

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 2511

February 3, 2022
2:00 p.m.
Room 325 and Videoconference

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2511: establishes the Hawaiian Home Lands Special Fund that would generate revenues through legislative appropriations, grants, donations, contributions, accrued interest, and other moneys; appropriates \$600,000,000 in general funds for FY 23 for deposit into the special fund and \$600,000,000 in special funds for FY 23 for the Department of Hawaiian Home Lands to fulfill its fiduciary duties to beneficiaries; and requires an annual report to the Legislature.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or

activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2511, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working

with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



HB2511

Ke Kōmike ‘Aha Kenekoa o ke Kuleana Hale Noho
Senate Committee on Housing

**RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.
Committee on Judiciary & Hawaiian Affairs**

Pepeluali 3, 2022

2:00 p.m.

Lumi 325

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2511, which provides needed funding to assist Department of Hawaiian Home Lands (DHHL) in fulfilling its obligation to native Hawaiian beneficiaries and developing a multipronged approach to eliminating its waitlist.

Under the Hawaiian Homes Commission Act (HHCA), the United States and the State of Hawai‘i are entrusted with the solemn duty to administer the HHCA on behalf of native Hawaiian beneficiaries. The DHHL accordingly administers approximately 203,500 acres of Hawaiian Home Lands Trust lands set aside from the public land trust lands under the HHCA, for residential, agricultural, and pastoral use by native Hawaiian beneficiaries, for whom there are 10,000 existing homestead leases statewide, with over 28,700 waitlist applications.

The historic pronouncement in HB2511, to provide housing for native Hawaiians, reflects the State of Hawai‘i’s needed action to fulfill its statutory and fiduciary obligations to the beneficiaries of the HHCA trust. We understand that these much needed funds will assist DHHL, which seeks critical long term access to adequate funding to meet its challenges in managing HHCA trust lands. We applaud the intent of this measure to address the housing needs of over 28,700 applicants who remain on the waitlist for residential, agricultural or pastoral leases.

The Office of Hawaiian Affairs notes that the new section Hawaiian Home Lands Special Fund (a)(5), which provides for funding by “Any other moneys made available to the special fund from other sources,” is vague and ambiguous and does not clearly identify the source of funds for this special fund.

We urge the Committee to PASS HB2511. Mahalo for the opportunity to testify.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS
HEARING ON FEBRUARY 3, 2022 AT 2:00PM VIA VIDEOCONFERENCE

HB 2511 RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

February 3, 2022

Aloha Chair Nakashima, Vice Chair Matayoshi, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly supports this bill establishing the Hawaiian home lands special fund and appropriating funds into and out of the special fund for DHHL to enable beneficiaries of the Hawaiian home lands trust to acquire a residence and to enable the department to fulfill its fiduciary duties to beneficiaries.

DHHL appreciates this legislature for hearing our calls for funding and the commitment to fulfilling the state's obligation to our community. An investment of \$600 million toward the implementation of the Hawaiian Homes Commission Act would be a historic infusion of resources to address the needs of potentially thousands of beneficiaries on DHHL's Waiting List. DHHL continues to be open to all measures that would return native Hawaiians to the land, as intended by Prince Jonah Kūhiō Kalaniana'ole.

As we embark on the next 100 years acknowledging the significance of the 100th anniversary of the signing of the Hawaiian Homes Commission Act of 1920 on July 9, 2021, this bill opens up opportunities for the over 28,000 beneficiaries and their families who continue to wait for the hope of Prince Kūhiō's promise to his people. Current costs for infrastructure development, borne by the Department, are in excess of \$150,000 per lot. In order to fulfill the needs of the current waitlist through this approach, the Department would require over \$6 billion for infrastructure costs alone to serve its beneficiaries. This significant sum is separate and apart from costs for maintenance of existing lessee communities housing nearly ten thousand beneficiaries, upkeep of several utility systems, and other costs. Over the last decade, the Legislature has funded the Department at levels higher than in years past, which has provided increased opportunity for DHHL to increase its reach. However, by conservative estimates following this approach, it will take the Department at least another hundred years to meet the needs of its beneficiaries at current funding levels. This infusion of funds is expected to significantly address those who have been on the waiting list for decades.

