced other occurring expenses, he thought it was other things, but it's projected that are real and not something that can cut. Commissioner Awo agreed.

Chair Aila stated that he received an email from the Governor and announced his veto list that puts the Legislature on notice. A couple of budget bills that the Governor has indicated that he's going to the line-item veto. The justification is that the Legislature appropriated the American Rescue Plan funding in situations that may not be proper, having had the guidance provided later. Chair Aila stated he is fairly sure that it will not impact the funding for the Department's positions, but he cannot commit to that without seeing the Governor's spreadsheets.

Commissioner Teruya asked who the Hale Service Providers are. J. Masagatani stated they are the Department's vendors to assist with the lease cancellation services, the contested case process; these are the contracts that go to entities like Hawaiian Community Assets, Helen Wai, Nanakuli Housing Services. Commissioner Teruya asked about the development budget in attachment B, lot development regarding the Voice of America in Maili carry over \$696K. She asked what the \$800K was used for. S. Matsunaga stated that they started the environmental assessment for the project. Commissioner Teruya asked if the VOKA payment was for the Villages of Kapolei. S. Matsunaga confirmed.

Commissioner Neves asked for a copy of the Budget for Kaua'i for all the islands to the Commissioners. Chair Aila stated Rodney Lau has committed to that.

Chair Aila deferred Agenda Item H-1 for decision making to tomorrow.

ITEM H-2 Transfer of Hawaiian Home Receipts Money at the End of the Fourth Quarter, FY 2021

RECOMMENDED MOTION/ACTION

Administrative Officer Rodney Lau presented the following:

Motion that the Hawaiian Homes Commission approve the Transfer of the entire receipts deposited in the Hawaiian Homes Receipts Fund as of June 30, 2021, to the Hawaiian Homes General Loan Fund

MOTION/ACTION

Moved by Commissioner Helm, seconded by Commissioner Neves, to approve the motion as stated in the submittal.						
Commissioner	1	2	‘AE (YES)	A’OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm	X		X			
Commissioner Ka‘apu						X
Commissioner Kaleikini			X			
Commissioner Ka‘upu			X			
Commissioner Namu‘o			X			
Commissioner Neves		X	X			
Commissioner Teruya			X			
Chairman Ailā			X			
TOTAL VOTE COUNT			8			1
MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED Motion passed unanimously- eight [8] Yes votes.						

RECESS
RECONVENED

3:15 P.M.
3:20 P.M.

ITEMS FOR INFORMATION/DISCUSSION

WORKSHOPS

OFFICE OF THE CHAIRMAN

ITEM C-2 For Information Only – Workshop on Hawaiian Homes Commission Policy Actions for the NAHASDA Program

RECOMMENDED MOTION/ACTION

None. For information only. Legislative Analyst Lehua Kinilau-Cano presented the following: L. Kinilau-Cano stated they tried to group the policies by type to make them manageable and came up with 5-categories: general program policies, loan subsidies policies, program policies, the potential acquisition of properties policy, and the emergency housing assistance policy.

There are five policies being submitted to the Commission for its review to be brought up next month for approval.

1. Financing Policy
2. Housing Counseling Policy
3. General Admissions and Occupancy Policy
4. Rental Assistance Program Policy
5. Emergency Housing Assistance Policy

Note: Slide presentation attached.

DISCUSSION

Commissioner Teruya asked about Item C-5 if DHHL purchased the property in 2012 and sold it in 2013. L. Kinilau-Cano stated she is not aware that the Department purchased the property. The Commission authorized the Chairman to negotiate and consummate the acquisition of lots from Central Pacific Bank. It also authorized the Department to amend its existing Budget to include a line-item for acquiring the property. It authorized the use of Trust dollars or any NHHBG funds for the acquisition of real property. L. Kinilau-Cano stated it was never completed, but the Commission approved authorization.

Commissioner Teruya stated to her understanding the project Keola Pokai Bay Oahu has 70 lots and was sold in 2012. Chair Aila stated staff could get that answer for Commissioner Teruya. Commissioner Teruya asked about the phrasing “but not limited to it.” L. Kinilau-Cano stated it was called real estate owned; it goes back to the bank; it’s formerly owned land that the bank now has. It was approved by the Commission in February 2012.

Commissioner Helm asked if the 22 lots for Item C-3 are fulfilled. L. Kinilau-Cano stated to her knowledge; she does not believe they are all fulfilled. Commissioner Helm asked about the recent lots for Camara, Dudoit and Adolpho, and Awai. L. Kinilau-Cano stated that Camara is waiting on the contractor to provide documents to get the appraisal done. Adolpho just completed a document, and Awai is waiting on a document. Commissioner Helm asked if there are opportunities for new applicants. L. Kinilau-Cano stated there are.

ITEM C-4 For Information Only – Update on Activities for the Centennial of the Hawaiian Homes Commission Act of 1920, as amended

RECOMMENDED MOTION/ACTION

None. For information only. Special Assistant Office of the Chairman Niniau Kawaihae presented the following:

N. Kawaihae gave an update on the Centennial of the Hawaiian Homes Commission Act of 1920. On July 9, 2021, there will be celebrations of the signing of the HHC Act of 1920, and one will be hosted on the grounds of DHHL. Deputy Gomes will be traveling to Washington DC to participate in the celebration held there. Special spring water was brought in and distributed to the various groups to use at their celebrations.

PLANNING OFFICE

ITEM G-1 For Information Only – Water Policy Plan Implementation Program Report for FY 2021 and Draft Water Policy Plan Implementation Program for FY 2022

RECOMMENDED MOTION/ACTION

None. For information only. Acting Planning Manager Andrew Choy and Dr. Johnathan Scheuer presented the following:

A. Choy stated the presentation is for information only for the Water Policy Plan Implementation Program Report for FY 2021 and Draft Water Policy Plan Implementation Program for FY 2022. Dr. Jonathan Likeke Scheuer will be presenting.

Dr. Scheuer stated the presentation has three parts:

1. The HHC Water Policy Plan (WPP) Development and Content;

2. WPP IP Report FY 2021
3. WPP IP FY 2022

Dr. Scheuer stated there are four priority goals

1. Affirmatively Communicate
2. Aggressively advocate
3. Water Assets Inventory
4. Watershed Protection

Note: Slide presentation attached.

DISCUSSION

Commissioner Helm asked Dr. Scheuer when he expects to hear from the State's Water Resource Commission to request additional water for Moloka'i. Dr. Scheuer stated they have their water use permit application and hope for action by the Water Commission by next month. That would be to increase the amount of the permit withdrawal from the two existing Wells.

Commissioner Neves asked if it was possible to get information for Kauai on different water issues for Pu'u Opai, the hydroelectric plant, the kuleana in Anahola, and non-potable water. He would like to stay on top of the water issues.

A. Choy stated pre-COVID, Planning Office, to give updates on water issues related to each island and return to that practice. Kaua'i is in the August or September timeframe, and the Department will come up with the Kaua'i issues update.

Commissioner Ka'upu asked A. Choy about the budget slide, if it gets submitted to him and then to the Budget discussed today. Dr. Scheuer stated he gets the numbers from Andrew, and it is supposed to reflect what is planned.

Chair Ailā stated the Commission would recess till tomorrow at 9:30 a.m.

RECESS

4:05 PM

HAWAIIAN HOMES COMMISSION

Minutes of June 22, 2021, via Interactive Conferencing Technology (ICT)
DHHL Main Office, Hale Pono'i, Kapolei, O'ahu, Hawai'i

Pursuant to proper call, the meeting of the Hawaiian Homes Commission was held via teleconference, moderated by Chairman William Ailā Jr., from Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, O'ahu, Hawai'i, beginning at 9:30 a.m.

PRESENT William J. Ailā Jr., Chairman
Randy K. Awo, Maui Commissioner (via ICT)
Zachary Z. Helm, Moloka'i Commissioner (via ICT)
Michael L. Kaleikini, East Hawai'i Commissioner (via ICT)
Russell K. Ka'upu, O'ahu Commissioner (via ICT)
Pauline N. Namu'o, O'ahu Commissioner (via ICT)
Dennis L. Neves, Kauai Commissioner (via ICT)
Patricia A. Teruya, O'ahu Commissioner (via ICT)

EXCUSED: David B. Ka'apu, West Hawai'i Commissioner

COUNSEL Ryan Kanaka'ole, Deputy AG (via ICT)

STAFF Tyler I. Gomes, Deputy to the Chairman
Leah Burrows-Nuuanu, Secretary to the Commission
Andrew Choy, Acting Planning Manager
Kahana Albinio, Acting Land Management Division Administrator
Juan Garcia, Homestead Services Division Administrator
Cedric Duarte, Information & Community Relations Officer
Stewart Matsunaga, Acting Land Development Division Administrator
Paula Ailā, Acting Contact and Awards Division Administrator
Jamilia Pacheco, Information Specialist
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Ailā called the meeting to order at 9:38 a.m. eight (8) members were present via Zoom at roll call.

Pursuant to the Governor's 21st Proclamation, related to COVID-19 Emergency, Hawai'i Revised Statutes ("HRS") Chapter 92 regarding public agency meetings and records are currently suspended through August 6, 2021, to the extent necessary to enable boards to conduct business without holding meetings open to the public and to allow state agencies the ability to effectively and efficiently provide emergency relief and engage in emergency management functions.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

Chair Ailā stated there was no public testimony submitted.

Chair Aila noted the carry-over of Item H-1 from yesterday's meeting. The Commission will convene into executive session for about 60 minutes at noon. DAG Ryan Kanaka`ole is Counsel for the Commission

ITEMS FOR DECISION MAKING

REGULAR AGENDA

ADMINISTRATIVE SERVICES OFFICE

ITEM H-1 Approval of the Fiscal Year 2022 Department of Hawaiian Home Lands Budget

Chair Aila stated there was information sent to the Commissioners, and he asked if the Commissioners had any questions for R. Lau.

DISCUSSION

Commissioner Neves stated he sent a note to R. Lau regarding H-1, Attachment A; the total in the column comes out to \$5,078,200. R. Lau stated he added the column on an adding machine tape, and the total came out to \$5,732,445.

Commissioner Namu`o referred to page 15 of the handout, which shows the fiscal years 2020, 2021, and 2022. She noted the Legislature appropriated \$18,638,060 and gave the Department 200 positions; in 2021 the Legislature gave 149 positions and \$15,532,062; and in 2022 the Legislature appropriated 160 positions and \$14,751,668. She assumed that the recommendation is that the Department utilize \$4,373,272 of the Hawaiian Homes Operating Funds to achieve parity with the General Fund level of 2020.

R. Lau stated the General Fund position count was 200 in 2020, and the Department has funded 200 positions. In 2021, the position count was 200 positions, but the Legislature appropriated funding for 149 positions. In 2022, the position count was 200, but the Legislature funded only 160 positions. The shortfall to meet the parity is in the non-appropriated section.

Commissioner Teruya commented she would support the Budget. She thanked Rodney and Jobie for working late on the Budget and the funding going into the Nanakuli/Waianae districts. Commissioner Namu`o also commended the staff for the work on the Budget. Commissioner Helm also expressed thanks.

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Namu`o, to approve the motion as stated in the submittal.						
Commissioner	1	2	‘AE (YES)	A’OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Awo			X			
Commissioner Helm			X			
Commissioner Ka‘apu						X
Commissioner Kaleikini			X			
Commissioner Ka‘upu			X			
Commissioner Namu‘o		X	X			
Commissioner Neves			X			
Commissioner Teruya	X		X			
Chairman Ailā			X			
TOTAL VOTE COUNT			8			1
MOTION: [X] UNANIMOUS [] PASSED [X] DEFERRED [] FAILED Motion passed unanimously- eight [8] Yes votes.						

ITEMS FOR INFORMATION/DISCUSSION

HOMESTEAD SERVICES DIVISION

ITEM D-1 HSD Status Reports

- A- Homestead Lease and Application Totals and Monthly Activity Reports
- B- Delinquency Report

RECOMMENDED MOTION/ACTION

Loan Services Manager Dean Oshiro presented the following Homestead Services Status Report:

PLANNING OFFICE

ITEM G-2 For Information Only – Honokowai Homestead Development Plan Draft Environmental Assessment, Kaanapali Moku, Maui and Anticipated Finding of No Significant Impact (AFONSI) TMK Nos. (2) 4-4-001:015; (2) 4-4-002:003, 008, 009, 011, 015, 018, and 038

RECOMMENDED MOTION/ACTION

None. For information only. Acting Planning Manager Andrew Choy presented the following:

A. Choy introduced Planner Malia Cox who presented the PowerPoint presentation.

M. Cox noted the following purposes of the briefing:

1. Master Planning of Honokowai
2. Summary Highlights from the Draft Environmental Assessment (DEA)
3. The Criteria for Finding of No Significant Impact for the Final Environmental Assessment to satisfy Chapter 343, HRS
4. Project Schedule

M. Cox stated the lands in Honokowai were not part of the DHHL Trust but controlled first by the Sugar Company and then by the Pineapple Company. In 1995, the land was conveyed to DHHL by DLNR as part of Act 14. DHHL received the lands between 1996-2011, but components of the larger tracts were not included: the Honokowai Gulch, the Honokowai Reservoir, and several and utility quarters.

In 2003 the Master Plan was developed for Honokowai. In 2004 a Maui Island Plan was done, which included the Honokowai lands.

In 2004 DHHL received a gift of land, which is Lealii. DHHL focused on developing 104 residential homes, which have already been awarded, and 250 residential homes under development.

In 2019 to date, DHHL Beneficiary Consultation Meetings were held for the Honokowai Master Plan Update for subsistence ag lots.

Note: Slide presentation attached.

DISCUSSION

Commissioner Helm asked if people were receptive to her presentation or if she had any opposition. A. Choy stated that Julie Cachola took the lead in the consultation process. Most of the beneficiaries were receptive to the development of additional homes there. One predominant question throughout the consultation was when will they get their lots, so there is a strong interest in homesteading, particularly in subsistence agricultural homesteading. The beneficiaries would like to see it happen soon. J. Cachola stated there was lots of support for the project as they waited a long time.

Commissioner Teruya asked if beneficiaries could have a park in the Master Plan. A. Choy stated a whole range was identified, and the Department wanted to have enough acreage to accommodate the uses. The uses will be developed at specific times when there are lessees and an association to take the lead in determining what will occur in those areas. Commissioner Teruya asked if the 16-acres for industrial use could nightclub be industrial use. A. Choy stated he isn't familiar with the particular zoning codes in Maui. Commissioner Teruya asked if non-beneficiaries can comment on the EA. A. Choy stated beneficiaries and non-beneficiaries could comment.

RECESS

10:35 AM

RECONVENED

10:45 AM

MOTION/ACTION

Moved by Commissioner Teruya, seconded by Commissioner Neves to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issue pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

10:47AM

The Commission anticipates convening an executive meeting pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities on these matters.

1. Update on issues related to Telecommunication and Broadband Services on Hawaiian Home Lands
2. Discussion on Land Commission Awards in the Honokowai Ahupua`a, Ka'anapali Moku, Island of Maui

EXECUTIVE SESSION OUT

11:55 AM

ANNOUNCEMENTS AND ADJOURNMENT

No Community Meeting for June.

NEXT MEETING

The next meeting will be held on July 19 & 20, 2021, Interactive Conference Technology (ICT)

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Helm, to adjourn the meeting.
Motion carried unanimously.

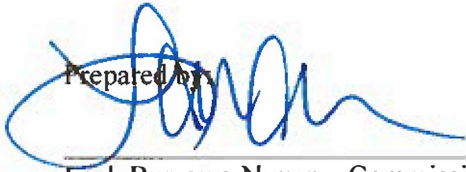
ADJOURNMENT

12:09 PM

Respectfully submitted:



William J. Aia Jr., Chairman
Hawaiian Homes Commission



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

Attachments:

- 1) Public Testimony Donna Sterling, Faith Chase, Iwalani Kadowaki, Kekoa Enomoto, Keokea Homestead Farm Lots Association, Leif Mokuahi
- 2) Item C-3 - Lot Consolidation
- 3) Item H-I Approval of Fiscal Year 2022 DHHL Budget
- 4) Slide Presentation Item G-I Water Policy Plan Implementation Program Report for FY2021
- 5) Slide Presentation Item G-2 Honokowai Homestead Development Draft EA

Public Testimonies

June 15, 2021

Aloha

Chair Aila

Commissioner Randy Awo

Commissioners present

Topic today will be Address Community Driven Kahikihui Cattle Working Group plan to DHHL and the following two subjects;

I have the unfortunate duty to explain what appears to be irreconcilable differences between the Kahikinui Homeowners Association, aka KOOK and the strongly formed Kahikinui Hawaiian Homestead Association that has made successful, full beneficiary reach.

Kahikinui Hawaiian Homestead Association, KHHA, has grown, implemented and persevered critical conversation topics on behalf of the health and safety of Kahikinui homesteaders. It is with all seriousness that KHHA begs your attention to several topics that may have been difficult to focus on within your Commission purview.

KHHA would like a meeting with DHHL Land Management personnel to curate sound solutions for our beloved homestead. We request this of you now, having followed an intense timeline of earnestly trying to communicate and cooperate with the said Homeowners Association, KOOK.

The timeline here clearly exhibits our Homestead Association's genuine attempts. And we noticed all homesteads with DCCR attached to their leases have been scheduled to meet this year with GiGI Why isn't Kahikinui listed?? We hope all Beneficiaries are being represented.

Removing Ungulates from Kahikinui Forest Reserve and surrounding area of the Homestead

At this time, I would like to present a timeline of the events of our community (Ka Ohana O kahikinui and Kahikinui Hawaiian Homestead Assn) working together to address the ungulate removal through the newly formed Kahikinui Cattle Working Group which was voted by consensus of those community members in attendance to these meetings. You may upon request ask for our **Zoom Recordings and Our completed signed Petitions IN SUPPORT OF KAHIKINUI COMMUNITY PROPOSAL FOR UNGULATE REMOVAL and the complete Proposal and methodology for Cattle Removal at Kahikinui lead by Levi Rita. Our Signed Petition is for the Support of Kahikinui Community Proposal for Ungulate Removal along with the Kahikinui Kuleana Support Plan and Lokahi Team . Last count as of today June 15, 2021 is 85 signatures and growing by the time Monday June 21, 2021 comes the numbers will have increased.**

May 13, 2021

Email inviting The Department Land Management Division and staff to a zoom invite to present our cattle working group plan to include the project partner Levi Rita

May 14, 2021

Our zoom meeting was scheduled for 1:00pm May 14, 2021 and at 12:35 pm an email from The Department Land Management responded to the invite and I quote "After review and consideration, because efforts to address cattle and ungulate issues are ongoing with the DCCR recognized association, our office will respectfully decline to participate in your schedule meeting this afternoon."

