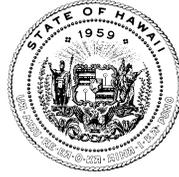


DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

SHAN S. TSUTSUI  
LT. GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.  
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879  
HONOLULU, HAWAII 96805

**TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEES ON HOUSING AND OCEAN, MARINE  
RESOURCES, & HAWAIIAN AFFAIRS**

**SB 2424, SD2 RELATING TO HOUSING FOR NATIVE HAWAIIANS**

March 20, 2018

Aloha Chairs Brower & Ing and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL and authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands and leased to beneficiaries.

This measure is unnecessary because section 214 of the Hawaiian Homes Commission Act includes broad authority for the department to make loans from revolving funds to beneficiaries for the “repair or maintenance or purchase or erection of dwellings on any tract.” Although the HHCA doesn’t specifically reference a micro housing unit, dwellings can encompass a micro housing unit. A particular challenge lessees on Hawaiian home lands face is financing a micro housing unit if they already have an existing mortgage.

A mechanism to allow for financing of micro housing units through Hawaii Housing Finance and Development Corporation (HHFDC) for those homeowners on Hawaiian Home Lands that currently have a mortgage and require additional financing to build a micro unit could increase affordable housing options. However, this bill as currently titled would raise Fair Housing Act concerns for HHFDC.

The Department notes that this measure proposes funding from general revenues and appreciates any funding to support its initiatives as long as it doesn’t affect the priorities identified in the Governor’s Executive budget request.

Thank you for your consideration of our testimony.



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai‘i Appleseed Center for Law and Economic Justice  
Supporting SB 2424 SD2 -- Relating to Housing for Native Hawaiians  
House Committees on Housing and on Ocean, Marine Resources, & Hawaiian Affairs  
Scheduled for hearing on Tuesday, March 20, 2018, 10:15 AM, conference room 423

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Dear Chairs Brower and Ing, Vice Chairs Nakamura and DeCoite, and members of the Committees:

Thank you for the opportunity to testify in SUPPORT of **SB 2424 SD2**. This bill presents a unique opportunity to utilize the Hawaiian Trust Lands for affordable housing.

This bill would establish a public-private partnership to leverage \$5 million in state funding to create a \$20 million revolving loan fund for the development of affordable micro housing units on Hawaiian Home Lands. The micro housing unit loan fund would support the building of 10,000 micro housing units on Hawaiian Home Lands by 2026. These homes would be required to be priced at or below \$125,000. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

Hawai‘i Appleseed has been involved in the authorization and construction of accessory dwelling units on O‘ahu for the past several years, as a way to increase the supply of affordable housing on the island. Through our research and outreach work, we have come to see Hawaiian Home Lands as an especially promising area for the development of such units.

There are far too many native Hawaiians and their non-native Hawaiian family members residing on the beach, in cars, and over-crowded housing. This bill would help address this issue as part of the state’s comprehensive approach toward solving our homeless and affordable housing crises.

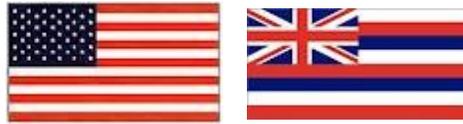
We appreciate your consideration of this testimony.

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*Hawai‘i Appleseed Center for Law and Economic Justice Hawaii Appleseed is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.*

Center for Hawaiian Sovereignty Studies  
46-255 Kahuhipa St. Suite 1205  
Kane'ohe, HI 96744  
(808) 247-7942

Kenneth R. Conklin, Ph.D. Executive Director  
e-mail [Ken\\_Conklin@yahoo.com](mailto:Ken_Conklin@yahoo.com)  
Unity, Equality, Aloha for all



To: HOUSE COMMITTEE ON HOUSING and HOUSE COMMITTEE ON  
OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS

For hearing Tuesday March 20, 2018

Re: SB 2424 SD2 RELATING TO HOUSING FOR NATIVE HAWAIIANS.  
Authorizes the construction and use of micro housing units on  
Hawaiian home lands approved by the Department of Hawaiian Home  
Lands, and leased to native Hawaiian beneficiaries who meet the  
minimum Hawaiian blood quantum requirement, notwithstanding county  
zoning laws. Authorizes the use of the Hawaiian home loan fund and  
Hawaiian home general loan fund for assistance in purchasing or renting  
micro housing units for use on approved Hawaiian home lands and  
leased to beneficiaries who meet the minimum Hawaiian blood quantum  
requirement. Makes appropriations to the Department of Hawaiian  
Home Lands for construction of micro housing units, subject to certain  
conditions, and to build general organizational capacity of native  
Hawaiian-controlled nonprofit housing developers. Effective 7/1/2050.  
(SD2)

TESTIMONY IN OPPOSITION

Here are six points which need to be made.