Thank you for your consideration of our testimony.

DAVID Y. IGE
GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 3, 2022

The Honorable Representative Mark M. Nakashima, Chair
House Committee on Judiciary & Hawaiian Affairs
The Thirty-First Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Nakashima and Committee Members:

SUBJECT: HB2511 Relating to Housing

The Hawaii State Council on Developmental Disabilities **strongly supports HB2511** which establishes the Hawaiian home lands special fund. Appropriates funds into and out of the special fund for DHHL to enable beneficiaries of the Hawaiian home lands trust to acquire a residence and to enable the department to fulfill its fiduciary duties to beneficiaries.

The Council is providing this testimony in memory of Mrs. Elizabeth L. Lopes. An individual who was 100 percent Hawaiian, had an intellectual/developmental disability. She was married, had children and wanted more than anything to provide her children with a family home. On April 7, 1989 the Council assisted her with getting on the waitlist for Hawaiian Homelands. She was very excited, never lost hope that one day she would get her home. When she unexpectedly passed away a couple years ago, she was 2054 on the 193 Oahu island wide residential waitlist.

We appreciate the multi-pronged approach this bill will provide to eliminating the Hawaiian homelands waitlist.

Thank you for the opportunity to submit testimony **strongly supporting HB2511**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus

DEPARTMENT OF HAWAIIAN HOME LANDS
Applicant
Waiting List
UP TO DECEMBER 31, 2020
L - Z

LOPES, EDWARD THOMAS
LOPES, ELIZABETH L
LOPES, ELIZABETH L

11 21 1981 331
04 07 1989 193
04 07 1989 291

1999
2054
1390

96192
96706
96706

HB-2511

Submitted on: 2/1/2022 1:20:17 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments:

Strongly support HB2511 & SB3359 to help fulfill Prince Kūhiō Kalanianaʻole’s vision of rehabilitating native Hawaiians through the HHCA program.

www.WeAreOne.cc



HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
Chair Rep Mark Nakashima, Vice Chair Rep Scott Matayoshi
Thursday, February 3, 2022, 2:00 pm, via videoconference

HB 2511 - Relating to the Department of Hawaiian Home Lands

TESTIMONY

Piilani Kaopuiki, League of Women Voters of Hawaii

Chair Nakashima, Vice Chair Matayoshi, and Committee Members:

The League of Women Voters of Hawaii supports HB 2511 marking \$600 million to help clear the backlog of Native Hawaiians waiting to get into livable homes. This legislation will prove historic when the backlog is reduced significantly as homes become occupied within a reasonable time.

The bill should prioritize the solutions needed on the multi-faceted challenges: earmarking land, cost of infrastructure, mortgage financing. Top priority should be given to acquiring desirable land on Oahu. Residents of Oahu should not be penalized because they live on an overpopulated island.

The state's Rainy Day Fund should not bear the brunt of funding the commitment. The Rainy Day Fund is an important safety net the state needs to maintain security for all its residents.

The bill should establish the special fund as a trust to continually support overcoming the multi-faceted challenges to fulfill mission of the Department. Having the money held in trust safeguards the money for the purposes of the trust. An independent trustee answerable only to the Administrator, Department of Hawaiian Home Lands/Chairman, Hawaiian Homes Commission, should be appointed to administer the trust. The capable trustee must be free of entanglements subject to conflict-of-interest concerns. The trustee should be able to report funds management directly to the legislature in some fashion.

Accomplishment of the legislator's intent will be historic in view of the decades and generations of neglect given to the Admissions Act and its compact with the Hawaiian people. The measure should also help mitigate the extreme shortage of affordable housing in Hawaii.