May 15, 2021

Kook Board meeting virtual present was Donna, Desiree, Commissioner Awo, Kaleo Cullen of Ka Ohana O Kahikinui Board This meeting was driven by KHHA and KOOK Boards.
No recording received after requesting from ka ohana o kahikinui board

May 23, 2021

9 am at communication center in Kahikinui tentative agenda to address ungulate issues both virtual and physical participants to discuss Agenda elections forthcoming Stated nomination of people to run for Board of directors of Ka Ohana O Kahikinui.

May 25, 2021

zoom cattle working group meeting to review details of a community plan both homestead area and forest area and to work with community on solutions

May 25, 2021

Zoom meeting Kahikinui Kuleana Support Plan and Lokahi Team was created. The Kahikinui Community Survey was formed with the intention of helping the Kahikinui Homestead Community with manpower to assist in projects on their lots.

June 1, 2021 Virtual 530pm ungulate with cattle working group. KOOK board no show only Des from KOOK board was in attendance. The reason was a private phone conversation with Chair Aila, Randy Awo, Kaleo, Desiree listened to conversation relayed to those present information. because Des action including the community, Kook board scheduled Executive session on the same day same time as the zoom scheduled community on Sunday June 6, 2021. She was removed from KOOK Board.

June 5, 2021 a scheduled community day to communicate with residents and deploy survey at the main gate and do an ungulate homestead count with manpower walking.

Mahalo Nui for your time
Donna Sterling
Lopt #41 Nawini Road
Kahikinui Homestead

Burrows-Nuuanu, Leatrice W

From: dhhl.icro1@hawaii.gov
Sent: Tuesday, June 15, 2021 4:31 PM
To: Burrows-Nuuanu, Leatrice W
Subject: New submission from Submit Testimony (J-Agenda and Agendized Items)

Name
Faith Chase
Email
faith@planetserver.com
Subject
Submit Written Testimony on Agendized Items
Message
Please listen to your Kahikinui Hawaiian Homestead Association.

Burrows-Nuuanu, Leatrice W

From: dhhl.icro1@hawaii.gov
Sent: Monday, June 07, 2021 5:08 PM
To: Burrows-Nuuanu, Leatrice W
Subject: New submission from Submit Testimony (J-Agenda and Agendized Items)

Name
iwalani Kadowaki
Email
ivkadowaki1949@gmail.com
Subject
Submit Written Testimony on Agendized Items
Message
Do what is righteous

Aloha mai e na Hawaiian Homes Commissioners,

I am beneficiary Kekoa Enomoto of Maui. I testified, as a resource person discussing the DHHL Accelerated Awards Program, before the Maui County Council Affordable Housing Committee two weeks ago. The meeting also featured at least a half-dozen beneficiaries advocating for West Maui Hawaiian Homes projects at Honokowai and Leali'i, plus testimony by DHHL officials Stewart Matsunaga and Andrew Choy.

Attached below please find my five-minute testimony, which ignited questions and responses from all committee members. Their responses included four Hawaiian Homes-related proposals for two county resolutions, a DHHL General Plan provision and a Maui County Charter amendment.

The nine-member Maui County Council, perhaps unprecedentedly, features a majority of Native Hawaiian members and, thus, expressed its willingness to support Hawaiian Homes projects and initiatives. Those council members are:

- . Council Chairwoman Alice Lee representing Wailuku/Central Maui.
- . Council Vice Chairwoman Keani Rawlins-Fernandez representing Molokai.
- . And members:
 - . Tasha Kama representing Kahului/Central Maui.
 - . Tamara Paltin representing Lahaina/West Maui.
 - . Shane Sinenci representing Hana/East Maui.

So let us holomua to benefit from such advantages.

My June 7 council testimony was, as follows:

Aloha no e members of the Maui County Council Affordable Housing Committee,

I am Kekoa Enomoto from Waiohuli native Hawaiian homestead in Upcountry Maui. Hearing organizers asked me to discuss the DHHL Accelerated Awards Program. Under this program, Hawaiian Homes trust beneficiaries receive a lease for an unimproved homestead lot. That is, accelerated awardees get a homestead parcel with boundaries of metes, bounds and pins, but without infrastructure of roads and utilities, including for water, electricity, gas, telephone, broadband and cable TV.

Today I would like to suggest three reasons the DHHL Accelerated Awards Program may help mitigate the affordable-housing crisis in Maui County. These reasons form the acronym SOS, i.e., S for SENSE of ownership; O for OFF Maui waitlists, and S for SELF-DETERMINATION.

First, SENSE OF OWNERSHIP would be felt by Maui waitlist beneficiaries, who would receive an accelerated award and, thereby, be motivated to build their homes.

Second, OFF MAUI WAITLISTS would be the status for some or all 9,190 Valley Isle waitlisters, who would get Accelerated Awards of specific plots of `aina.

And third, SELF-DETERMINATION would be invigorated among accelerated awardees. Renewal of the 38-year-old, dormant DHHL Accelerated Awards Program would stimulate an emerging spirit of sovereignty and self-reliance among homelands beneficiaries. Even now Maui beneficiary leaders are manifesting self-determination to develop homestead subdivisions and install infrastructure via USDA, HUD and other funding sources . . . to undertake these initiatives themselves, instead of waiting for DHHL to do so.

In this context, I would like to excerpt Maui County Council Resolution 86-47 passed unanimously March 20, 1987, "expressing support for the acceleration of the homesteading program of the Hawaiian Homes Commission and urging support by the county administration . . .

"Be it resolved that (1) the mayor (the honorable Hannibal Tavares) is hereby requested to join in supporting the DHHL acceleration program; (2) the Department of Public Works is hereby requested to expedite the appropriate reviews of construction plans submitted by homestead lessees, and issue the necessary building permits if the plans are in conformity with applicable county codes; and (3) the Department of Water Supply is hereby requested to expedite the appropriate reviews of plans submitted by DHHL for the purposes of accelerating the awarding of homestead lots to native Hawaiians."

The nine-member council adopted the resolution with ayes by Linda Crockett Lingle, Goro Hokama, Patrick S. Kawano, Howard S. Kihune, Thomas P. Morrow, Robert H. Nakasone, Wayne K. Nishiki, Velma M. Santos and Joe S. Tanaka.

Councilwoman Tasha Kama and I were among the original 70 accelerated lessees at the Keokea farm lots 3.5 decades ago, in May 1986. The councilwoman founded the Waiohuli/Keokea Hawaiian Homestead Association then representing both the Waiohuli residential and Keokea agricultural Accelerated Awards subdivisions. I advocated over the course of 24 years at the Hawaiian Homes Commission to get Keokea infrastructure, which DHHL installed by 2009. Today I serve as co-founding chairwoman of the board of the Upcountry nonprofit Pa`upena Community Development Corporation and as 2019-23 president of the Maui/Lana`i Mokupuni Council representing 18 homelands entities on two islands.

In conclusion, I commend the 2021 Maui County Council for its interest in the DHHL Accelerated Awards Program that this same body supported 3.5 decades ago with a council resolution. And I send an SOS signal for the Accelerated Awards Program to help mitigate the county's affordable-housing crisis. Mahalo.

Cc: Moanike'ala (Julie-Ann) Cachola <julie-ann.cachola@hawaii.gov>; Randy Awo (randyawo@gmail.com) <randyawo@gmail.com>

Subject: Keokea Homestead Farm Lots Association (KHFLA) - Request for Community Assistance

Mr. William J. Aila Jr.

Chairperson,

Hawaiian Homes Commission

Delivered via e-mail

Aloha Mr. Chairperson and members of the Hawaiian Homes Commission.

Keokea Homestead Farm Lots Association would like to extend our thanks for this opportunity to brief you on the current challenge we are experiencing in Keokea. My name is Robin Pikake Newhouse and I serve my community as President of the Association.

For approximately 10 years our association has worked diligently to develop an economic venue for our farming community. Known as the Keokea Marketplace, we have been serving our fellow beneficiaries and the community-at-large by offering freshly grown produce from our homestead lands and allowing our beneficiaries to use the marketplace to promote their value added products to the Kula community.

We have been able to enhance our community through capacity building and other types of educational workshops, sponsored community events and community building exercises and general informational meetings.

When the first emergency proclamation was issued, our association closed up the marketplace, and stored our facilities and landscape maintenance equipment as we do after every event.

When the restrictions were partially lifted, we decided we should re-open on a limited basis to get "our feet under us" once again. We were shocked and saddened to learn that everything we worked for was gone. Everything.

We called the police and filed a report, however they were not able to do much in terms of investigating the loss of our property.

The marketplace served as our economic hub for beneficiaries who are actively farming or developing new products and we were slowly and deliberately achieving our objectives.

Mr. Chair, it took our community close to seven years to accumulate good, quality materials, equipment and supplies for the marketplace. We were very careful to maintain everything to minimize cost of replacement. Without these supplies and equipment, we will be forced to start again, building, securing and replenishing what was taken.

We are asking the Commission and the Department for a hand up in restoring the marketplace so we can move our plan for economic self-sufficiency forward.

Your support for our community is much needed and if approved, much welcomed.

Mahalo for the attention to this matter and the Keokea Hawaiian Homes Farmlots Association looking forward to working with you all on our request.

Mahalo,

Robin Newhouse

KHFLA President

Pikake462@yahoo.com



Keokea Homestead Farm Lots Association (KHFLA)

936 Keanuhea Street
Kula, HI 96790

6/17/2021

DHHL
ATTN: Leatrice W. Burrows
nuuanu@hawaii.gov

RE: Equipment Replacement List for Community Use

	Description	Cost	Total
President	4 - Lifetime table and chairs (24) set 28pcs.	\$1,469.00	\$5876.00
Robin Pikake Newhouse	1 - Ohenry 40 x 60 Frame tent	\$14,435.00	\$14,435.00
Vice President	1 - 20x20 High peak tent	\$3200.00	\$3200.00
Noelani Spaulding	2 - Starwood Rack 10 x 20 pop-up	\$351.00	\$702.00
Secretary	1 - John Deer Lawn mower 54" 0 turn 25 hp gas	\$3499.00	\$3499.00
Laurie Takatani	2 - Murphy ladder 10'	\$132.00	\$264.00
Treasurer	2 - Gorilla ladder 18'	\$189.00	\$378.00
Andrew `Aukai Hatchie Jr.	4 - Night vision wireless security cameras	\$58.00	\$232.00
Board of Directors	5 - Igloo 90 qt.	\$81.00	\$405.00
Alika Akana, sergeant-at-arms	5 - Igloo 60 qt.	\$40.00	\$200.00
Richard Dancil	2 - Coleman 150 qt. Marine cooler	\$160.00	\$320.00
Creighton Low	2 - Echo Gas weed Trimmer	\$329.00	\$658.00
Lynnette Sanchez	2 - 1 Gallon Gas Can	\$15.00	\$30.00
Les Moki Takatani	2 - 5 Gallon Gas Can	\$24.00	\$48.00
	5 - 0.95 Crossfire TrimmerString	\$17.00	\$85.00
	2 - Rakes	\$30.00	\$60.00
	1 - Pick and Shovel	\$50.00	\$50.00
	1 - Lauper	\$50.00	\$50.00
	5 - Garden Hoses w/ Nozzle	\$64.00	\$320.00
	1 - Matson Container	\$5000.00	\$5000.00
	Total:		\$35,812.00

Leif K Mokuahi Sr.
3516 Ala Aloalo pl
Honolulu, Hi 96818
(808) 389-0403
lmokuahi@gmail.com
4/15/2021

William J. Ailā, Jr.,
Chairperson
Department of Hawaiian Homelands Commission
P.O. Box 1879
Honolulu, Hi 96805

Dear William J. Ailā, Jr., :

I am writing you this letter to formally request for an exchange of leased property, Parcel Number: 240400240000 (732 IAUKEA ST Honolulu, Hi 96813), to another property due to extensive physical and medical hazards that deem the property unlivable and a danger to my family's lives.

First off, our leased property is a 3 generation home. Originally leased to my grandfather, passed down to my father, and then myself. I have been raised and have raised 3 children and 1 grandson on this land. Our family is very active in the community and supporters of community programs. We have done everything, with-in our means, to maintain the property but over the years the up-keep had proved to be too much.

In 2015 we were forced to vacate the premises and rent elsewhere while we began plans to rebuild our home. Reasons for the vacancy are as follows:

- My wife, 53 yrs. old, became disabled due to renal failure. She is currently on dialysis, has glaucoma, chronic neuropathy and pain. She has been battling for 13 years. (attached is a letter from my wife's PCP to confirm the ailments)
- My mother, 80 years old, is hemiplegic to her right side due to a stroke.
- The 2nd floor of our living area became completely demolished due to rain, wind and sun exposure. As a result, the walls developed a dangerous mold.
- Due to the topography of the parcel, there is 30+ external steps to the 1st floor of the living quarters. Additionally, there is 15 internal steps to the 2nd floor which contains the 3 sleeping quarters and the 1 and only working full bathroom.

Our home had become a danger to my love one's physical wellbeing. Over the years, we have gone as far as meeting with a few contractors, completed a ground survey and met with Home Street Bank for a rehabilitation loan. In conclusion, due to the topography of the land, all the work needed to make my home livable and return my family back to the land I grew up on would cost us close to \$1,000,000. I am currently paying \$30,000+ a year to rent and a \$1,000,000 mortgage, on top of that, is near impossible for a blue collar worker.

As much as I would love to remain on this parcel of land and pass this down to my son, I am getting older myself and a \$1,000,000 30-year mortgage would not be prudent for our family's future.

In closure, I would like to thank you for your time, consideration, and reiterate my request to obtain a transfer of leased Parcel Number: 240400240000 (732 IAUKEA ST Honolulu, Hi 96813) to another parcel, preferably Papakolea (If available, Parcel Number: 240400340000 – 739 IAUKEA ST. Honolulu, Hi 96813). I want to return my family back to the land that I was raised on and was set aside for our rehabilitation as native people.

Sincerely,

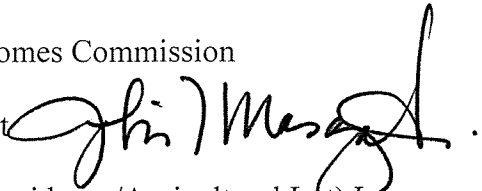
Leif K Mokuahi Sr.
3516 Ala Aloalo pl
Honolulu, Hi 96818
(808) 389-0403
lmokuahi@gmail.com

ITEM C-3 Lot Consolidation

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

June 21-22, 2021

To: Chairman and Members, Hawaiian Homes Commission

From: Jobie Masagatani, Executive Assistant 

Subject: Approval of consolidation of Lot 4 (Residence/Agricultural Lot) Lease no. 106 to HARRY K. PURDY III and Lot 4 (Detached Agricultural Lot) unencumbered and re-subdivision into Lot 4 Agricultural Lot Lease no. 106 to HARRY K. PURDY III and Lot 4A Subsistence Agricultural Lot unencumbered; Ho`olehua, Molokai; authorization to extend the term of Lease no. 106 to HARRY K. PURDY III.

Recommended Action

That the Commission approve the following:

- (1) Authorize the Chair to consolidate Lot no. 4 TMK 5-2-07:31 encumbered by Residence/Agricultural Lease no. 106 to HARRY K. PURDY III with Detached Agricultural Lot 4 TMK 5-2-07:79 and 5-2-07:88 currently unencumbered; and re-subdivide into two lots: (1) Agricultural Lot no. 4 encumbered by Lease no. 106 to HARRY K. PURDY III (approximately 37 acres); and Subsistence Agricultural Lot 4A (approximately 3 acres) with access. The consolidation/re-subdivision is subject to the following conditions:
 - a. Lease terms and conditions are brought up to date;
 - b. Lessee is in good standing; and
 - c. Proposed map and location of the two new lots including access easements is approved by the Chair.
- (2) Authorize the payment of costs to complete item no. 1 including reimbursement to lessee HARRY K. PURDY III for any appropriate costs with prior DHHL approval. Reimbursement costs are not to exceed \$25,000.
- (3) Authorize extension of lease no. 106 for an additional 100 years.

Discussion

At the May 2021 Hawaiian Homes Commission meeting, Item C-4 was presented to the Commission for information (Attached as Exhibit B). At that meeting, Commissioner Neves requested that a conceptual map identifying the approximate location of the two

lots be included as part of the submittal seeking authorization to proceed. Attached as Exhibit A is a map showing the approximate location of the two lots.

Mr. Purdy is currently in compliance with his lease. He occupies his residence, and actively cultivates Lot 4. Further, he has no outstanding loan balance with the Department and his property taxes are paid. A small balance of less than \$20 is outstanding on his lease rent which was brought to the lessee's attention and will be brought current by the lessee before the end of June 2021.

Mr. Purdy has also demonstrated his ability to cultivate a portion of the increased acreage as he currently does so under a right of entry from DHHL. The inclusion of the increased acreage to his homestead lease, however, will allow Mr. Purdy to take advantage of U.S. Department of Agriculture (USDA) financing and other resources that he currently may not be eligible for due to the short- term nature of the right of entry.

New Lot 4 and Lot 4A Configuration

Upon initial review, placement of the new lot 4A to the back of the existing parcel is recommended for the following reasons:

- (1) Proximity to the Department's existing water tanks is closer at the top of the parcel. Therefore, any water lines that may be needed to service the new lot may not need to travel as far to service both Lot 4A and the upper boundary of Lot 4.
- (2) The new Lot 4A driveway could also potentially serve as a secondary emergency road to the DHHL water tanks. This would require further due diligence by DHHL staff, however, to confirm if this is an option DHHL would like to pursue. If upon investigation a secondary access road makes sense without compromising the security of the tanks, DHHL could retain the right to utilize this driveway easement/emergency road as necessary.

If DHHL use of this driveway/emergency road is made clear as a part of the new lease agreement for lot 4A, this is easier to sustain than trying to secure access via an existing driveway after many years of quiet enjoyment by a lessee and expectation that the driveway only serves as an entry into the lot.

According to Mr. Purdy, an infrequently used dirt driveway currently exists on the eastern side of Lot 4 that provides access to the top of the parcel.

- (3) Placement of the access to the east side of Lot 4 minimizes impact to the existing improvements and crops currently in place including an extensive concrete driveway, a mature macadamia nut grove, and additional crops that extend up to the lower border of the gulch.
- (4) The proposed configuration is acceptable to the current lessee, Mr. Harry Purdy.

Further due diligence by DHHL staff is necessary to confirm whether this proposed configuration makes the most sense based on the topography of the land, the existing infrastructure and improvements onsite and offsite, and any other factors that should be considered. As noted in the recommended action, the final configuration of the two lots will require approval by the Chair.

Payment of Expenses

Staff is recommending that expenses incurred by the lessee to complete any survey or other costs that may be necessary to complete the consolidation and re-subdivision of the two lots be reimbursed by DHHL. This recommendation is based on the following:

- (1) The task requires that certain steps be undertaken whether those steps are completed by DHHL or by the lessee. These steps may include surveying, adjustments to property descriptions with the County of Maui, identification of easements, etc. Further, the outcome of two lots - one encumbered by Lease no. 106 and one unencumbered within DHHL's inventory intended for award to the next applicant on the waiting list - is the same whether the process is completed by DHHL or by the lessee.

