STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

November 21-22, 2022

TO: Members, Hawaiian Homes Commission

Jobie Masagatani, Executive Assistant FROM:

Final Report and Recommendations of the Act 279 Permitted Interaction Group SUBJECT:

Including Act 279 Strategic Plan

RECOMMENDED MOTION/ACTION:

None. For information only.

DISCUSSION:

On July 11, 2022, Governor David Ige signed into law Act 279 (Act), formerly HB2511 HD2 SD2 CD1. On May 16, 2022, Chairman William Aila, Jr. established the Act 279 Permitted Interaction Group (f.k.a. HB2511 HD2 SD2 CD1 "Waitlist Reduction Act" Permitted Interaction Group) ("Committee"). The purpose of the Committee is to participate in the preparation of the strategic plan required by Act 279, and to ensure that the program elements in the strategic plan are in line with the legislative intent of the bill and the Commission's trust responsibilities and obligations. Its members include Commissioners Pauline Namuo, Russell Kaupu, Dennis Neves, and Chairman William Aila, Jr.

Reports to the Commission on the Committee's work were provided in June, July, and August of 2022. The Commission also acted upon recommendations put forward by the Committee in August 2022. This submittal marks the end of the Committee's work and the submission to the Commission of its final work product, attached as Exhibit A, the "Strategic Plan to Implement Act 279 of 2022." (Strategic Plan).

Section 4(a), 4(b), and 4(c) of Act 279 outlined specific requirements for the Strategic Plan. These requirements include:

- 1. The plan shall address the following applicant preferences reflected in the 2020 Beneficiaries Study Applicant Report:
 - a) Seventy-six percent (76%) of individuals on DHHL's waiting list who prefer a lot with a single-family home or a vacant lot for a house; and

- b) Sixteen percent (16%) of individuals on DHHL's waiting list who prefer to rent or rent-to-own a single-family home, duplex, apartment, or townhouse, with the option to buy in the future.
- 2. The plan shall be divided by county and include recommended waiting list policies detailing when homeowner-applicants receive mortgage or down payment assistance from DHHL and renter-applicants who opt to continue to reside in their existing rental housing or future rental housing developed for the DHHL.
- 3. The Plan should include findings, recommendations, and any proposed legislation.

The Strategic Plan (Exhibit A) includes two substantive sections: Part I: Strategic Approach, which addresses the first two requirements (listed above), and Part II: Proposed Legislation and Act 279 Implementation Budget for Fiscal Year 2022-2023, which addresses requirement three. Part I is essentially the "Preliminary Strategic Approach to Implement Act 279 of 2022" document that was approved by the Commission in August 2022. Part II includes several of the legislative measures approved by the Commission in September 2022 and the Act 279 Implementation Budget for Fiscal Year 2022-2023 approved by the Commission in August 2022. An Executive Summary, and a Background and Plan Elements section was added to these substantive sections of the Strategic Plan to improve the document's readability and flow.

The Committee would like to acknowledge the hard work of the DHHL staff and the assistance of the Deputies, Attorney General and would like to express its appreciation for their contributions.

RECOMMENDATIONS:

In addition to the Strategic Plan, the Committee would like to put forward the following recommendations for the Chairman's consideration:

- (1) The Chairman should submit the attached Strategic Plan to the Legislature on or before December 10, 2022 (noting that changes to formatting and non-substantive minor amendments may be made to the document to improve its visual appeal); and
- (2) The Chairman should establish another Permitted Interaction Group of Commissioners to provide guidance and recommendations to address issues that may arise as the Strategic Plan is implemented, to recommend revisions to the Strategic Plan, and to provide guidance and recommendations to the future Implementation Budgets for Act 279. Commissioners Pauline Namuo, Russell Kaupu, and Dennis Neves have all expressed a willingness to serve as members of this new Act 279 Implementation Permitted Interaction Group.