Mahalo for the opportunity to submit testimony.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Establish Hawaiian Home Lands Special Fund

BILL NUMBER: HB 2511, SB 3359

INTRODUCED BY: HB by SAIKI, AQUINO, BELATTI, BRANCO, CLARK, CULLEN, ELI, GANADEN, GATES, HAR, HASHEM, HASHIMOTO, HOLT, ICHIYAMA, ILAGAN, JOHANSON, KAPELA, KITAGAWA, B. KOBAYASHI, D. KOBAYASHI, LOPRESTI, LOWEN, LUKE, MARTEN, MATAYOSHI, MCKELVEY, MIZUNO, MORIKAWA, NAKAMURA, NAKASHIMA, NISHIMOTO, OHNO, ONISHI, PERRUSO, QUINLAN, SAYAMA, TAKAYAMA, TAKUMI, TAM, TARNAS, TODD, TOKIOKA, WILDBERGER, WOODSON, YAMANE, YAMASHITA, SB by KEOHOKALO, ACASIO, CHANG, DECOITE, DELA CRUZ, FEVELLA, INOUE, KANUHA, KEITH-AGARAN, KIDANI, LEE, SAN BUENAVENTURA, SHIMABUKURO, Baker, Gabbard, Riviere

EXECUTIVE SUMMARY: Establishes the Hawaiian home lands special fund. Appropriates funds into and out of the special fund for DHHL to enable beneficiaries of the Hawaiian home lands trust to acquire a residence and to enable the department to fulfill its fiduciary duties to beneficiaries.

SYNOPSIS: Adds a new section to the Hawaiian Homes Commission Act of 1920 to establish the Hawaiian home lands special fund.

Appropriates \$600 million to the special fund.

EFFECTIVE DATE: July 1, 2022

STAFF COMMENTS: The Department of Hawaiian Home Lands (DHHL) administers about 200,000 acres of public lands to be leased to native Hawaiians, upon which they may live, farm, ranch, and engage in commercial or other activities. The department, led by a nine-member commission, must provide financial and technical assistance to native Hawaiians (those with at least 50 percent Hawaiian blood), which enables them to enhance their economic self-sufficiency and promote community-based development. According to the Hawaiian Homes Commission Act of 1920, by doing this, the traditions, culture, and quality of life of native Hawaiians will be self-sustaining.

We all would like to think that by throwing \$600 million at DHHL, we could make a significant dent in the production of Hawaiian homestead lands and getting people off the decades-long wait list into Hawaiian homesteads.

But there are apparently issues with getting DHHL to spend the money it now has.

The federal Department of Housing and Urban Development (HUD) provides a Native Hawaiian Housing Block Grant program. DHHL is the sole recipient of such grants. One year ago, DHHL was sitting on about \$55 million in federal funds unspent, as a result of which HUD stopped

providing additional funding. Recent news reports say that the federal money is still not flowing. DHHL's website, <http://dhh.hawaii.gov/nahasda/>, shows its current grant status:

PY 13	2014	14HBGHI0001	\$9,700,000	\$7,736,927.94(80%) expended
PY 14	2015	15HBGHI0001	\$8,700,000	\$59,575.66 (0.007%) expended
PY 15	2016		0	No federal appropriations
PY16	2017	17HBGHI0001	\$2,000,000	No expenditures/encumbrances
PY17	2018	18HBGHI0001	\$2,000,000	No expenditures/encumbrances
PY18	2019	19HBGHI0001	\$2,000,000	No expenditures/encumbrances

To make a dent in the problem, we really need to understand why DHHL can't spend the money it now has. If we can't fix that problem, giving them a slug of additional funds can't be expected to solve much.

Digested: 2/2/2022

HAWAI‘I STATE LEGISLATURE TESTIMONY

HB2511

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

House Committee on Judiciary and Hawaiian Affairs

February 3, 2022

2:00 PM

Videoconference

We are a hui of organizations that provide direct-delivery and support services to the Native Hawaiian community across a variety of areas, including health, education, culture, ‘āina, and resource management. We **STRONGLY SUPPORT** HB2511, which would appropriate \$600 million in much-needed and long-overdue funding to the Department of Hawaiian Home Lands (DHHL) to enable native Hawaiians to acquire residences and to enable the DHHL to fulfill its fiduciary duties to beneficiaries.