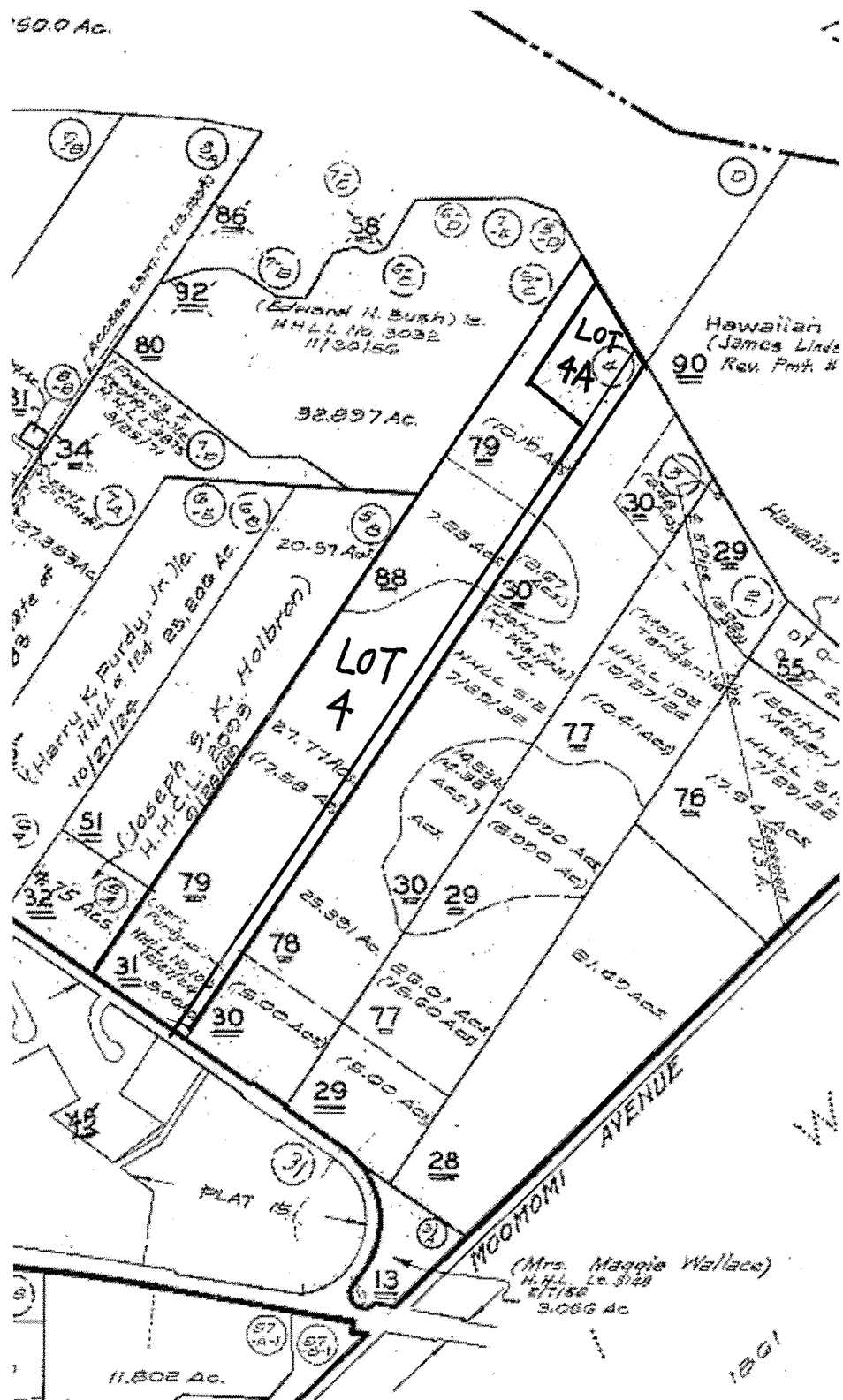
Given current staffing levels, other priorities, and state procurement processes it is highly likely that the lessee will be able to accomplish some, if not all, of the steps in a more expeditious and cost effective manner.

- (2) The Department has reimbursed lessees for subdivision costs in the past, under a program that is no longer in operation, and has provided reimbursement for telecom infrastructure installation, due to extraordinary circumstances. The mechanism and authority to provide a reimbursement to a lessee for DHHL authorized expenses already exists. Note that any reimbursement would require DHHL's prior approval.

Lease Extension

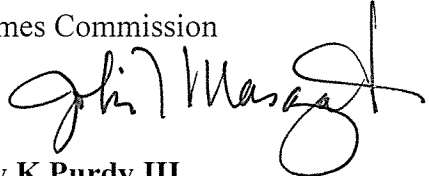
Lease no. 106 is scheduled to end on October 26, 2023. Staff is seeking the Commission's approval to extend this lease for an additional 100 years as authorized under section 208 of the Hawaiian Homes Commission Act, as amended.

NOT TO SCALE



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 17-18, 2021

To: Chairman and Members, Hawaiian Homes Commission
From: Jobie Masagatani, Executive Assistant 
Subject: Request for Additional Acreage **Harry K. Purdy III**
Residence/Agricultural Lot Lease no. 106, Lot 4 Hoolehua, Molokai--.

Recommended Action

For information only.

Discussion

Request

Mr. Harry K. Purdy III (Mr. Purdy) and his family actively cultivate agricultural products, primarily macadamia nuts, and reside on a five-acre residence/agricultural lot in Hoolehua, Molokai, under residence/agricultural lot lease no. 106, lot 4 (also referred to as lot 4A). The farm is a primary source of income for Mr. Purdy, and inspection of his file indicate that he has consistently maintained and grown his operations since May 1980 when he received the lot via a transfer from Mr. Frank Kupau.

Beginning in February 1990, correspondence from Mr. Purdy to the Department of Hawaiian Home lands (DHHL) indicate that his current lot was at its maximum cultivation, and that additional acreage was needed to expand his operations and reduce his operating expenses due to his need to import nuts for his business from Hawaii Island. Mr. Purdy's request was for the adjoining 35 acre detached agricultural lot 4 (a.k.a. lot 4B) that is land locked, currently unencumbered, and in DHHL's inventory.

Background

Early History

Lot 4 was originally awarded to Mr. Albert Perkins under lease no. 106 with a commencement date of October 27, 1924. The original property description lists the property as "Lot 4 as shown on said Government Survey Registered Map No. 2719." This map, attached as Exhibit A, shows the size of lot 4 at 40 acres.

On September 28, 1949 lease no. 106 was transferred to Mr. Henry W. Kupau. On January 19, 1952 lease no. 106 was transferred from Mr. Henry W. Kupau to Mrs.

Josephine Kupau. On November 3, 1958 lease no. 106 was transferred from Mrs. Josephine Kupau to Mrs. Gladys K. Hulu.

Lot 4 Into Two Parts

On December 12, 1966 Mrs. Gladys K. Hulu transferred lease no. 106 to her son, Frank K. Kupau. However, Commission minutes in the file report that:

“Upon the transfer of Lot 4 (Houselot) by Mrs. Gladys Hulu and the award by the Commission of the said Lot 4 (Houselot) to Mr. Frank K. Kupau, the lease of Lot 4 (Agricultural) to Mrs. Gladys Hulu terminates.

In cases of this nature, it is the Commission's current policy to reaward such agricultural lots to the next person on the established list of Molokai homesteaders waiting for the award of such agricultural lots.

The next person on the waiting list for agricultural lots is Mrs. Evan English, Lot 35-D1&2 (Houselot), Hoolehua, Molokai. The staff recommends the award of Lot 4 (Agricultural), Hoolehua, Molokai, to Mrs. English.”

The Commission approved the staff's recommendation and the award was made on January 20, 1967. The 35-acre detached agricultural lot, at this time, was planted with pineapple and subject to a planter's agreement with the California Packing Corporation that was a source of additional income to the lessee.

From this point forward, lot 4 was divided into two parts: the residence/agricultural portion covered under lease no. 106 to Mr. Frank Kupau and the detached agricultural portion covered under lease no. 3160 to Mrs. Evan English.

The lot is also made up of three TMK parcels: 5-2-07:31 (under lease no. 106), 5-2-07:79, and 5-2-07:88 (under lease no. 3160). Attached as Exhibit B is a copy of the TMK parcels as identified in the current county property tax records, and attached as Exhibit C is a copy of the exhibit attached to the current lessee's Assignment of Lease and Consent document. Note that TMK 5-2-07:88 appears to be a gulch parcel of approximately 7.23 acres.

On January 28, 1977 the Hawaiian Homes Commission accepted Mrs. Evan English surrender of the detached agricultural lot back to DHHL. Since that time the lot has remained unleased in DHHL's inventory.

Lease no. 106 to Mr. Harry Purdy III

On May 23, 1980 Mr. Frank Kupau transferred lease no. 106 to Mr. Harry Purdy III. At the time of the transfer, Mr. Purdy held an agricultural lease to lot no. 69-E that commenced on July 22, 1978.

Lot no. 69-E was eventually subdivided and transferred to two different family members at Mr. Purdy's request. Lot 69-E-2 was transferred to Anne H.P. Ritte on August 29, 1989 and lot 69-E-1 was approved for transfer to Anna L. Chillingworth on March 21, 1995.

Purdy Request for Additional Acreage

The first written request from Mr. Purdy that is included in the file is dated February 28, 1990 and received by the Commission on April 24, 1990. In this letter Mr. Purdy requests either an acquisition of lot 4B or an exchange of lot 4B for lot 69-E.

The response to Mr. Purdy's request is dated April 16, 1990 and was also received by the Commission on April 24, 1990. Both the Purdy request, the Department's response, and the minutes of the Commission meeting when Mr. Purdy discussed his request are included as Exhibit D. The exchange of lots was deemed by the Department not to be an exchange, but a surrender of an existing agricultural lease and an award of a new agricultural lease. This required that the Department award the new lease consistent with the rules governing the process for award of leases. Further, the Department's response identifies lot 4B as intended for the next interested applicant on the waiting list.

The minutes indicate that in order to prepare the lot for award, an easement would need to be secured and water improvements may be necessary. These constraints still exist, and should be addressed before award of the lot to the next interested applicant can occur. Consequently, the lot still remains in DHHL's inventory at the current time.

The current rules governing the award of additional acreage (discussed in greater detail below) are very similar to the rules in place in 1990. Only minor changes have been made since that time. Therefore, although Mr. Purdy has been a consistent and strong advocate for his request for additional acreage (both written requests to the Department and Commission minutes document many appeals by Mr. Purdy), the Department's position and responses to his requests have essentially remained unchanged since 1990.

Revocable Permit/Right of Entry

Mr. Purdy currently holds a right of entry to the 35 acre lot 4B. In April 2015, the Commission reduced the fee he was charged to \$1 per year, to provide him some financial relief in his farm operations.

Options

Option 1: Amend existing DHHL Administrative Rules

Background

Hawaii Administrative Rule (HAR) section 10-3-25 Award of additional acreage indicates that a "lessee of an agricultural or pastoral lot may make a written request for additional acreage of the same class."

The rules also specify how an award of additional acreage is to proceed, which is essentially in the same manner followed for typical lot awards. Section 10-3-7 Priority and preference for award of leases indicates that “applicants shall be considered for award in the order in which their completed applications were received by the department;” provided that awards shall first honor the order established by previous (but now non-operational) waitlists such as area wait lists and wait lists established by priority order.

Section 10-3-7(b) also provides that “in making awards, the department shall give preference to an applicant who is not a lessee, or whose spouse is not a lessee.” Further, section 10-3-7(c) states that “an applicant who is a lessee, or whose spouse is a lessee, shall be placed on a deferred status until each applicant given preference as provided under subsection (b) has been offered a lot...” The pertinent rules related to award of additional acreage is included as Exhibit E. The unofficial version is provided for reading ease.

Although Mr. Purdy has not submitted a DHHL application for additional acreage, the earliest written request for additional acreage in Mr. Purdy’s file is dated February 28, 1990, as noted above.

If the Commission were to accept this as Mr. Purdy’s date of application, under the existing DHHL Administrative Rules, the offer of lot 4B would have to be made to all applicants that are not a lessee or whose spouse is not a lessee, and any lessee with an earlier application or written request date. As of April 30, 2021, the Molokai agricultural waiting list numbered 1,100.

Although the parcel is currently land locked, if the lot were to be accepted by an applicant access to the lot will need to be secured for the new lessee, requiring an easement across lot 4A.

Description of Option

Under this option, the current Administrative Rules would be amended in order to provide greater discretion to the Commission to directly award adjoining land-locked parcels as additional agricultural acreage to a current agricultural lessee who is in compliance with the terms of their lease including active cultivation.

Pros: Addresses Mr. Purdy’s request and provides discretion to the Commission to offer the same option to other lessees in a similar situation.

Other Considerations: This option prevents the opportunity to award the land to another beneficiary on the waiting list who is not an existing lessee or married to a lessee. Any Commission action should evaluate and consider why the benefit of additional acreage to an existing lessee outweighs the benefit of an award of land to an applicant that has yet to receive a lease.

Further due diligence would need to occur to vet the impact of such a rule change on the homesteading program. For example, how many lessees are in a similar situation? On what island? What are the unintended consequences of the rule change?

Finally, staff is concerned about the unforeseen consequences of making a rule change that impact the entire DHHL homesteading program to address a single lessee request with a specific unique set of facts.

Option 2: Consolidate and re-subdivide the lots

Description of Option

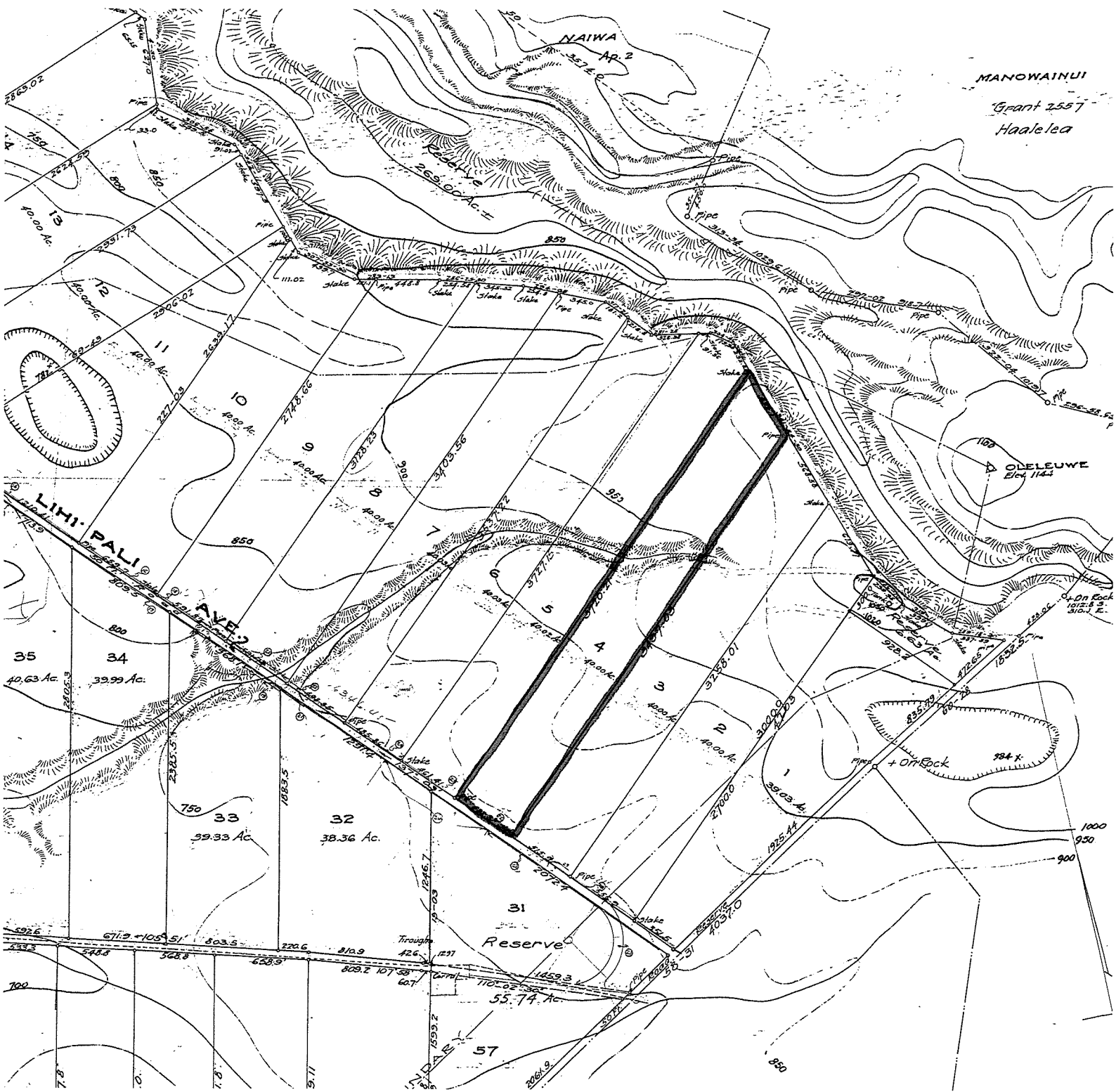
Under this option the two lots, the residence/agricultural lot 4 (5 acres) and the detached agricultural lot 4 (35 acres) would be consolidated and re-subdivided into two lots: subsistence agricultural lot 4B of three acres or less with access; and residence/agricultural lot 4 (approximately 37 acres inclusive of approximately 7.23 acres of gulch.) Mr. Purdy's lot description for lot 4 would be amended to include the new metes and bounds of lot 4 (approximately 37 acres.)

Pros: This option provides a potential win-win providing additional agricultural acreage to Mr. Purdy and a subsistence agricultural lot with access in DHHL's inventory. This option begins with two lots and ends with two lots. Mr. Purdy could continue to utilize subsistence agricultural lot 4B under a right of entry until such time that DHHL's resources allow for it to put in place the necessary infrastructure to award the lot to the next interested applicant on the waiting list.

Other Considerations: Other lessees in a similar situation may request a similar action from the Department.

Next Steps

At this point, staff recommendation is to proceed with Option 2. Following discussion with the Commission of the available options, if there are no objections, staff will proceed with the appropriate follow up to present a submittal to the Commission for action at a future meeting.



Ex B June '21
C-3

Exhibit A

C-4 May 2021 HHC

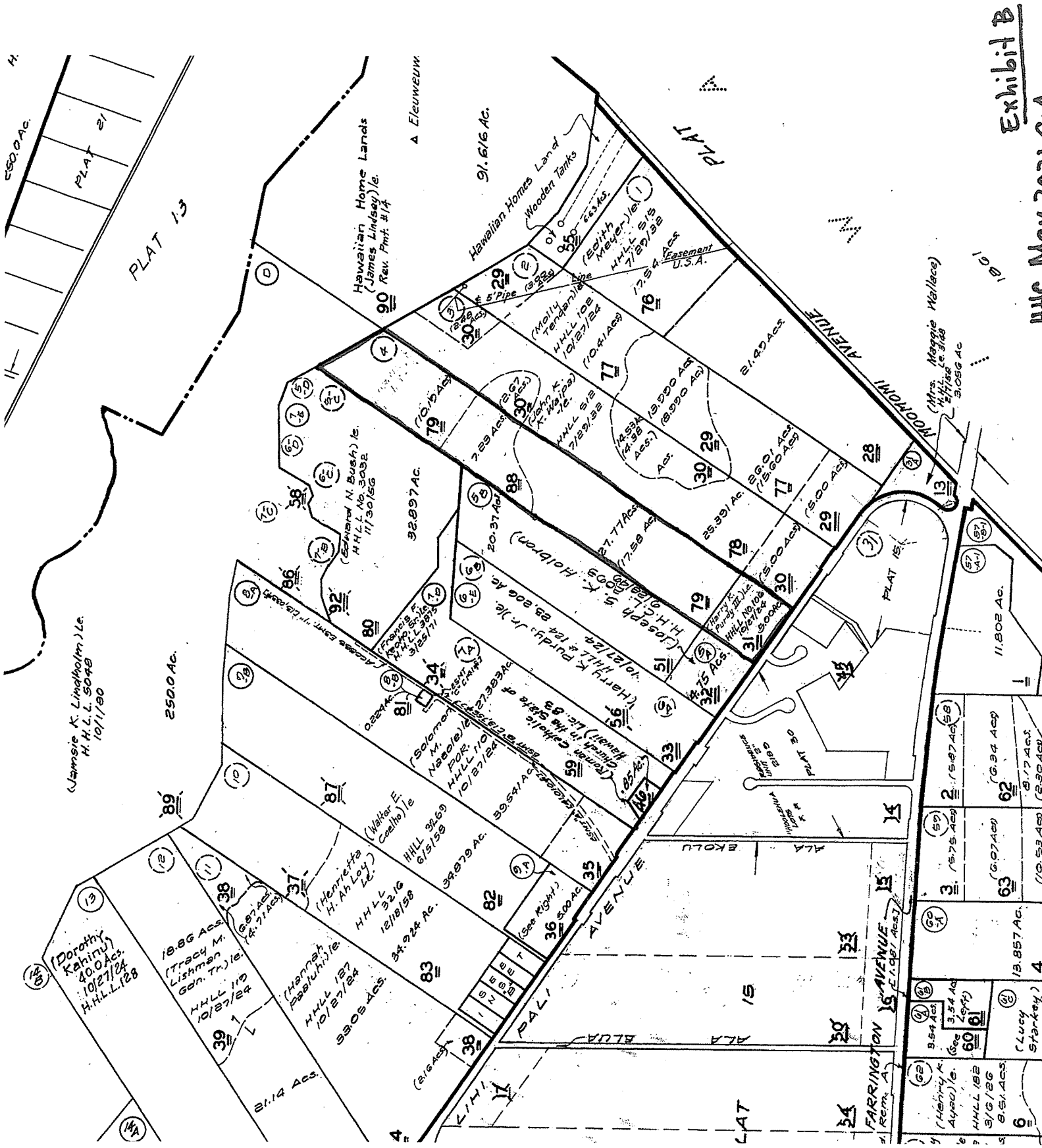


Exhibit B
HAWAIIAN HOMES LAND

Ex B June '21
C-3

Lessee: Mrs Evan English
HHLL #3160, 35 acres agriculture
dtd, ~~4-11-58~~
Lot 4 ~~1-20-67~~
Hoolahua, Molokai

10.19 acres
pine use

7.23 acres
gulch

17.58 acres
pine use

Lot 4

(10.19 ac)

79

(7.23 ac

88

(17.58 ac)

79

6

Lessee: Frank Kupau
HHLL #106
dtd 10-27-24
Lot 4
TMK: 5-2-07-31

5.00 acres
houseslot

31

LIHI PALI AVE

Ex. B June '21
C-3

#HC May 2021 C-4
Exhibit C

MAP NOT DRAWN TO SCALE

February 28, 1990

Aloha Chairman Hoaliku Drake,

My name is Harry K. Purdy, III from the island of Molokai, homesteader of lot 4 and 69, Hooolehua.

I have a request to acquire an agriculture lot, TMK: 5-2-07:79 & 88, map attached, which was part of the original 40 acres, I am now lessee of only 5 acres, TMK: 5-2-07:31.

In 1980, I received lot 4-A on a transfer and from 1983 to 1990 I became a self sufficient business, which involves a 62 year old macadamia grove and combined with our visitor industry, both my mom and myself operate and manage this small, but ever growing business. We also employ another homesteader part-time. I have utilized the total 5 acres by planting more macadamia trees and other agricultural products.

I come to the Hawaiian Home Commission now only because: 1) I've utilized all of my property. 2) Our business deems it necessary to plant more to become financially secure. At the present time, I purchase majority of macadamia from the Big Island. My total gross income for the last 4 years has been over \$50,000. When bills are paid, very little is left. 3) It took my wife and I 2 years to acquire agriculture water to our property, now being totally used. I am more than willing to expand with more planting of fruit trees, but need more land. 4) The land I'd like to acquire is not on the list for award. It is landlocked, with no access and has been sitting dormant for the last 10 years with no available water.

In conclusion, as a homesteader, I am asking that you consider my request and grant me a lease to Lot 4-B, so I can continue to grow as an agriculture business, for the betterment of our own family and also to employ more homesteaders in our area.

Lot 69-E was acquired through the waiting list in 1978. When ag water was finally connected in late 1979, I became a successful ti-leaf and flower grower on that property. I would prefer to retain this lot because a lot of hard work was put into it and alot exists on that land.

TMK: 5-2-07:31, lot 4-A	consists of	5.0	ac.
5-2-07:79, lot 4-B	"	27.77	ac.
5-2-07:88, lot 4-B	"	7.23	ac.
5-2-23:08, lot 69-E	"	5.973	ac.
		45.973	

There are three options to consider:

- 1) Acquire lot 4-B which is attached to lot 4-A
- 2) Exchange ag lot 69-E, which is detached for lot 4-B
- 3) If I could transfer lot 69-E to a member of my family.

Your time and consideration will be greatly appreciated. I would appreciate a reply prior to the March 20 Commission Meeting, in case there are any questions that I can answer.

Mahalo A Nui Loa,

Harry K. Purdy, III

Received at HHC Honolulu 4-24-90

HHC May 2021 C-4 p1 of 4

Ex.B June '21
C-3
Exhibit D

JOHN WAIHEE
GOVERNOR
STATE OF HAWAII



HOALIKU L. DRAKE
XXXXXXXXXXXXXXXXXXXX
CHAIRMAN
HAWAIIAN HOMES COMMISSION

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
P. O. BOX 1879
HONOLULU, HAWAII 96805

April 16, 1990

Mr. Harry K. Purdy, III
P. O. Box 84
Hoolehua, Hawaii 96729

Dear Mr. Purdy:

SUBJECT: Request for Additional Agricultural Acreage

Your request to obtain Agricultural Lot No. 4-B, Hoolehua which is situated adjacent to your present Lot No. 4-A is hereby acknowledged.

Lot No. 4-B is not available for awarding at this time as it is land locked. However, when this parcel becomes available for homestead leasing, it will be offered to the next qualified and interested applicant on the waiting list.

Your option of exchanging your detached agricultural Lot No. 69-E for Lot No. 4-B is not an exchange. This would be a surrender of the lease on Lot No. 69-E, and an award of a new lease on Lot No. 4-B. Rules 10-3-25, Award of additional acreage; 10-3-24(a), Agricultural and pastoral leases; and 10-3-7, Priority and preference for award of leases provide for an orderly process of awarding homestead leases including the awarding of additional acreage of the same class.

You may transfer your lease on Lot No. 69-E to any person who is at least one-half Hawaiian, eighteen years old, and who is financially capable to assume any outstanding indebtedness and obligations on the lease. You relinquish your interest in the lease to the transferee who continues the remaining term of the lease. We note that on May 23, 1989, you transferred a 3-acre portion of this lot to Mrs. Anne H. P. Ritte.

Rule 10-2-11 of the department's Administrative Rules require a two-week notification if you wish to appear before the commission. As it is already too late for the March 20, 1990 commission meeting, you may request an appearance for the April 24, 1990, meeting on Oahu, or the June 26, 1990, meeting on Molokai.

Ex. B June '21
C-3
Gm.

Received at HHC Honolulu 4-24-90

P 2 of 4

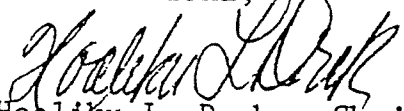
Exhibit D

Mr. Harry K. Purdy, III
Page 2
April 16, 1990

If there are any further questions, please contact
Mr. Gregory G. Helm, Sr., District Supervisor of the Molokai
District Office, telephone 567-6104.

We acknowledge your hard work in the active cultivation of
your farm homesteads, and thank you for your kokua.

Warmest aloha,


Hoaliku L. Drake, Chairman
Hawaiian Homes Commission

HLD:HVY:gl

cc: Molokai District Office

bcc: ☒ LESSEE FILE
☐ APPLICANT FILE (#)
☐ FISCAL OFC -
☐ OTHERS -
☐ APPLICATIONS BR -
☐ LDD -
☐ RETURN APP FILE
☒ O.D.O. Pending File - RKA/LNI/HVY/RKM
☐ LOANS BRANCH -
☐ FAMILY COURT FILE
☐ AWARDS BR -

Ex. B June '21
C-3

Exhibit D

MINUTES OF April 24, 1990, Meeting held in Honolulu, Oahu

Other Areas of Concern:

Harry K. Purdy, III - Mr. Purdy of Molokai was on hand to explain his request for additional agricultural acreage. Copies of correspondence between Mr. Purdy and the department were distributed at the meeting and are included within these minutes. He desired to expand his farm through a proposed exchange of one of his two lots for an adjacent land-locked parcel.

Mr. John Hirota explained the department's policy and priority of awarding land to the next qualified and interested applicant on the waiting list. An award would be possible if the department had an easement through Mr. Purdy's lot, installed the necessary infrastructure, and subdivided the parcel. Mr. Purdy argued that the parcel has been vacant for 15 years. He is opposed to a general lease since it would be a short term arrangement. Growth and harvesting of macadamia nut trees requires a longer term lease.

Responding to Commissioner Brandt, Mr. Stewart Matsunaga stated that the department has not taken action to award this parcel since an easement is required and the process is long and tedious. He noted that all the lots on the road are currently leased. In addition, a booster pump may be needed to provide water service. He further reported that the department is focusing on developing infrastructure for the lots awarded during acceleration. Mr. Purdy requested that his needs be considered.

MOTION

Commissioner Brandt moved, seconded by Commissioner Robertson, to defer this matter until legal counsel and staff may consider the situation and arrive at a solution.

DISCUSSION

The commission commended Mr. Purdy for his farming efforts.

ACTION

Motion carried unanimously.

Oahu shall be made to applicants who are residing on the island of Oahu at time of application; provided further that a lessee of an agricultural lot on Oahu shall not be allowed to hold any other homestead lease. [Eff 7/30/81; am 2/3/83; am 8/1/85; am and comp 10/26/98; am 3/31/17] (Auth: HHC Act §222) (Imp: HHC Act §207)

→ **§10-3-25 Award of additional acreage.** (a) A

lessee of an agricultural or pastoral lot may make a written request for additional acreage of the same class.

(b) A lessee shall be contacted for an award in accordance with section 10-3-24(a).

(c) A lessee shall be eligible for lot selection provided the lessee has actively cultivated and used the agricultural or pastoral lot and is in compliance with all terms and conditions of existing leases.

(d) Following determination that a lessee is eligible for lot selection, the lessee shall be notified as provided in section 10-3-24(b).

(e) Following lot selection, the lessee shall submit a plan as required in section 10-3-24(c) incorporating into the plan, all existing acreage.

(f) Decision for award shall be based upon the provisions of section 10-3-24(d). [Eff 7/30/81; am and comp 10/26/98; am 3/31/17] (Auth: HHC Act §222) (Imp: HHC Act §207)

§10-3-26 Residence on agricultural and pastoral lots, when. (a) Upon award of an agricultural or pastoral lot, the applicant shall reside on the island on which the leasehold is located or move to that island within three years.

(b) A lessee of an agricultural lot of not more than three acres shall within three years:

(1) Reside and cultivate subsistence agriculture on the lot. Additional dwelling units shall

- (E) The circumstances of the present lessee indicate sufficient need for relocation to justify the department's withholding of the residence lot to be leased from availability to qualified applicants, if any, for leases in that area and the department's awarding of a lease of that residence lot to the relocating lessee.
- (4) Exceptions to this limitation shall be made only after notice of the department's consideration of such action has been given through the posting of the agenda and after full disclosure of the material facts has been made in a public meeting. [Eff 7/30/81; comp 10/26/98] (Auth: HHC Act §222) (Imp: HHC Act §207)

→ **§10-3-24 Agricultural and pastoral leases. (a)**

When agricultural or pastoral lots become available for award, the applicant shall be contacted in accordance with section 10-3-7.

(b) The department shall notify applicants of the date, time, and place of lot selection. The department shall defer applicants who fail to appear or select.

(c) Except for agricultural awards of not more than three acres and UXO lands, the applicant shall submit a plan for the development of the lot no later than three months following lot selection. The plan shall include but not be limited to:

- (1) Crops to be grown or livestock to be raised;
- (2) Estimated expenses;
- (3) Estimated gross income;
- (4) Method of financing;
- (5) Market plan;
- (6) Timetable for operation;
- (7) Purpose of farm - subsistence, supplemental, commercial, or otherwise; and
- (8) Other assistance needed in terms of:

(A) Labor, number of individuals, tasks to be performed; and
(B) Technical assistance.
(d) Decision for award of agricultural lots of more than three acres and pastoral lots shall be based upon:

- (1) Review and acceptance of the plan's feasibility; and
- (2) Evaluation of the general knowledge and experience of the applicant or the experienced individual who will assist in the development of the lot. That general knowledge or experience or combination thereof may include but not be limited to the following:
 - (A) Member of the Hawaii young farmer association or a future farmer of America graduate with two years of training with farming projects;
 - (B) Satisfactory vocational agriculture course in high school;
 - (C) Satisfactory completion of an agricultural curriculum at a university or community college leading to a bachelor of science or an associate degree in agriculture;
 - (D) One year full-time work experience on a farm or ranch;
 - (E) Completion of study at classes conducted by the University of Hawaii extension service; or
 - (F) Persons who have had at least two years of experience as part-time farmers or ranchers.

(e) For agricultural awards of not more than three, lot size shall be determined in accordance with the current island plan as approved by the commission and lot quality factors such as topography, natural resource availability, and soil quality.

(f) In recognition of the shortage of available lands on the island of Oahu in relation to available lands in the State, an award of an agricultural lot on

on which the lessee resides. [Eff 7/30/81; am 8/1/85; am and comp 10/26/98] (Auth: HHC Act §222; HRS §91-2) (Imp: HHC Act §207)

§10-3-6 Island-wide waiting lists. (a) The department shall maintain area waiting lists until the lists are exhausted. Applicants on a waiting list for any area will be placed on the respective island-wide residential lot, agricultural lot, or pastoral lot waiting list according to the date and time stamp described in section 10-3-3.1(a)(2). Applicants on a waiting list for an area will be considered first for award of any lots in the area. Applicants on the island-wide waiting list shall be considered for award according to the date and time stamp described in section 10-3-3.1(a)(2).

(b) Applicants wishing to transfer their completed application on one island-wide waiting list to another island-wide waiting list may do so. Upon the completion of the transfer, the transfer date will replace the original date of application. No applications will be accepted for any area waiting list. [Eff 7/30/81; am and comp 10/26/98; am 3/31/17] (Auth: HHC Act §222) (Imp: HHC Act §207)

→ **§10-3-7 Priority and preference for award of leases.** (a) Except as otherwise provided in section 10-3-11 relating to Lanai awards, applicants shall be considered for award in the order in which their completed applications were received by the department; provided that awards shall first be made according to ranking in existing priority I, II, and III waiting lists in that order until those waiting lists are exhausted. Thereafter, awards shall be based on numerical designation by date of completed application on the area waiting list, then on the island-wide waiting list, except as otherwise provided in this chapter.

(b) In making awards, the department shall give preference to an applicant who is not a lessee, or whose spouse is not a lessee.

(c) An applicant who is a lessee, or whose spouse is a lessee, shall be placed on a deferred status until each applicant given preference as provided by subsection (b) has been offered a lot; provided that an applicant who is a lessee, or whose spouse is a lessee, shall not be placed on a deferred status and may be offered a lot if the applicant or the applicant's spouse states in writing that the applicant or the applicant's spouse, as the case may be, will transfer an existing lease or surrender an existing lease to the department before, and as a condition for, the award of a new lease.

(d) An exception to subsection (c) may be made if the lessee of a residential lot or the spouse of a lessee of a residential lot is awarded a new agricultural or pastoral lot which is unimproved and on which a residence cannot be constructed. In this case, the transfer or surrender of the residential lease may be postponed until such time as the new agricultural or pastoral lot is improved and a residence can be constructed on the new lot. [Eff 7/30/81; am 1/20/86; am and comp 10/26/98; am 8/6/14] (Auth: HHC Act §222) (Imp: HHC Act §207)

\$10-3-8 Transfer of application rights. (a) An applicant may designate an individual relative who is at least eighteen years of age and a native Hawaiian from among the following to succeed to the applicant's application rights upon the death of the applicant:

- (1) Husband or wife;
 - (2) Child;
 - (3) Grandchild;
 - (4) Father or mother;
 - (5) Widow or widower of a child;
 - (6) Brother or sister;
 - (7) Widow or widower of a brother or a sister;
- or

ITEM H-1
DHHLBUDGET
FY 2022

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

June 22, 2021

TO: Chairman and Members, Hawaiian Homes Commission
FROM: Rodney K. M. Lau, Administrative Services Officer
SUBJECT: Approval of Fiscal Year 2022 Department of Hawaiian Home Lands Budget



RECOMMENDED MOTION/ACTION

1. Approval of the Fiscal Year 2022 Department of Hawaiian Home Lands Budget and authorize the Chairman to shift funding of expenditures between cost elements and funds as warranted but not to exceed the total budget and any shift in funding between cost elements by the chair shall not exceed \$500,000.
2. Approval of Fiscal Year 2022 Development budget and allow for amounts not encumbered in FY 2021 to be encumbered in FY 2022. For the Development budget items, allow the Chair's authority to shift funding between cost elements if not to exceed \$1,000,000.
3. Approval to transfer \$15,000,000 from the Hawaiian Home Administration Account to the Hawaiian Home Operating Fund.