During the first quarter of the 20th century, Prince Joseph Kūhiō Kalaniana‘ole, Hawai‘i’s Congressional Delegate at the time, advocated for the United States to set aside approximately 200,000 acres of land to establish a permanent homeland for native Hawaiians, who were identified as a landless and “dying” people as the result of disease, intermarriage, and loss of lands.

“After extensive investigation and survey on the part of various organizations organized to rehabilitate the Hawaiian race, it was found that the only method in which to rehabilitate the race was to place them back upon the soil,” Prince Kūhiō wrote to U.S. Senators.

Finally enacted in 1921, the Hawaiian Homes Commission Act (HHCA) intended to return native Hawaiians to the land while encouraging them to become self-sufficient farmers, ranchers, and homesteaders on leased parcels of reserve land.

The federal Admission Act in 1959 mandated that the State of Hawai‘i, as a compact with the U.S., administer the Hawaiian Homes Commission Act and the approximately 200,000 acres of “ceded land” set aside for Native Hawaiian homesteading, with oversight by the U.S. Congress.

Since then, the State of Hawai‘i has struggled to fulfill the promise it made in exchange for statehood to house native Hawaiians under the HHCA program. The DHHL waitlist has steadily grown over the past decade, increasing from nearly 26,000 in 2010 to more than 28,700 today.

HB2511 represents a historic step towards the State of Hawai‘i fulfilling its fiduciary obligations to beneficiaries of the HHCA trust. If enacted, this would be the single largest state or federal investment in the program in any one year in the 100-year history of HHCA. HB2511

HAWAI'I STATE LEGISLATURE TESTIMONY

holds the potential for generational change for native Hawaiians who have languished on the waitlist for far too long by offering the chance for homeownership in their kulāiwi.

In closing, we urge the Committee to PASS HB2511. Mahalo nui loa for this opportunity to provide testimony.

Should you have any questions about our testimony, please contact Sterling Wong, Vice President of Advocacy at the Council for Native Hawaiian Advancement, at sterling@hawaiiancouncil.org.



DEPARTMENT OF HAWAIIAN HOME LANDS



KANAEOKANA



IOLANI PALACE



COUNCIL for
NATIVE HAWAIIAN
ADVANCEMENT



OFFICE OF HAWAIIAN AFFAIRS



THE QUEEN'S
HEALTH SYSTEMS



BOYS & GIRLS CLUB
OF HAWAII



NATIVE HAWAIIAN
CHAMBER OF
COMMERCE



HB2511
RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS
House Committee on Judiciary and Hawaiian Affairs

February 3, 2022

2:00 PM

Videoconference

The Council for Native Hawaiian Advancement (CNHA), a member-based 501(c)(3) non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians, **STRONGLY SUPPORTS** HB2511 which would establish the Hawaiian Home Lands special fund into which will be appropriated \$600 million for use by qualifying Hawaiian Home Lands beneficiaries to acquire a residence and to enable the Department of Hawaiian Home Lands (DHHL) to fulfill the State of Hawai‘i’s fiduciary duty to these beneficiaries.

The State of Hawai‘i holds a fiduciary obligation to Hawaiian Homes Commission Act (HHCA) beneficiaries, as part of its compact with the United States in exchange for admission into the Union and subsequently upon adopting the HHCA as a provision of the State’s Constitution. The State later expanded its obligations to include enabling qualifying Native Hawaiians “to return to their lands in order to fully support self-sufficiency” and to support “the self-determination of Native Hawaiians.”¹ Due primarily to inadequate State funding, DHHL has amassed a waitlist of over 28,700 beneficiary-applicants, with countless applicants having passed away while awaiting the State to fulfill its obligation to them.