DISCUSSION

Purpose 4: Administrative and Operating Costs

Pursuant to HB 200 HB1 SD1 CD1, the State Legislature appropriated \$14,751,668 in general funds, \$4,824,709 in special funds (Hawaiian Home Administration Account), and \$3,740,534 in trust funds (Hawaiian Home Operating Fund) to finance DHHL's administrative and operating (A&O) costs.

General fund fringe benefit costs are absorbed separately in a Department of Budget and Finance appropriation, consistent with all other State general funded programs.

"Personal Services" costs (\$9,884,810 in FY 2022) is comprised of funding base salaries of 160 positions with a position count of 200 positions. General fund financing "Other Current Expenses" total \$4,866,858.

HB 200 HB1 SD1 CD1 kept the general fund position count of 200 positions intact but funded only 160 of the 200 general funded positions.

Attachment "A" provides the means of financing recommended to fund the Administrative and Operating Budget for fiscal year 2022.

Purpose 1: Lot Development

Attachment "B" provides the means of financing for the projects recommended to fund the Lot Development Budget for fiscal year 2022.

The Development Budget responds to issues and priorities expressed by the Commission. In addition, the following principles guided the preparation of the list of projects:

- The department's commitment to providing improvements for the Undivided Interest Lots that have been awarded, and to completing other projects that have been initiated;
- The development of new homesteads for award, with particular emphasis on providing improved residential lots;
- The need to repair, maintenance and upgrade of aging infrastructure on Hawaiian home lands; and
- The need to initiate the planning and design of new homestead projects to provide an inventory for future development.
- Design and construction of projects that are awarded USDA Rural Development loan/grant funds. These projects leverage federal funding resources to reduce the amount of funds needed from the Trust Fund for projects.

The primary sources of financing are from general obligation bond financing from the State Legislature, the Hawaiian Home Operating Fund (HHOF), the Hawaiian Home Lands

Trust Fund (HHLTF), the Native American Housing and Self-Determination Act (NAHASDA), a U.S. Housing and Urban Development program and the United States Department of Agriculture Rural Development program (USDA-RD).

Pursuant to HB 200 HB1 SD1 CD1 (see Attachment B: CIP Appropriations Fiscal Biennium 2021-2023), the State Legislature appropriated \$77.8 million in general obligation bonds to finance two (2) CIP lump-sum projects (\$60 million) and two (2) separate CIP appropriation projects (\$18,000,000) on Hawaiian home lands.

Purpose 2: Loans

Pursuant to Act 11, SpSLH 1995, all special and revolving funds are subject to the State allotment process. For the DHHL's loan program, this affects the financing provided by the Hawaiian Home Loan Fund and the Hawaiian Home General Loan Fund. This budget will serve as a basis to allot funds necessary for equity payments of cancelled or surrendered homestead lease improvements, new loan financing and insurance advances, property tax advances, and contingency reserve for loan guarantee and insurance programs.

Fiscal year 2022 Loan Program Budget, as shown below, sets forth the planned expenditures by cost elements as follows:

	<i>Loans: Fiscal Year 2022</i>	Total	(S-302-I) HH Loan Fund	(S-323-I) HH General Loan Fund	(T-917-I) HH Trust Fund	(T-902-I) HHL Trust Fund	NAHASDA
A.	Section 209 HHC Transaction	3,000,000	2,000,000	1,000,000	0	0	
B.	Direct Loan Financing	11,000,000		3,000,000	0	0	7,000,000
C.	Real Property Taxes	100,000		100,000	0	0	
D.	Contingency- Guaranteed/Insured Loan Portfolio	2,400,000		1,200,000	1,200,000	0	
E.	Loans Receivable/ Interest Receivable Write- offs/Write downs	1,200,000		0	0	1,200,000	
	Total Loans	16,700,000	2,000,000	5,300,000	1,200,000	1,200,000	7,000,000

Explanation of Cost Elements:

Section 209, HHCA Transactions - Equity payments of cancelled or surrendered homestead lease improvements. Includes the appraised value of the improvement less any indebtedness to the department and taxes owed by the previous lessee. The payments are advanced from the loan funds and repaid by the subsequent purchaser of the improvements.

Direct Loan Financing and Advances - Includes loan refinancing, replacement home loans, repair loans, new home construction, farm loans and loan insurance advances. HB 200, CD1 established by budget proviso a separate revolving loan fund for the NAHASDA direct loans for FY 2022 and FY 2023. The Legislature authorized \$7M annually for NAHASDA (federal fund) direct loans.

Real Property Tax Advances - Pursuant to section 208(7) of the HHCA, the department may advance payments on behalf of lessees to address real property tax delinquencies and have a lien placed as provided by section 216 of the Act.

Contingency - Guaranteed/Insured Loan Portfolio - A reserve set aside to address loans to lessees where the department guarantees or insures repayment to lenders in the event of loan default.

Loans Receivable/Interest Receivable Write-downs/Write-offs - of asset accounts due to decline in value of assets.

Purpose 3: Rehabilitation Projects

Pursuant to Chapter 6.1 of Title 10 Hawaii Administrative Rules, DHHL prepares the Native Hawaiian Development Program Plan (NHDPP) every two years for HHC review and approval. The goal of the NHDPP is to "increase the self-sufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities." This is accomplished through the NHDPP by "improve(ing) the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs."

In this upcoming Fiscal Year, DHHL plans to implement the following components in the NHDPP:

- a) Homesteading Opportunities Assistance Program (HOAP), including homebuyer education, lease cancellation, and foreclosure prevention services.
- b) Continue technical assistance for Planned Community Associations on the new Hawaii Administrative Rules.
- c) Continue to administer and provide technical assistance to the existing 25 grantees.
- d) Provide \$1,000,000 in new DHHL grants, including offering project implementation grants.
- e) provide limited technical assistance for grant support for grantees.

The rehabilitation projects below are financed from the Native Hawaiian Rehabilitation Fund in FY 2022.

Rehabilitation Projects		
7110	Native Hawaiian Development Program and Plan	\$1,000,000
7110	Beneficiary Capacity Building and Technical Assistance	\$400,000
Total		<u><u>\$1,400,000</u></u>

The Commission's approval of above recommended motion is respectfully requested.

**Department of Hawaiian Home Lands
Executive Budget for FY 2022**

Administration and Operating Costs										
Object Code	General Fund	Administration Account	Operating Fund		Operating Fund (Non App)		NHRF	Rev. Bond Special Fund	NAHASDA	TOTAL BUDGET
			Operating Portion	Development Portion	Operating Portion	Development Portion				
2000	Personnel Costs	9,884,810	0	0						9,884,810
2900	Other Personal Services	680,000	249,000	28,000	0	0	0	0	0	957,000
3010	Operating Supplies - Gas & Oil Supplies	69,500	0	34,500	0	0	0	0	0	104,000
3020	Operating Supplies - Fuel & Oil Other	2,950	0	1,548	0	0	0	0	0	4,498
3030	Operating Supplies - Janitorial	10,380	0	0	0	0	0	0	0	10,380
3040	Operating Supplies- Medical	0	0	22,434	0	0	0	0	0	22,434
3090	Operating Supplies - Others	25,500	3,000	100,000	0	0	0	0	0	128,500
3100	Maintenance Materials Supplies & Parts	7,600	0	800	0	0	0	0	0	8,400
3200	Office Supplies	117,150	0	1,500	0	0	0	0	0	118,650
3400	Other Supplies	21,866	0	300	0	0	0	0	0	22,166
3500	Dues and Subscriptions	15,762	2,000	4,600	0	0	0	0	0	22,362
3600	Freight and Delivery Charges	4,770	0	4,550	0	0	0	0	0	9,320
3700	Postage	166,990	0	600	0	0	0	0	0	167,590
3800	Telephone	130,610	0	0	0	0	0	0	0	130,610
3900	Printing and Binding	94,950	0	500	0	0	0	0	0	95,450
4000	Advertising	62,700	0	0	0	0	0	0	0	62,700
4100	Car Mileage	0	20,500	7,000	0	0	0	0	0	27,500
4200	Transportation, Intrastate	4,000	333,220	4,000	0	0	0	0	0	341,220
4300	Subsistence Allowance, Intra-State	2,000	178,070	0	0	0	0	0	0	180,070
4400	Transportation, Out of State	0	28,750	0	0	0	0	0	0	28,750
4500	Subsistence Allowance, Out of State	0	27,000	3,000	0	0	0	0	0	30,000
4600	Hire of Passenger Cars	750	55,075	510,200	0	0	0	0	0	566,025
5000	Electricity	402,000	225,000	0	0	500,000	0	0	0	1,127,000
5200	Water	124,700	201,000	229,800	0	40,000	0	0	0	595,500
5200	Water - Subdivisions					100,000				100,000
5300	Sewer	0	0	0	0	0	0	0	0	0
5400	Other Utilities	0	0	0	0	0	0	0	0	0
5500	Rental of Land and Bldg.	10,000	0	0	0	0	0	0	0	10,000
5600	Rental of Equipment	90,150	4,000	1,500	0	0	0	0	0	95,650
5700	Other Rentals	1,723,500	0	0	0	0	0	0	0	1,723,500
5810	Repairs- Data Processing	14,000	0	0	0	0	0	0	0	14,000
5815	Maintenance - Data Processing	320,000	0	0	0	0	0	0	0	320,000
5820	Repairs- Equipment, Building, etc.	77,410	0	27,500	0	0	0	0	0	104,910
5825	Maintenance- Equipment, Building, etc.	314,100	304,000	60,277	0	14,245	0	0	0	692,622
5830	Repairs- Motor Vehicles	43,000	0	13,000	0	0	0	0	0	56,000
5835	Maintenance- Motor Vehicles	30,250	0	10,000	0	0	0	0	0	40,250

**Department of Hawaiian Home Lands
Executive Budget for FY 2022**

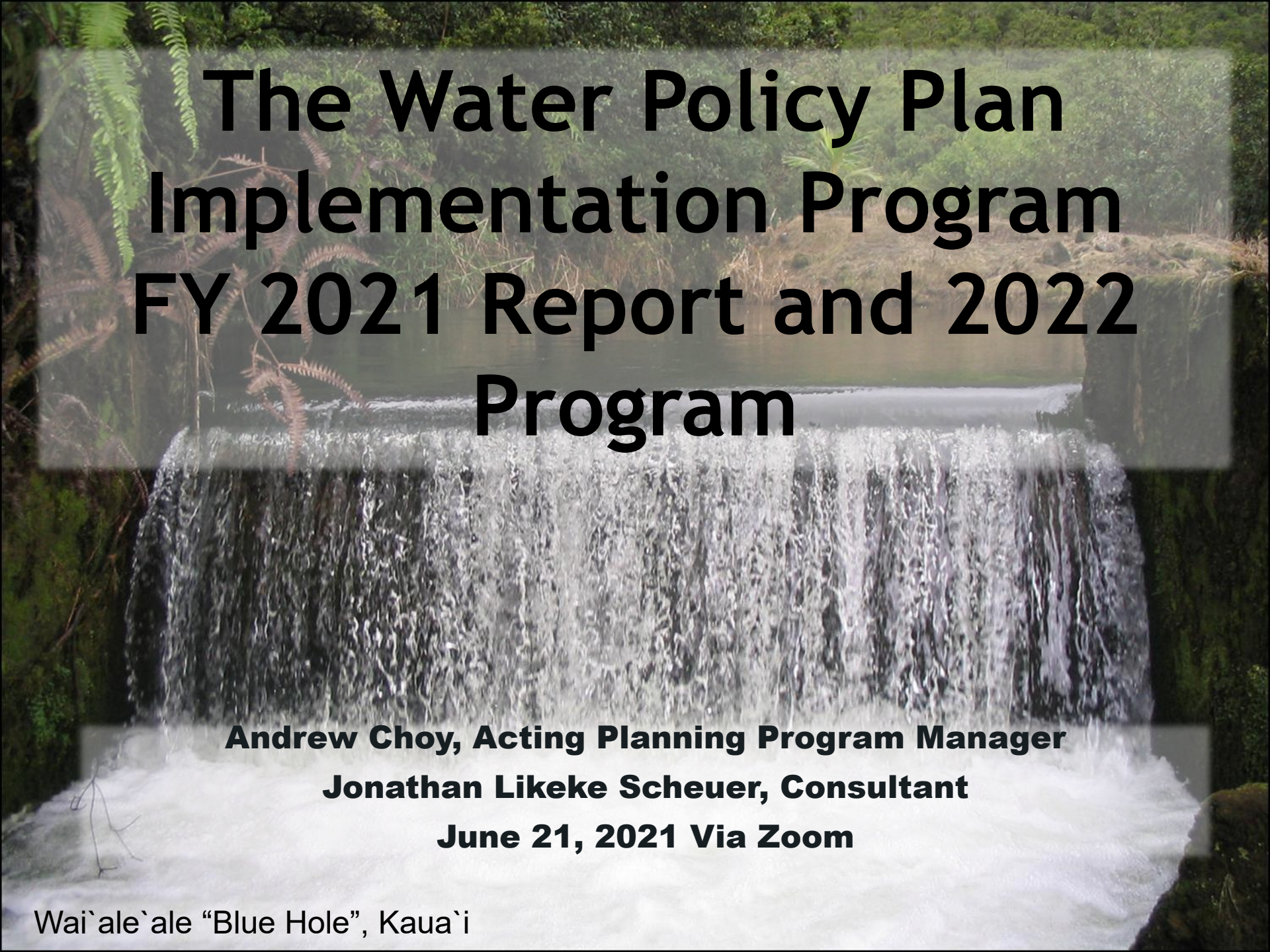
Object Code	General Fund	Administration Account	Administration and Operating Costs				NHRF	Rev. Bond Special Fund	NAHASDA	TOTAL BUDGET
			Operating Portion	Development Portion	Operating Fund (Non App)	Operating Portion				
5840 Maintenance-Unencumbered Lands & Othr	0	205,000	120,225	0	0	500,000	0	0	0	825,225
5895 Maintenance-Other Miscellaneous	79,934	0	5,000	0	0	650,000	0	0	0	734,934
5900 Insurance	75,000	0	0	0	0	0	0	0	0	75,000
6120 Interest Payment--RGOB	0	0	0	0	0	0	0	0	0	0
6500 Other Grants in Aid	0	0	0	0	0	0	0	0	0	0
7110 Services Fee Basis	0	0	0	0	0	0	0	0	0	0
7230 Training Costs	0	2,129,200	2,474,000	0	0	3,928,200	0	1,400,000	0	33,249,927
7290 Other Current Expenditures	122,000	0	18,700	0	0	0	0	0	0	140,700
6500 Grant-in-Aid for Kaala Farms	23,336	98,128	4,500	0	0	0	0	0	0	125,964
7700 Machinery and Equipment	0	0	0	0	0	0	0	0	0	0
7700 Motor Vehicle	0	661,366	52,500	0	0	0	0	0	0	713,866
7900 Construction in Progress	0	100,000	0	0	0	0	0	0	0	100,000
8020 Principal Payment--RGOB	0	0	0	0	0	0	0	0	0	0
6120/8020 Debt Service: Revenue Bond Payment	0	0	0	0	0	0	0	0	0	0
8200 Loans Receivable	0	0	0	0	0	0	0	0	0	3,200,000
Total - Current Expenditure & Equipment	4,866,858	4,824,309	3,740,534	0	0	5,732,445	0	1,400,000	3,200,000	54,082,673
Total	14,751,668	4,824,309	3,740,534	0	0	5,732,445	0	1,400,000	3,200,000	63,967,483
A--Personnel Cost	9,884,810	0	0	0	0	0	0	0	0	9,884,810
B --Current Expenditure	4,866,858	4,063,343	3,688,034	0	0	0	0	1,400,000	3,200,000	47,536,762
C --Equipment	0	661,366	52,500	0	0	5,732,445	0	0	0	6,446,311
M--Motor Vehicle	0	100,000	0	0	0	0	0	0	0	100,000
Total	14,751,668	4,824,709	3,740,534	0	0	0	0	1,400,000	3,200,000	63,967,883
HB 200 HD 1 SD 1 CD1	14,751,668	4,824,709	3,740,534	0	0	0	0	30,318,527	0	0

Department of Hawaiian Home Lands											
Development Budget (FY 2022)											
(000's omitted)											
Project / Description	New Lots	FY 22 Carryover		FY 22 New Funds			FY 22 Proposed Budget				Leg Appns ID Act/Year, Item
		HHL Trust	Leg Appns	HHL Trust	AHC	Leg Appns	HHL Trust	AHC	Leg Appns	Total	
PART A: Lot Development Projects (Addressing the homestead waiting list)											
OAHU											
East Kapolei II-B Na Kupa'a Loan Payoff		2,300					2,300		-	2,300	
East Kapolei II-C Site Construction (Leg)	130		7,000			4,400	-		11,400	11,400	6/20, F-7; /21 proviso
East Kapolei II-C Site Construction (Trust))		8,700					8,700		-	8,700	
East Kapolei II-A TOD and Telecom						5,132	-		5,132	5,132	/21 proviso
East Kapolei II-E, Engineering	156			1,500			1,500		-	1,500	
Voice of America Phase I Infrastructure	72	696					696		-	696	
Waimanalo Agricultural and Residential Lots (Wong Farm)	75		1,200				-		1,200	1,200	6/20, F-7
Land Acquisition, Oahu			1,000			1,000	-		2,000	2,000	40/19, F-9; /21, F-6
MAUI											
Keokea-Waiohuli, Phase 1 - 4		1					1		-	1	
Keokea-Waiohuli, Phase 2B and 3	76		2,935			15,166	-		18,101	18,101	40/19, F-7; /21 proviso
Maui Development Fees (water, sewer, etc)		47		53			100		-	100	
Lei Ali'i Phase 1B	75	505					505		-	505	
Lei Ali'i Highway and Access Improvements			9,000				-		9,000	9,000	6/20, F-9.1
Scattered lot improvements for UI relocations		100					100		-	100	
Pulehunui Development						17,000	-		17,000	17,000	/21, F-5
Kahikinui Roadways		556		444			1,000		-	1,000	
Pu'unani Development	161		14,424		4,000		-	4,000	14,424	18,424	40/19, F-7; 6/20, F-7
Honokowai Subs Ag Ph 1	25			500			500		-	500	
LANAI											
Lanai Residence Lots, Phase 2B	40			750			750		-	750	
MOLOKAI											
Hoolehua Scattered Ag Lots	12		1,150				-		1,150	1,150	9/20, F-3
BIG ISLAND											
HCC Home Project				275			275		-	275	
Keaukaha Scattered Lots		500					500		-	500	
Kaunama Subdivision Rehabilitation			285				-		285	285	6/20, F-1
Honomu, Phase 2	25					2,000	-		2,000	2,000	/21 proviso
Ka'u Agricultural Lots (Pu'ueo)	25	70		30			100		-	100	
Lalamilo Housing Phase 2A, Increment 1		1,000					1,000		-	1,000	
Laiopua Villages Construction Contingency		500					500		-	500	
KAUAI											
Kauai Scattered Lots		300		500			800		-	800	
Hanapepe Residential Subdivision Phase 2	75			500			500		-	500	
STATEWIDE PROJECTS											
Scattered Lots program (Statewide)		10		1,000			1,010		-	1,010	
Lot Development, Statewide						3,302			3,302	3,302	/21, F-7
Acquisition Due Diligence		1					1		-	1	
VOKA Payment				60			60		-	60	
Federal Funds Reimbursements/Adjustments		1					1		-	1	
Dispute Resolution		1					1		-	1	
										-	
PART A SUBTOTAL	947	15,288	36,994	5,612	4,000	48,000	20,900	4,000	84,994	109,894	
			52,282			57,612					