Prince Jonah Kūhiō Kalaniana‘ole advocated for the passage of HHCA in 1921 on behalf of the Native Hawaiian people. After a century during which over 84% of the indigenous population was decimated by foreign-introduced diseases, pushing them to near extinction, ‘Ōiwi leaders determined that the only way to rehabilitate Native Hawaiians, who the U.S. government characterized as “landless and dying,”² was to “place them back upon the soil.”³

¹ Hawaiian Homes Commission Act, 1920, as amended, §101 (Purpose).

² The findings of Pub. L. 106-569, title V, §512, Dec. 27, 2000.

³ The testimony of Prince Jonah Kūhiō Kalaniana‘ole as quoted in the Department of Hawaiian Home Lands 2021 Legislative Fact Sheet.



Appropriating \$600 million for the purpose of administering the HHCA through the DHHL would be a significant step in the right direction toward the State fulfilling its numerous obligations to the Native Hawaiian people.

CNHA urges the Legislature to pass HB2511.

Mahalo nui loa for this opportunity to provide testimony on this measure.

Respectfully,

J. Kūhiō Lewis, CEO
Council for Native Hawaiian Advancement



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 2511: RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

TO: House Committee on Judiciary and Hawaiian Affairs

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

Hearing: Thursday, 2/3/22; 2:00 pm; via videoconference

Chair Nakashima, Vice Chair Matayoshi, and Members, Committee on Judiciary and Hawaiian Affairs:

Thank you for the opportunity to provide testimony **in Support** of **HB 2511**, which establishes the Hawaiian Home Lands Special Fund; appropriates funding for DHHL to enable beneficiaries of the Hawaiian Home Lands Trust to acquire a residence and to enable DHHL to fulfill its fiduciary duties to beneficiaries. I am Rob Van Tassell, with Catholic Charities Hawaii.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness.

The time is now! It is time to pass this historic step forward towards the State's commitment to house native Hawaiians. **Catholic Charities Hawaii supports this bill as a Social Justice issue.** Long ago at statehood, the State promised to house native Hawaiians following the Hawaiian Homes Commission Act of 1920. The native Hawaiian community needs affordable housing. The lack of housing has had an immense negative impact. Native Hawaiians are over represented among the homeless. They have suffered many social and economic ills over the years that could have been prevented if stable and affordable housing was available.

The time is now. The State's economic forecasts are promising as Hawaii comes out of the COVID pandemic. Catholic Charities Hawaii **supports \$600 million** to fund the DHHL's work to create affordable for-sale homes. This offers great hope and promise not only to native Hawaiians who will move into these homes, but generations to come. It will provide stability and enable them, their children and their grandchildren to remain in Hawaii and become strong participants in our community. Their strong values for family, respect for the Land, and cultural pride provide a rich heritage for everyone in our community.

Let's not miss this opportunity to create a Hawaii that we can all be proud of. Please pass HB 2511. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.





February 2, 2022

To: **Rep. Mark M. Nakashima, Chair**
Rep. Scot Z. Matayoshi, Vice Chair & Members of the
Committee on Judiciary & Hawaiian Affairs

From: **Kali Watson**
President/CEO
Hawaiian Community Development Board
Honolulu, Hawaii 96813

Re: **Hearing on HB 2511**
Relating to DHHL (\$600 Million Special Fund)
February 3, 2021 at 2:00 pm
Videoconference

TESTIMONY IN SUPPORT

Dear Chairperson Nakashima & Vice Chair Matayoshi of the Committee on Judiciary & Hawaiian Affairs, and Members:

Thank you for the opportunity to provide testimony in support of **HB 2511** relating to the creation of a special fund and appropriating funds to enable beneficiaries to acquire residents and enable DHHL to fulfill its fiduciary duties to its beneficiaries.

While DHHL Chairman, we were able to get the Legislature to fund a \$600 million settlement (Act 14 of 1995) which in part allowed us to generate about 3,100 homestead units over my 4 years costing \$164.5 million. We also acquired additional DLNR state lands to make the trust whole. And we were able to acquire federal lands under the federal Hawaiian Homes Recovery Act. While steps in the right direction, after 100 years under the program, this obviously is not enough, especially when presently over “28,700 applicants remain on the waitlist for residential, agricultural, or pastoral leases.” Significant additional funding is desperately needed.

The proposed legislation is well intended and the timing is right with the State having a \$1 billion surplus. The legislation provides DHHL with the financial resources to build needed homesteads, which have been sadly in short supply in the last 20 years. If used correctly and leveraged with other funding sources, DHHL and the State can meet their mandate and fiduciary responsibilities in providing housing/homesteads to native Hawaiians. As part of the pact and condition of Statehood and our 1978 State Constitutional, sufficient funding should be provided to DHHL for the program to be a success. Without a doubt, there should be no homeless (“houseless”) Hawaiians in Hawaii. This sad affair should be corrected, and immediately. The resources have been there, but not provided in sufficient amounts over the past years. DHHL has not a priority under most past administrations. 1995 and last year’s CIP funding were exceptions, but nowhere near what is needed overall.

The State, which has a fiduciary duty to native Hawaiians and the DHHL program under our state constitution, has failed miserably to move the program forward, especially as to it’s biggest need – affordable housing for its beneficiaries. In the past,

Chairman of the Board
Richard Soo

Secretary/Treasurer
Jackie Burke

Board Members
Linda Ahue
Duane Hewlen
Puni Kekauoha
Alfred “Bobby” Willing
Helen O’Connor

President/CEO
Kali Watson

Senior VP
Patti Barbee

and more so in these pandemic times, the State has not and will not be able to provide sufficient funding to truly make a difference in significantly reducing DHHL's waiting lists, unless it does it now. Even with Act 14 and its \$600 million settlement which was spread over 20 years, it made only a small dent in the waiting lists that continue to grow even more so. And Act 14 has come to an end and future funding is uncertain. So, rather than relying and hoping for future legislative funding, take legislative action now. Only then can DHHL truly and effectively develop more of its over 203,500 acres throughout the State for needed housing, farming and pastoral uses by DHHL beneficiaries.

What is also important is allowing DHHL the flexibility in the use of the \$600 million. Most affordable housing projects in Hawaii are funded from many sources. The Hawaii Housing Finance & Development Corporation (HHFDC) provides State and Federal low-income housing tax credits, Rental Housing Revolving Funds, Hula Mae Bonds, and DURF funds. There are other housing funds such as HOME funds from HUD, the National Housing Trust Fund, State Grants in Aid funds, County Affordable Housing Funds, along with rental vouchers from various sources. All these various funds can and have in the past been combined to produce affordable housing for native Hawaiians. The Ho'olimalima project used HHFDC funding sources to build 70 houses that initially were rented to DHHL beneficiaries and then converted to homesteads with the outstanding loan balances funded by HUD federal NAHASDA funds. This was the first and very successful Rent to Own Project on DHHL lands. This funding approach was similarly used for DHHL's 80-unit kupuna housing project in Waimanalo – Kulanakauhale Maluhia O Na Kupuna, although strictly for rentals (and not conversion), which really is needed for an exploding population of kupuna.

DHHL has done some four subdivisions of single-family housing in the Villages of Kapolei. Several subdivisions in the Villages of Laiopua on the Big Island. – And several villages in Leiali'i-Honokowai on Maui.

While use of existing DHHL lands has worked, DHHL also needs to be able to purchase other government lands and private lands. This was done with HHFDC lands in the various Villages, and has been done in Waiehu kou and Waikapu on Maui to expand an existing DHHL subdivision and create the new DHHL Pu'unani Subdivision using private lands.

Flexibility is key to leveraging the \$600 million to generate around \$1.5 billion in funding for the DHHL program. This will definitely help eliminate the waiting lists, or close to it.

Hawaiian Community Development Board is a nonprofit focusing primarily on helping beneficiaries of the Hawaiian Homes Commission Act of 1921, but also works with non-beneficiaries.