Department of Hawaiian Home Lands											
Development Budget (FY 2022)											
(000's omitted)											
		FY 22 Carryover		FY 22 New Funds			FY 22 Proposed Budget				
Project / Description	New Lots	HHL Trust	Leg Appns	HHL Trust	AHC	Leg Appns	HHL Trust	AHC	Leg Appns	Total	Leg Appns ID Act/Year, Item
PART B: Repair, Maintenance, and Operating Costs (Promoting thriving, healthy communities)											
<u>OAHU</u>											
Papakolea Infrastructure Remediation		1,071	2,800				1,071		2,800	3,871	6/20, F-8
R/M of Improvements on HHL, Oahu				1,000			1,000		-	1,000	
Drainage Basins and Other Areas				500			500		-	500	
Oahu Sewer Improvements		21		1,000			1,021		-	1,021	40/19, F-8
Nanakuli Traffic Mitigation			1,000				-		1,000	1,000	40/19, F-8
Oahu Traffic Mitigation						1,000	-		1,000	1,000	/21 proviso
Waianae Sewer Improvements			1,080				-		1,080	1,080	9/20, F-6
Nanakuli Cemetery Restoration / Repairs						400	-		400	400	/21 proviso
Waimanalo Concrete Flood Control Channel			2,242			2,242	-		4,484	4,484	40/19, F-8; /21 proviso
Waimanalo Speed Abatement, Pedestrian Safety			800				-		800	800	6/20, F-9.2
Kapolei Parkway Safety Wall			50				-		50	50	6/20, F-9.3
<u>MAUI</u>											
R/M of Improvements on HHL, Maui				500			500		-	500	
Archaeological Pres, Keokea-Waiohuli			900				-		900	900	9/20, F-5
<u>LANAI</u>											
R/M of Improvements on HHL, Lanai				25			25		-	25	
<u>MOLOKAI</u>											
Molokai Water System (USDA project)			760			1,350	-		2,110	2,110	6/20, F-8; /21 proviso
R/M of Improvements on HHL, Molokai		209					209		-	209	
<u>BIG ISLAND</u>											
Honokaia Non-potable Water System		1					1		-	1	
Maku'u Site Remediation		200					200		-	200	
Lalamilo Ph 1, Kawaihae Road Channelization		50					50		-	50	
Lalamilo Ph 1, Infrastructure Improvements		430					430		-	430	
Puukapu Pastoral Lots Road Improvements		110					110		-	110	
R/M of Improvements on HHL, Hawaii		717					717		-	717	
<u>KAUAI</u>											
Anahola Dam and Reservoir Additional Improvements		618					618		-	618	
Anahola Farm Lots Water System				500			500		-	500	
Drainage Basins, Ditches Repairs and Upgrades		191					191		-	191	
R/M of Improvements on HHL, Kauai				500			500		-	500	
STATEWIDE PROJECTS											
Engineering Services for Various Locations				500			500		-	500	
R/M of Improvements on HHL, Statewide				2,000			2,000		-	2,000	
R/M of Utilities in Existing Subdivisions			940				-		940	940	6/20, F-8
Environmental Mitigation/Remediation		109					109		-	109	
PART B SUBTOTAL		3,726	10,572	6,525	-	4,992	10,251	-	15,564	25,815	
			14,298			11,517					
BUDGET SUBTOTAL BY SOF		19,014	47,566	12,137	4,000	52,992	31,151	4,000	100,558	135,709	
BUDGET TOTAL			66,580			69,129					
			Carryover			New					

ITEM G-1

Water Policy

The background of the slide is a photograph of a waterfall. The water is white and frothy as it falls over a dark, mossy rock ledge. The surrounding area is filled with dense green foliage, including ferns and other tropical plants. The lighting is soft, suggesting a shaded forest environment.

The Water Policy Plan Implementation Program FY 2021 Report and 2022 Program

Andrew Choy, Acting Planning Program Manager

Jonathan Likeke Scheuer, Consultant

June 21, 2021 Via Zoom

Wai`ale`ale “Blue Hole”, Kaua`i



**I. The HHC Water Policy Plan (WPP)
Development and Content**

II. WPP IP Report FY 2021

III. WPP IP FY 2022

DHHL Planning System



WPP Development (2012 - 2014)

- Planning while doing
- Background Research
- Scoping Interviews
- 2013 beneficiary meetings (Hawai`i x 2, O`ahu x 3, Kaua`i, Molokai, Maui, Lāna`i)
- Key themes identified
- Feb 2014 Draft approved, ten more beneficiary meetings
- June 2014 approval

WPP Content: Sections

- **Vision**
- **Mission**
- **Values**
- **Policies**
- **Goals**
- **Implementation Program**

Four Priority Goals

- 1. Affirmatively Communicate**
- 2. Aggressively advocate**
- 3. Water Assets Inventory**
- 4. Watershed Protection**

II. WPP IP FY 2021 – Notable Accomplishments

- **Kualapu`u Molokai Water Use Permit Application**
- **Honokōwai Maui surface water reservation / Honokōhau stream restoration**
- **Legislative progress**
- **N. Kona source development work**

IV. WPP IP FY 2021 – Major Goals

1.b. Continued Trainings (incl BWS)

2.a. NHRF Advocacy (171-58)

2.b. Seek reservations and water

2.c. Monitoring other agencies

2.e. Legislative advocacy

5.b. Water Source Development

IV. WPP IP FY 2022 – Budget

1.b. Training	200,000*
5.b. Water Source Dev.	350,000*
5.c. Ho`olehua mgmt.	400,000*
<u>All WPP IP support</u>	<u>180,000*</u>
<u>TOTAL</u>	<u>\$1,130,000*</u>

***Subject to HHC approval of FY 22 budget**

Nīnau?



ITEM G-2
Honokowai
Draft EA



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

G-2

Honokōwai Master Plan Draft Environmental Assessment Anticipated Finding of No Significant Impact (AFONSI)

June 21-22, 2021



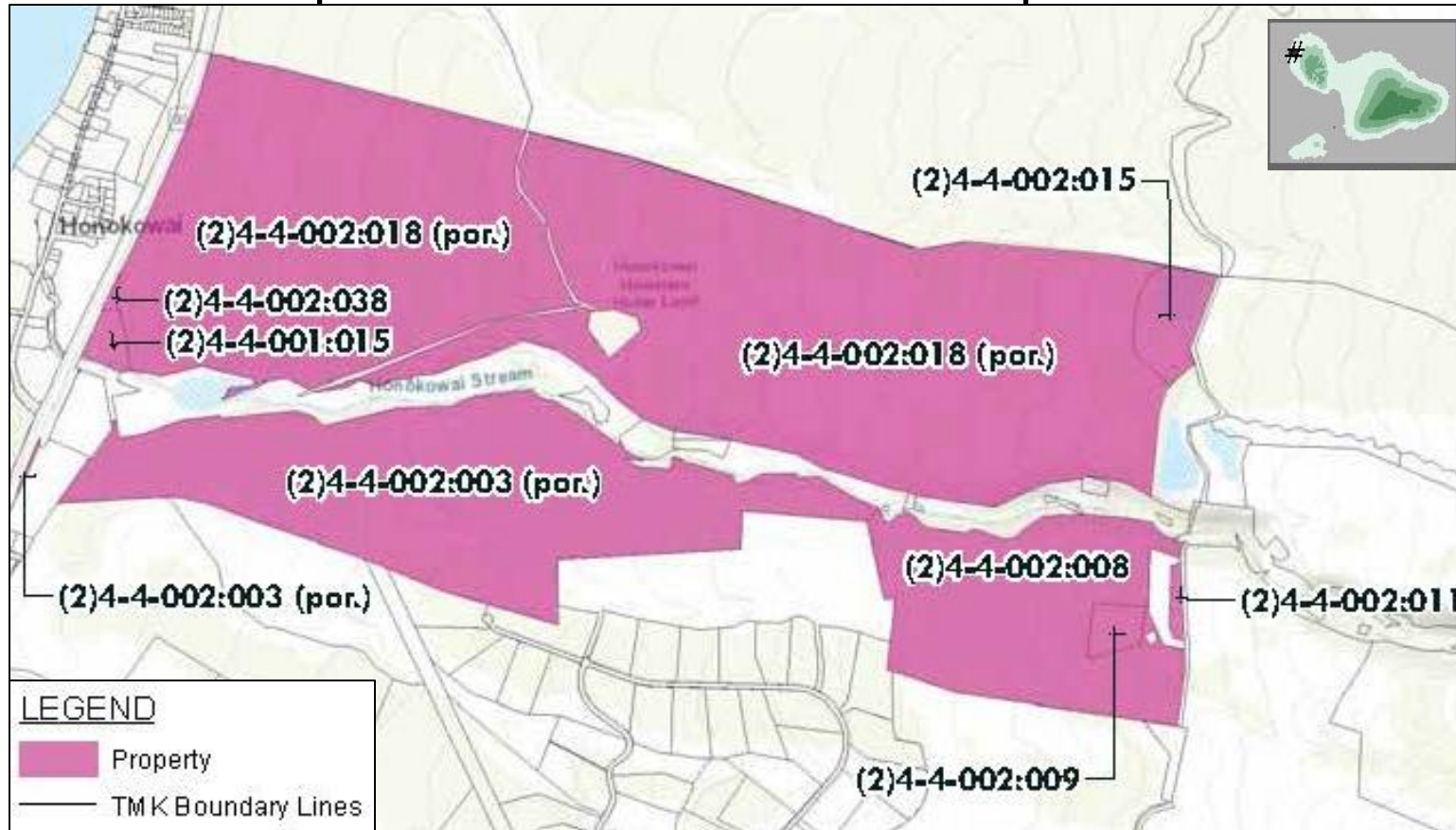
Purpose of Briefing

1. Master Planning of Honokōwai
2. Summary Highlights from the Draft Environmental Assessment (FEA)
3. The Criteria for Finding of No Significant Impact for the Final Environmental Assessment to satisfy Chapter 343, HRS
4. Project Schedule



Master Planning of Honokōwai

- Historical Context
 - Great Māhele - 1996 Honokōwai is controlled by big sugar and pineapple
 - 1996- 2011: DHHL acquires lands in Honokōwai as part of settlement



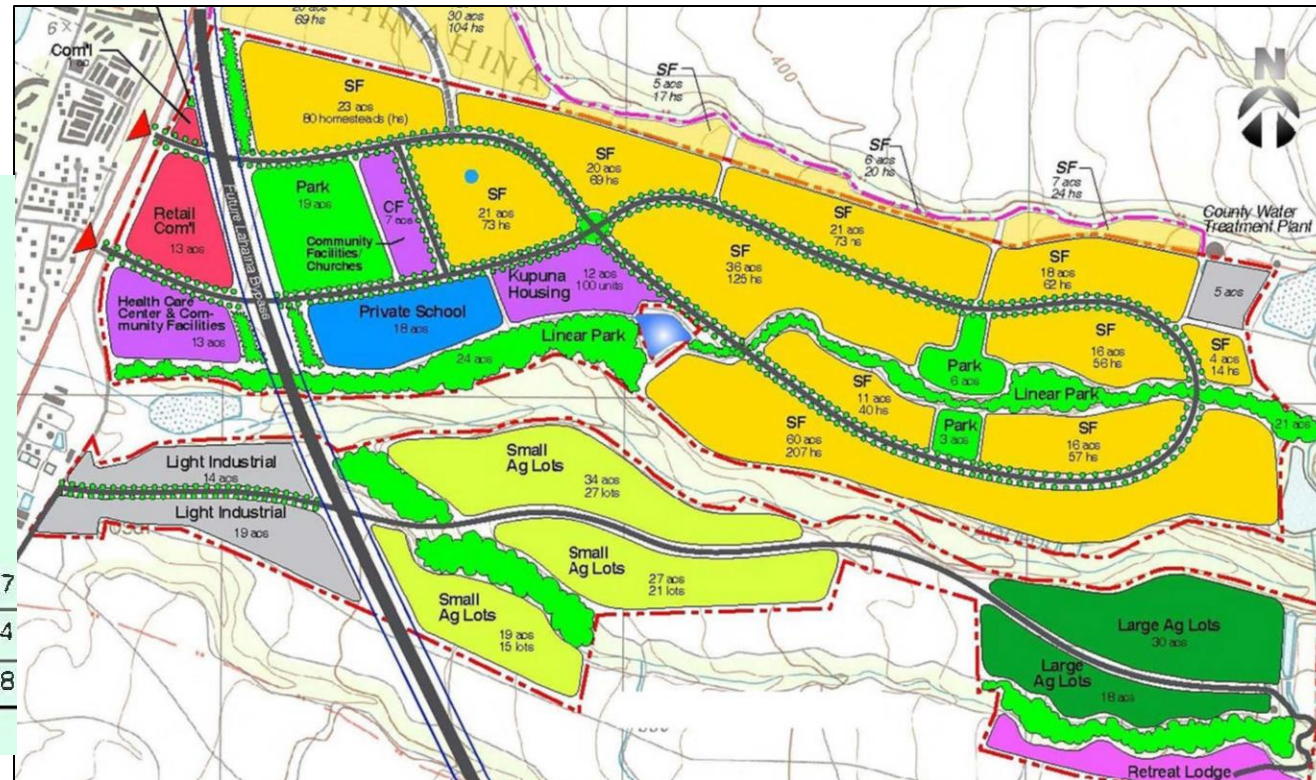


Master Planning of Honokōwai

- Historical Context

- 2003: DHHL develops Master Plan for lands in Honokōwai with a focus on residential homesteads
 - EISPN was published for the project in October 2003, *The Environmental Notice*

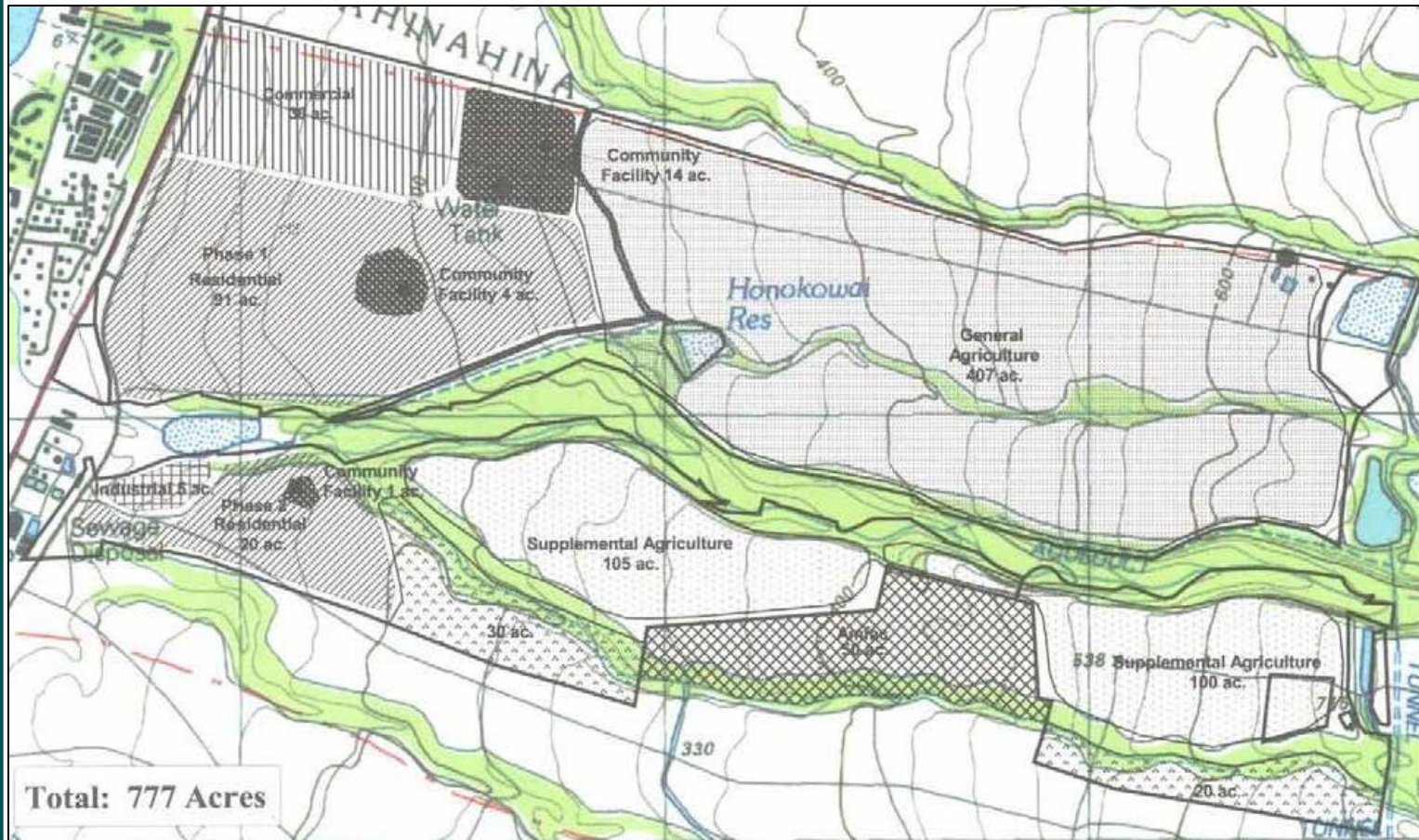
Project Data			
Use	Acres	Units	
Retail Commercial	14		
Health Care & Community Facilities	13		
Community Facilities/Churches	7		
Kupuna Housing	12	108	
Private School	18		
Single Family Homesteads (10,000 sf lots)	246	856	
Small Agricultural Lots (1 acre lots)	80	63	
Large Agricultural Lots	48		
Light Industrial	33		
Retreat Lodge		15	
Parks		28	
Linear Park		45	
Lahaina Bypass		24	
Roads, Open Space, Misc		191	
Water Facilities		8	1,027
Total		790	234
Expansion Area Residential	68	1,258	
Grand Total		858	





Master Planning of Honokōwai

- Historical Context continued
 - 2004: Maui Island Plan is prepared and approved
 - Honokōwai identified as priority tract for development



Legend

- DHHL Land Boundary
- Proposed Land Exchange
- Kaanapali Development Corporation
- DHHL

Land Use Summary

Land Use	Lot Size	Number of Lots	Approx Acres
Residential (ph.1)	10,000 sf	337	91
Residential (ph.2)	10,000 sf	74	20
General Agriculture			407
Community Use			19
Industrial			5
Commercial Use			30
Supplemental Agriculture 5 ac		15	205
Total		426	777