I urge you to please pass measure **HB 2511**.

Pupuka I Holomua (United in order to progress),



Kali Watson
President/CEO
Hawaiian Community
Development Board (HCDB)



Building strength and stability through shelter

Committee on Judiciary and Hawaiian Affairs
Thursday, February 3, 2022
Video Conference, 2:00 p.m.

HB2511– STRONG SUPPORT

Aloha Committee Chair Nakashima, Vice Chair Matayoshi, and members of the committee,

I am submitting testimony in my capacity as Program Manager of Hawaii Habitat for Humanity Association (HHFHA). We are a nonprofit community development financial institution and Affiliate Support Organization for the direct service Habitat for Humanity organizations across the state. Our organization **STRONGLY SUPPORTS HB2511** which establishes the Hawaiian Home Lands Special Fund and appropriates \$600,000,000 to said fund to enable beneficiaries to acquire a residence, thereby fulfilling the fiduciary duties of the Department of Hawaiian Home Lands.

We strongly support the investment of \$600 million toward the implementation of the Hawaiian Homes Commission Act, which would be a historic infusion of funding to address the needs of potentially thousands of beneficiaries on DHHL's Waiting List, an estimated 2000-4000 beneficiaries. Along with the funding, we also strongly support the establishment of the special fund. Current costs for infrastructure development, borne by the Department, are in excess of \$150,000 per lot - separate from other associated costs maintenances and utility services. In order to fulfill the needs of the current beneficiaries' waitlist, sustained funding is necessary.

As a support organization for the Habitat for Humanity non-profit housing developer affiliates across the state, we are humbled to have partnered with DHHL in the past to create affordable for-sale homes to our native Hawaiian community. Lack of housing has had an immense negative impact toward this community, where native Hawaiians are over represented among the houseless. This investment provides great promise to not only to the native Hawaiians who will move into these homes, but for generations to come, as homeownership is the primary method in which families accumulate generational wealth. Right now, our partnerships with DHHL leverages funding for families at a ratio of 4:1 – quadrupling the effect every dollar each household pays into their home. With more funding available to DHHL, more families can benefit.

We sincerely thank the legislature in recognizing the importance of this measure. Mahalo for your time, leadership and consideration. Please contact me directly at 425.829.8231 or susan@hawaiihabitat.org should you have any questions or need additional information.

Sincerely,

Susan Le

Susan Le
Program Manager

HB-2511

Submitted on: 2/1/2022 7:01:31 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Wayne	Individual	Support	No

Comments:

I STRONGLY SUPPORT this long overdue step to uphold our state's existential and moral obligation to the Department of Hawaiian Home Lands. Mahalo!

HB-2511

Submitted on: 2/1/2022 10:39:31 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Grace Bezilla	Individual	Support	No

Comments:

Kāko'o

HB-2511

Submitted on: 2/1/2022 10:43:33 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Noel Shaw	Individual	Support	No

Comments:

Aloha Mai Kākou,

I am writing in support of HB2511. As a Hawaiian Homestead beneficiary and successor to my family's homestead lease, it is essential the Department of Hawaiian Homelands is adequately funded from State revenue. The State has gone too long without upholding it's fudiciary duty to Homestead Beneficiaries, made evident by the extensive waiting list and by the poorly planned and facilitated existing homestead properties.

Establishing the special fund will ensure not only that the State is adequately funding DHHL but also that other entities may support DHHL's mission of returning Hawai'i's to 'āina in Hawai'i.

Mahalo,

Noel

HB-2511

Submitted on: 2/2/2022 12:25:05 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Max Mukai	Individual	Support	No

Comments:

My name is Max Mukai, I am a Native Hawaiian resident of Hawai‘i. I STRONGLY SUPPORT HB2511/SB3359, would appropriate \$600 million in much-needed and long-overdue funding to the Department of Hawaiian Home Lands to enable native Hawaiians to acquire residences. HB2511/SB3359 represents a historic step towards the State of Hawai‘i fulfilling the promise it made when it became a state that it would house native Hawaiians in accordance with the Hawaiian Homes Commission Act of 1920. If enacted, this would be the single largest state or federal investment in the program in any one year in the 100-year history of HHCA. HB2511/SB3359 holds the potential for generational change for native Hawaiians who have languished on the waitlist for far too long by offering the chance for homeownership in their kulāiwi.

HB-2511

Submitted on: 2/2/2022 12:30:23 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kahealani Peleras	Individual	Support	No

Comments:

My name is Kahealani Peleras and I am a Native Hawaiian resident of Hawai‘i. I STRONGLY SUPPORT HB2511, that would appropriate \$600 million in much-needed and long-overdue funding to the Department of Hawaiian Home Lands to enable native Hawaiians to acquire residences. HB2511 represents a historic step towards the State of Hawai‘i fulfilling the promise it made when it became a state that it would house native Hawaiians in accordance with the Hawaiian Homes Commission Act of 1920. If enacted, this would be the single largest state or federal investment in the program in any one year in the 100-year history of HHCA. HB2511 holds the potential for generational change for native Hawaiians who have languished on the waitlist for far too long by offering the chance for homeownership in their kulāiwi.

Mahalo for this opportunity to submit testimony. Me ke aloha nui,

Kahealani Peleras

HB-2511

Submitted on: 2/2/2022 12:39:07 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
melissa tomlinson	Individual	Support	No

Comments:

Please support this Bill along with SB3359.

HB-2511

Submitted on: 2/2/2022 1:01:58 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Johnnie-Mae L. Perry	Individual	Support	No

Comments:

I, Johnnie-Mae L. Perry strongly **SUPPORT HB 2511.**

Mahalo for your consideration of my testimony.

February 1, 2022

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Rep. Mark M. Nakashima, Chair
Rep. Scot Z. Matayoshi, Vice Chair

Testimony in Support of HB-2511

Aloha Chair Nakashima, Vice Chair Matayoshi, and members of the Committee,

I'm Homelani Schaedel, a beneficiary residing in Malu'ōhai, a homestead leader in Kapolei, and an advocate for the Hawaiian Home Lands Trust.

I appreciate the crafting of this bill for it recognizes and acknowledges the fiduciary duty and obligation of the United States, the State of Hawaii, and the Department of Hawaiian Home Lands (DHHL) to **all beneficiaries** of the Hawaiian Homes Commission Act of 1920, as amended (HHCA), **and** it summarizes the challenges that has plagued DHHL from accelerating residential awards.

However, had the legislature provided funding to DHHL for lot development of 500 homes each year for the past forty-four (44) years, there would be 22,000 homes our lands today. What is most hurtful to me, is that we have lost kupuna who waited, and two (2) generations of our children who moved away during this period because they couldn't afford to live here.

The estimated cost of lot development on O'ahu is \$150,000 dollars and rising. This \$600 million dollars equates to approximately 4,000 homes; leaving over 7,000 applicants on the O'ahu Residential Waitlist which is at 11,007 and 12,482 on the other islands as of the end of December 2021.

This and its' companion bill SB-3359 in the Senate is unprecedented, because for the first time in over one hundred (100) years since the HHCA was enacted; DHHL and beneficiaries of the Hawaiian Home Lands Trust didn't have to beg for these funds.

During my testimony on January 31, 2022 on SB-2608 I made some strong statements... they were meant to be. I sincerely hope House Speaker Saiki's statement... "Members, it is time to give the Department of Hawaiian Home Lands the resources it needs to fulfill its fiduciary duty" is echoed in the Senate.

I strongly urge you to pass this bill as your renewed commitment not only to the beneficiaries of the HHCA, but also to our children, and grandchildren who are waiting.

Me ka mahalo nui for allowing me this space and your time.

HB-2511

Submitted on: 2/2/2022 9:32:48 PM

Testimony for JHA on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Wai'ala Ahn	Individual	Support	No

Comments:

Please Support much needed and long overdue funding