Master Planning of Honokōwai

- Historical Context continued
 - 2004: DHHL acquires Leali'i
 - DHHL focus development to shovel-ready Leali'i Subdivision
 - 104 residential homesteads already awarded
 - 250 residential homesteads are under development
 - 2018: Beneficiary Consultation regarding license agreement with Maui County DWS related to the Mahinahina Potable Water Treatment Plant
 - 2019: DHHL withdraws EISPN
 - 2019 to current: DHHL Beneficiary Consultation for Honokōwai Master Plan Update



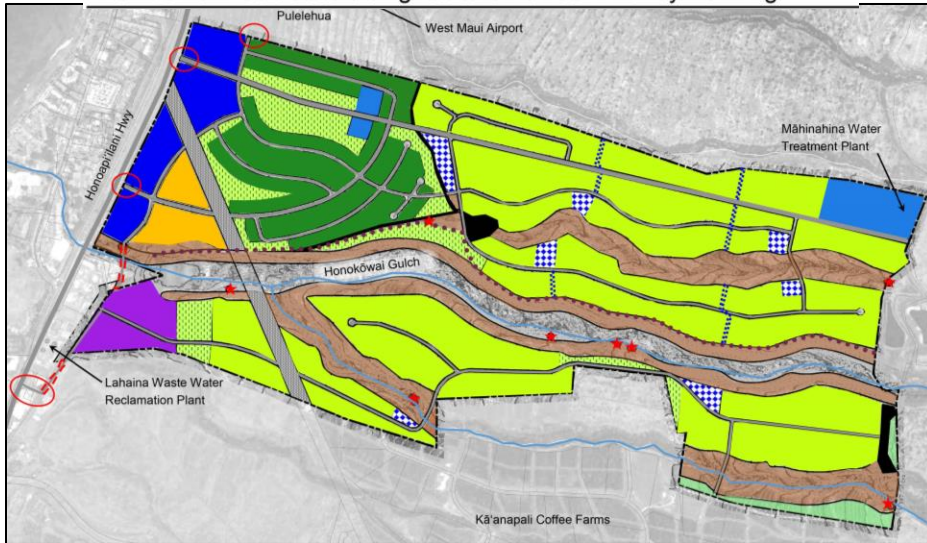
Master Planning of Honokōwai

- 2019 to current: DHHL Beneficiary Consultation Meetings for Honokōwai Master Plan Update
 - September 2019 – Meeting #1
 - February 2020 – Meeting #2
 - November 2020 – Meeting #3 (Virtual)

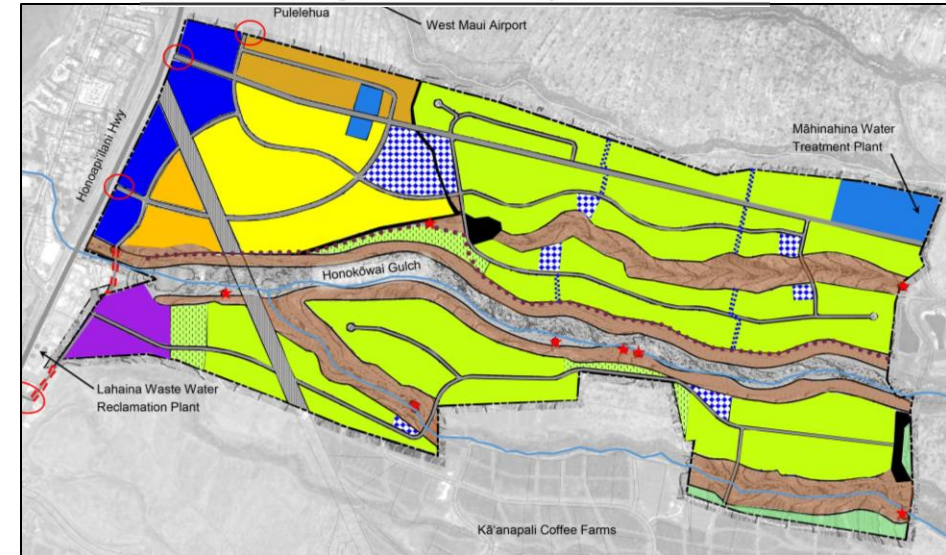


Master Planning- Alternatives Evaluated

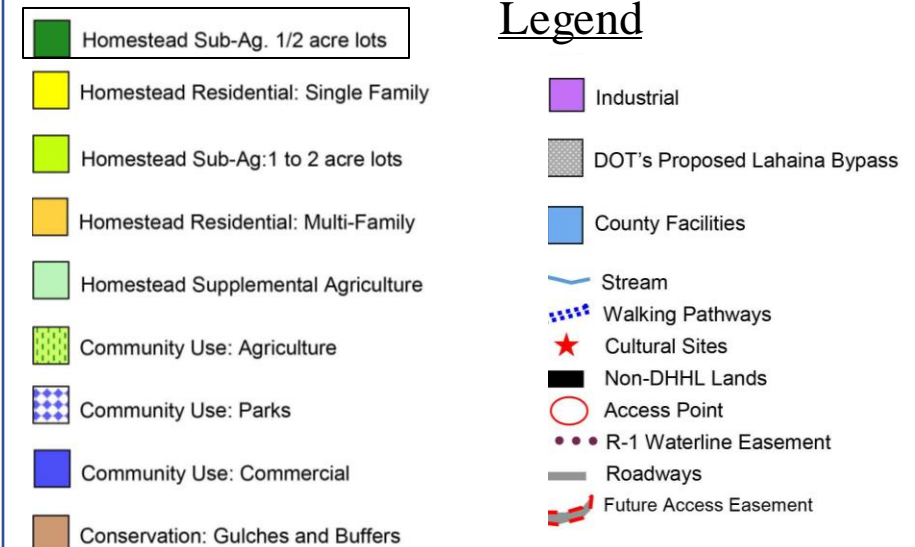
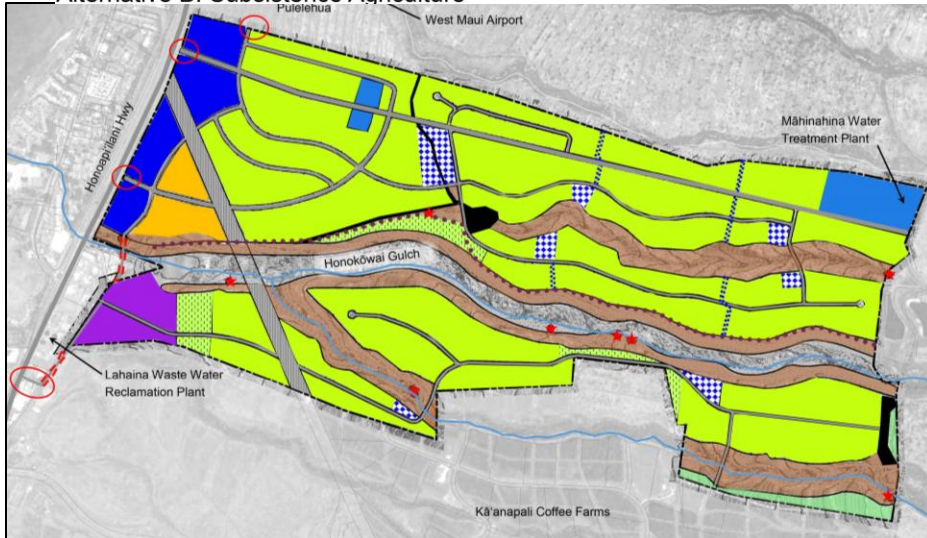
Alternative A: Subsistence Agriculture with Community Farming



Alternative C: Single and Multi-Family Residential

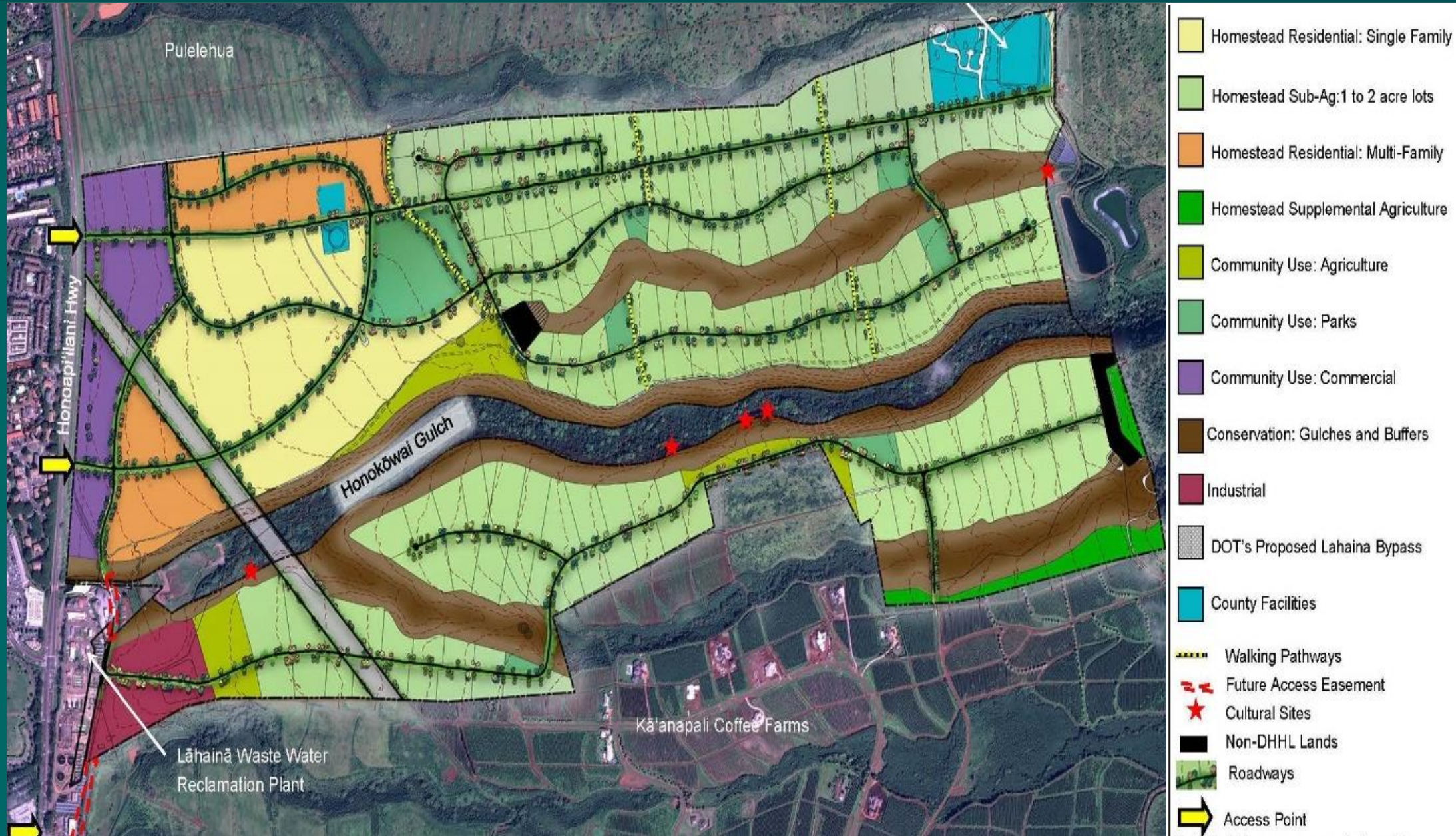


Alternative B: Subsistence Agriculture



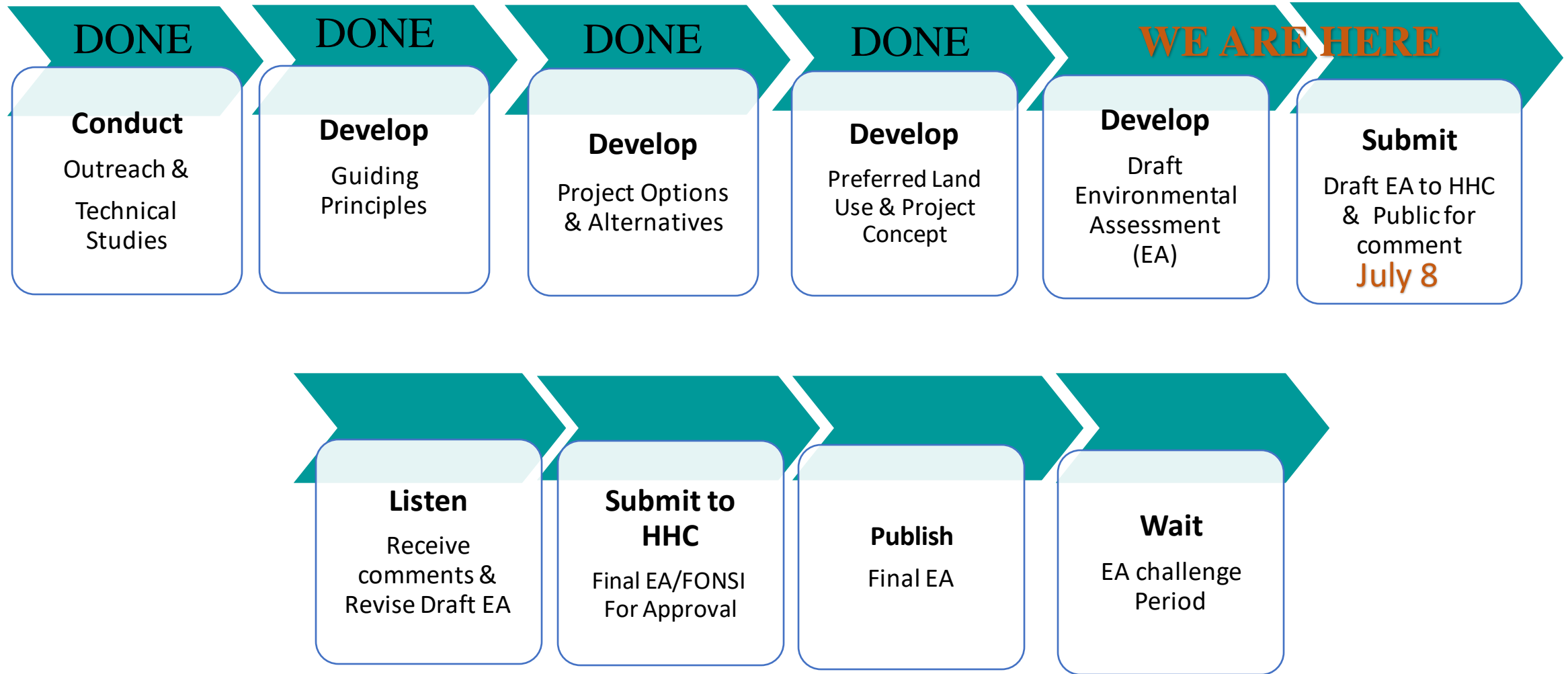


Preferred Master Plan Honokōwai





Master Planning/ Environmental Review Process





Highlights from the Draft EA

Summary of Proposed Land Uses- Homestead

Subsistence Agriculture (~250 Lots)

- Lots one to two acres in size.
- Lessees are required to actively cultivate subsistence agriculture OR reside and cultivate subsistence agriculture on their lot.
- Crops for home consumption or provide supplemental income.

ACRES
(PERCENT)

417 acres
(55%)



Residential-Single-family (~335 Lots)

- Lots no larger than 7,500 square-feet in size.
- Built to County standards in areas close to existing infrastructure and in conjunction with community use areas.

70
(9%)



Residential-Multi-family (~543)

- 15 units per acre (two to three-story townhomes)
- Built to County standards close to existing infrastructure and in conjunction with community use areas.

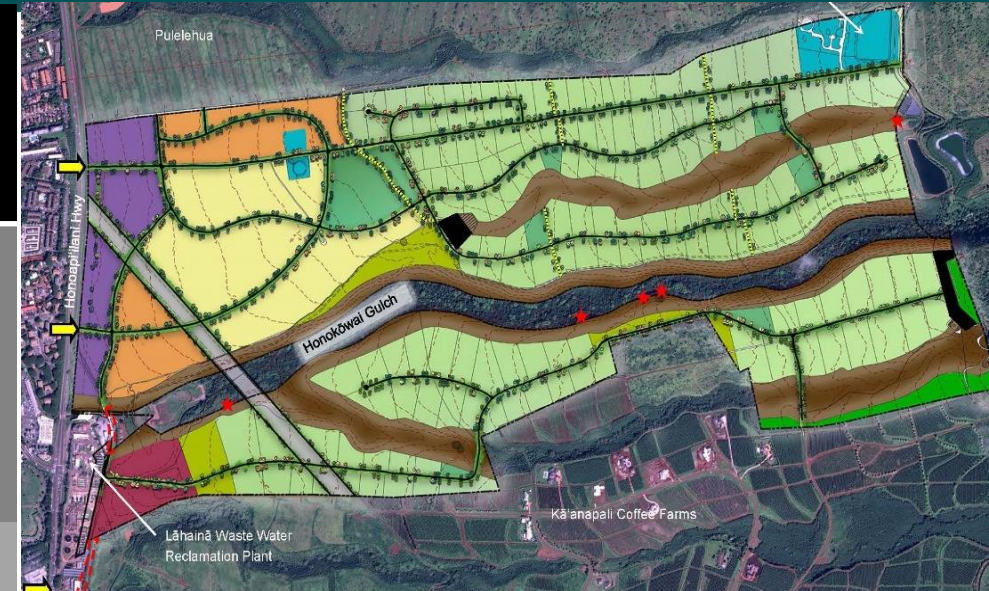
35
(5%)



Supplemental Agriculture

- Additional acreage to grow crops
- Awards not for residential use

14
(2%)



Legend

Homestead Residential: Single Family	Conservation: Gulches and Buffers
Homestead Sub-Ag: 1 to 2 acre lots	Industrial
Homestead Residential: Multi-Family	DOT's Proposed Lahaina Bypass
Homestead Supplemental Agriculture	County Facilities
Community Use: Agriculture	Walking Pathways
Community Use: Parks	Future Access Easement
Community Use: Commercial	Cultural Sites
	Non-DHHL Lands
	Roadways



Master Planning Process for Honokōwai

Summary of Proposed Land Uses- Community

Community Commercial

- Areas to provide a more complete functional and livable community
- Commercial areas will be based on community needs and may contain agriculture support facilities, care facilities, community centers, farmer's market

ACRES
(PERCENT)

24 acres
(3%)



Community Agriculture

- Communal Agriculture areas which could include crop trees, garden plots, etc.

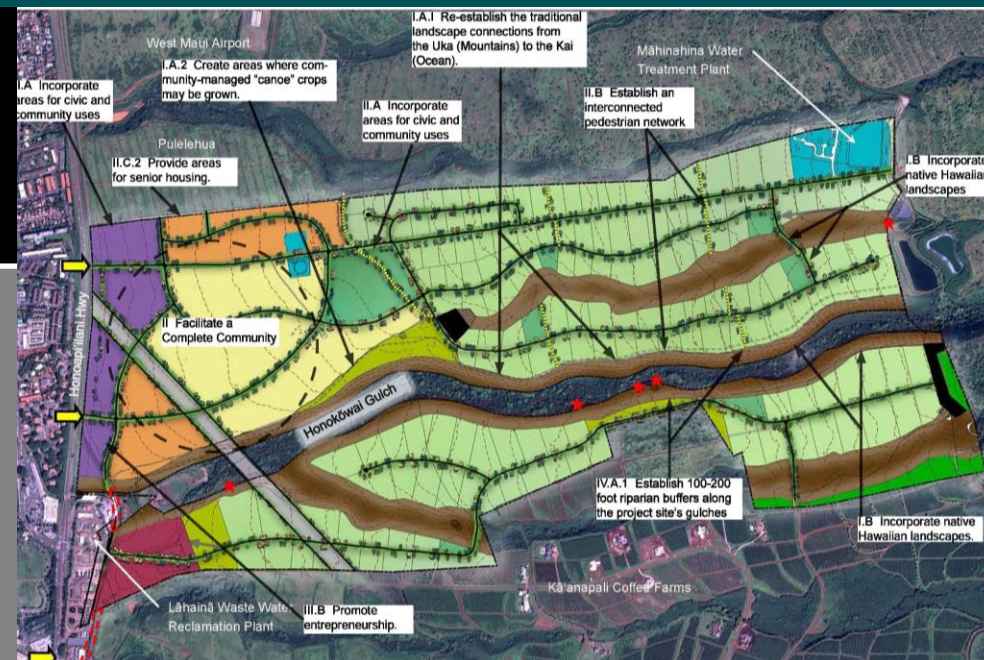
16
(2%)



















Community Recreation

- Walking paths 
- Parks 

28
(4%)



Legend

 Homestead Residential: Single Family	 Conservation: Gulches and Buffers
 Homestead Sub-Ag: 1 to 2 acre lots	 Industrial
 Homestead Residential: Multi-Family	 DOT's Proposed Lahaina Bypass
 Homestead Supplemental Agriculture	 County Facilities
 Community Use: Agriculture	 Walking Pathways
 Community Use: Parks	 Future Access Easement
 Community Use: Commercial	 Cultural Sites
	 Non-DHHL Lands
	 Roadways



Master Planning Process for Honokōwai

Summary of Proposed Land Uses- Other

ACRES
(PERCENT)

Industrial

- Area requiring special attention because of unusual opportunities and constraints
- Physical and visual buffers between existing County Wastewater Reclamation Facility and homestead or community use areas.

16 acres
(2%)

Conservation

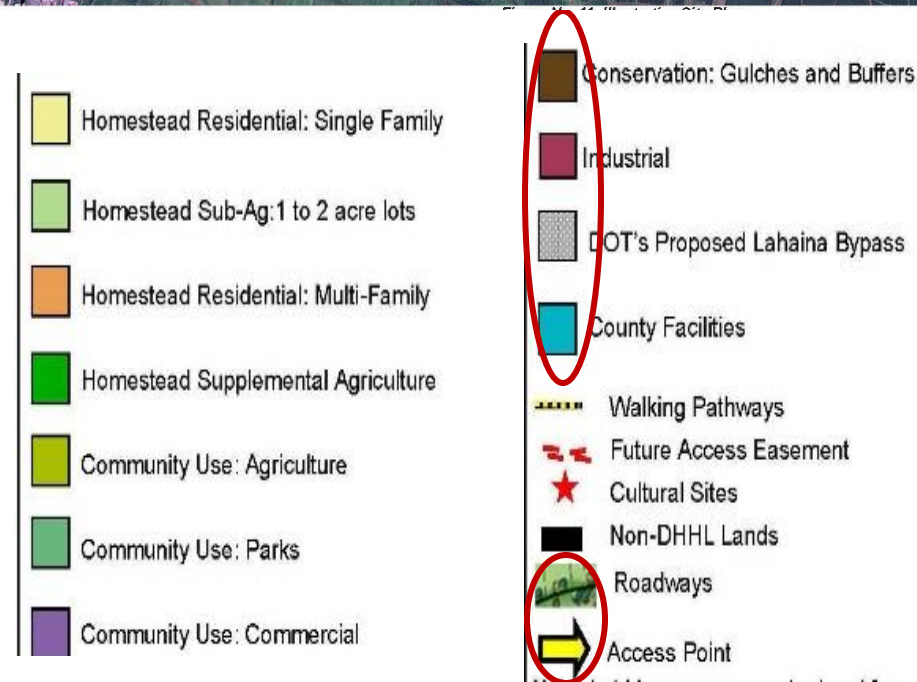
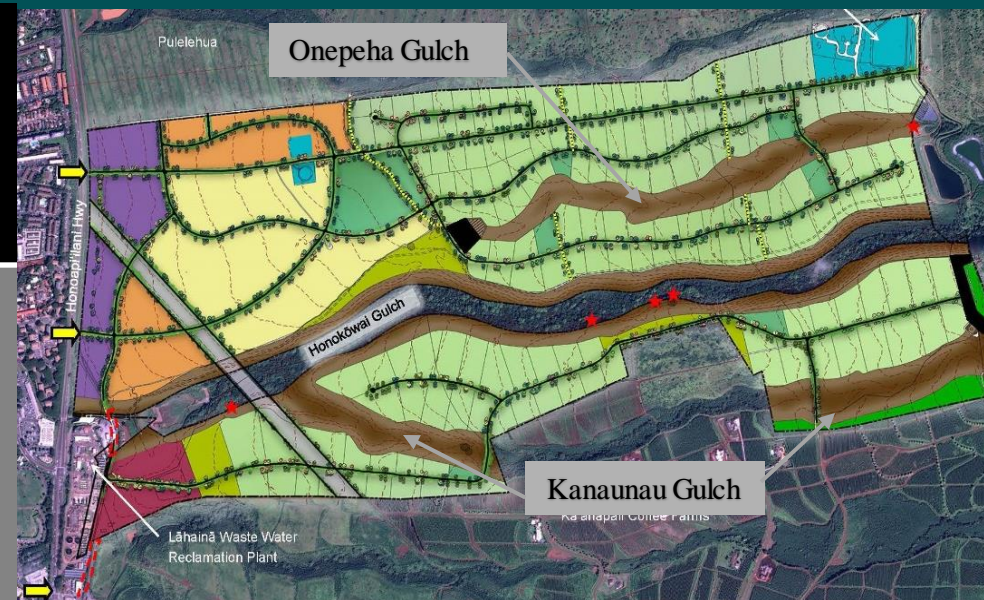
- Habitat restoration
- Resource Protection zones and open space
- Drainageway buffers
- Development challenging areas

146
(19%)

Road and County Facilities

- Proposed H-DOT Lahaina By-pass
- Internal roadways
- County Facilities

91
(12%)



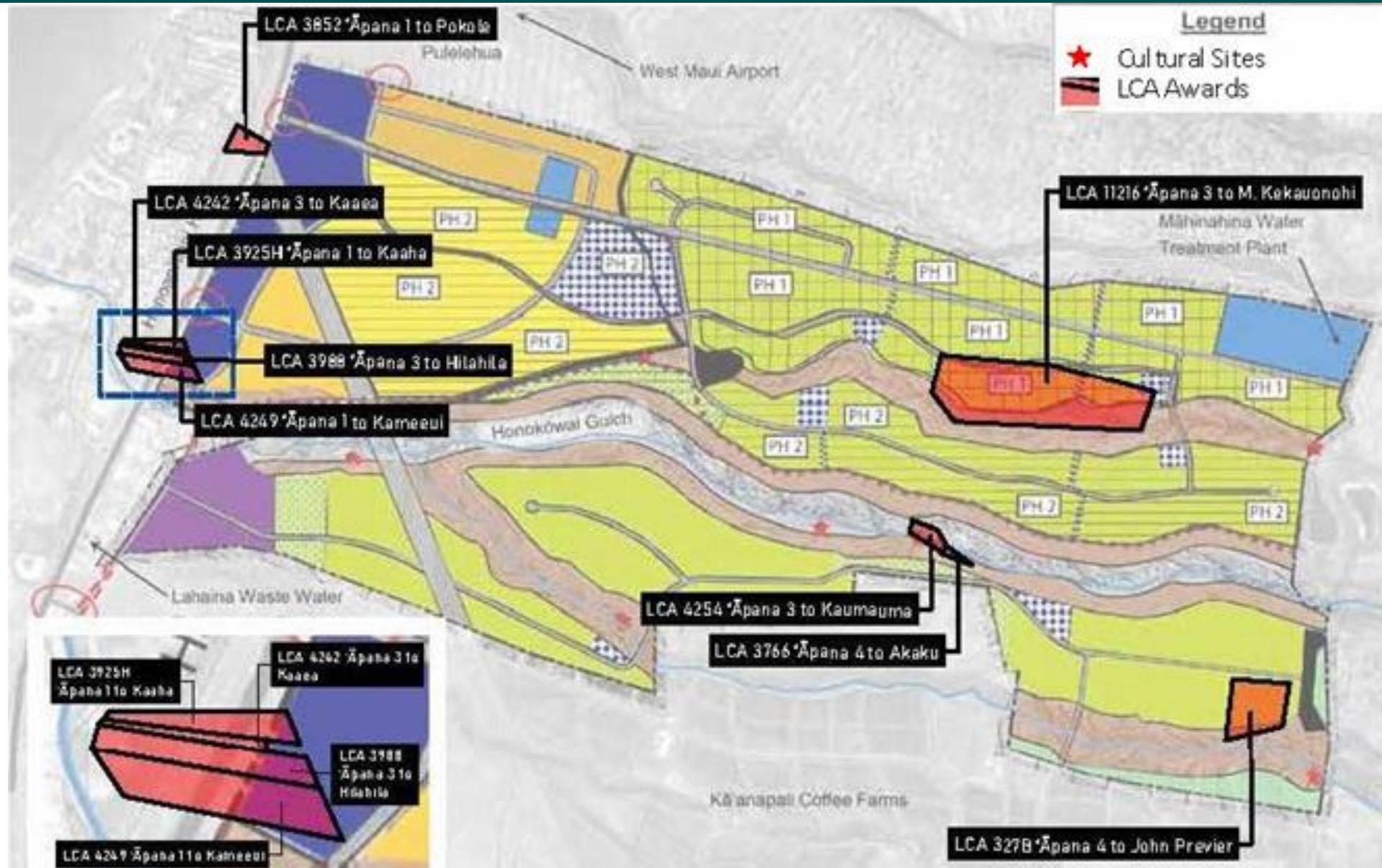


Proposed Infrastructure

- | | |
|--|--|
| <ul style="list-style-type: none">• Roads and Access | <ul style="list-style-type: none">• Wastewater Disposal |
| <ul style="list-style-type: none">• Grading and Runoff, Drainage, and Erosion Control | <ul style="list-style-type: none">• Solid Waste |
| <ul style="list-style-type: none">• Potable Water Supply | <ul style="list-style-type: none">• Electrical Power |
| <ul style="list-style-type: none">• Non-Potable (Irrigation) Water Supply | <ul style="list-style-type: none">• Communications |



Evaluation of Historical & Cultural Resources





Evaluation of Resources

- Drainage and Hydrology

- Onepeha gulch

Drains to

Honokōwai Reservoir (not DHHL)

- Honokōwai Stream/gulch

Drains to

open coastal waters
between Pu‘u Olai and Nakalele Point

- Kanaunau Stream/gulch

- Natural Resources

- No endangered/threatened species observed

- Host plants (‘a‘ali‘i, and tobacco tree) were observed



Impacts and Mitigations

• Climate	• Sound
• Geology & Topography	• Air Quality
• Soils	• Human-made Hazards
• Surface Water, Wetlands & Groundwater	• Roadways and Public Transit
• Natural Hazards- Flood	• Infrastructure and Utilities
• Natural Hazards- Fire	• Socio-Economic Characteristics
• Biological Resources	• Public Services and Facilities
• Archaeological & Historic Resources	• Airport Operations / Facilities
• Cultural Resources	



Chapter 343 Significance Criteria

- 1. Irrevocably commit a natural, cultural, or historic resource.**



Chapter 343 Significance Criteria

2. Curtail the range of beneficial uses of the environment.



Chapter 343 Significance Criteria

- 3. Conflict with the State's environmental policies or long-term environmental goals established by law**



Chapter 343 Significance Criteria

- 4. Have a substantial adverse effect on the economic welfare, social welfare, or cultural practices of the community and State**



Chapter 343 Significance Criteria

5. Have a substantial adverse effect on public health.



Chapter 343 Significance Criteria

- 6. Involve adverse secondary impacts, such as population changes or effects on public facilities.**



Chapter 343 Significance Criteria

7. Involve a substantial degradation of environmental quality.



Chapter 343 Significance Criteria

- 8. Be individually limited but cumulatively have substantial adverse effect upon the environment, or involves a commitment for larger actions.**



Chapter 343 Significance Criteria

- 9. Have a substantial adverse effect on a rare, threatened or endangered species or its habitat.**



Chapter 343 Significance Criteria

10. Have a substantial adverse effect on air or water quality or ambient noise levels.



Chapter 343 Significance Criteria

- 11. Have a substantial adverse effect on or be likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, sea level rise exposure area, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters.**



Chapter 343 Significance Criteria

- 12. Have a substantial adverse effect on scenic vistas and view planes, during day or night, identified in county or state plans or studies.**

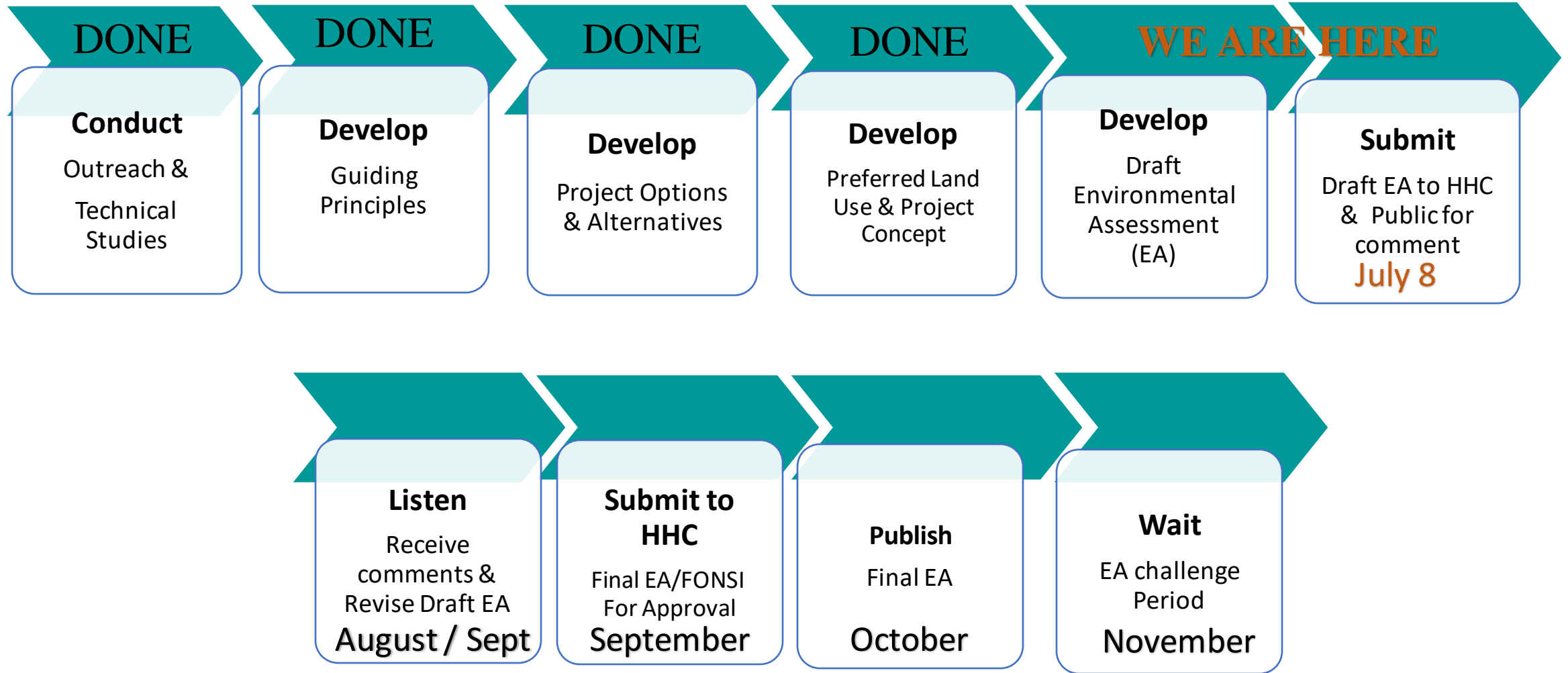


Chapter 343 Significance Criteria

13. Require substantial energy consumption or emit substantial greenhouse gases.



Schedule for Completing the Environmental Process





Follow up Coordination

RESPONSIBLE ENTITY	PERMIT/APPROVAL/COORDINATION
Hawaiian Homes Commission	Update DHHL Maui Island Plan with updated Land Use Plan for Honokōwai
State DOH– Clean Water Branch	National Pollutant Discharge Elimination System (NPDES) Permit
State DOH– Disability and Communication Access	Review
State DOH– Indoor and Radiological Health Branch	Community Noise Permit (if applicable)
State DOH- Wastewater Branch	Review, Individual Wastewater System approval (by future lessees)
State DLNR– State Historic Preservation Division	Chapter 6E, HRS compliance and Section 106 compliance as needed
State DLNR– Commission on Water Resource Management	Surface Water Use Permit (if applicable)
County of Maui Department of Public Works	Grading/Subdivision/Building/Electrical Permits, plan review
County of Maui Department of Water Supply	Review, coordination, and allocation of additional water
County of Maui Planning Department and/or Planning Commission	Use Permits, plan review Flood Development Permit (if applicable)
County of Maui Wastewater Reclamation Division	Review
Pulelehua Development	Coordination
Hawaii Department of Transportation	coordination regarding the proposed Lahaina By-pass
Honokōwai lessees and beneficiaries on waitlist	identification and implementation of community uses
MLP, Pioneer Mills, Kaanapali Coffee Farms	Easement for roadway connections



Phasing of Development in Honokōwai



Phase 1



Subsistence
Agriculture Lots

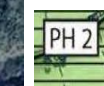
57 lots
(92 acres)



Community Use
Park

1 park
(2 acres)

Phase 2



Subsistence
Agriculture Lots

59 lots
(95 acres)



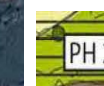
Residential
Single Family

335 lots
(72 acres)



Community Use
Park

4 parks
(23 acres)



Community Use
Agriculture

1 ag area
(9 acres)



Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

www.dhhl.hawaii.gov