1. Some clever politicians are trying to send millions of extra dollars to enrich DHHL by giving the public and the legislature the false impression that the purpose is to provide truly tiny houses to help poor and downtrodden people. Shame!

It is a form of bait-and-switch to use a currently popular term as the name for a proposal which is actually very different. This bill proposes to allow up to 800 sq ft. of floor space for a house or apartment to be branded as a "micro housing unit." That would be two or three times the size of the genuine "tiny homes" and "microunit apartments" that are the current fad in Honolulu for solving the twin problems of homelessness and housing shortage. My own 2-bedroom condo apartment is 723 sq ft and is definitely not "micro." Units of the same size in my building have families of 4 or 5 people living in them comfortably. Renters in my building pay around \$2,000 per month for apartments identical to mine, and the assessed valuation is currently \$ 351,700. Micro schmikro!

2. Don't reach into the pockets of Hawaii taxpayers to grab our money to make up for the malfeasance of DHHL leadership. The first sentence in the original version of this bill was honest to say "The legislature finds that the department of Hawaiian home lands produced no new housing units during the fiscal year ending June 30, 2017, and closed out the year with \$30,000,000 in unspent federal housing funds." For that much money they could have bought 85 of my 2-bedroom apartments at current assessed valuation, to provide housing for 300-400 people. Or if we use the estimated construction cost of \$125,000 mentioned in this bill, that \$30 Million could have yielded 240 housing capable of sheltering 900-1200 people. DHHL leadership is clearly lazy or incompetent, and responsible for protracting the misery of hundreds of people whose well-being it is responsible for.

3. It appears that this bill would actually be discriminating against native Hawaiians. Census data indicate that "Native Hawaiians" have significantly larger family size and household size than the general population of Hawaii. Yet this bill proposes to cram those larger families into smaller "micro housing units" anticipated to be in violation of zoning laws and building codes. That's pretty nasty, isn't it?

4. Section 2 of this bill proposes to override "any county zoning laws, permit provisions, or building code provisions to the contrary to allow micro housing units" on DHHL lands. But those zoning laws and building codes exist for good reasons (or don't they?). Some DHHL residential homelands lie immediately adjacent to normal residential neighborhoods; for example, the one in Waimanalo (which I canvassed for Census 2000). Does the legislature really want to be responsible for the development of overcrowded slum housing ("micro housing units" in violation of zoning laws and building codes) right across the street from middle class suburban homes?

5. I remind the legislature that a class-action lawsuit by 3,000 native Hawaiians on the waiting list for DHHL leases has resulted in a court decision resulting in negotiations for a settlement that could force taxpayers to fork over Billions of dollars not only to individual plaintiffs but also to DHHL. Now comes before you this bill to begin a brand new DHHL project and to pay for it with two startup grants of unspecified amounts (but specified in the original bill as one million and five million dollars), expected to result in permanent programs for huge megabucks in the future. It would be foolish to give DHHL new money on top of whatever will come out of those negotiations. If DHHL wants to develop a project for micro housing units, let DHHL fund that program, or include it in its demands for a negotiated settlement of the class action lawsuit.

6. OHA already has over \$600,000,000. And, according to its bill in both Senate and House, OHA wants to grab an additional \$119,000,000 in ceded lands "back rent" plus \$35,000,000 per year, in lieu of ceded lands revenue, going forward. Wow!

The legislature has the authority to raid OHA's treasury the same as the legislature raids any of the special funds such as hurricane relief or highways. Make OHA pay for DHHL projects.

In this case the "raid" would merely be forcing OHA to spend money it was supposed to be spending all along, and to spend it for the exact purpose for which OHA was created.

Section 5(f) of the statehood Admissions Act says one of the 5 purposes for the use of ceded land revenues: is "... for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920." HHCA defines "native Hawaiians" as people who have at least 50% native blood quantum -- exactly the same requirement for someone to be granted a lease on DHHL land.

Act 273 (1980) says "twenty per cent of all funds derived from the public land trust ... shall be expended by the office of Hawaiian affairs ... for the purposes of this chapter." Act 273 does not say the funds may be invested in an investment portfolio, it says the funds SHALL BE EXPENDED to provide services. Yet OHA seems to think it can grab tens of millions of dollars every year which it then invests or uses for political purposes such as lobbying for the Akaka bill or building a racial registry for "nationbuilding", but OHA fails to provide more than sporadic and inadequate funding for purposes which OHA should be supporting.

OHA currently has over \$600 Million in assets. No other agency of the state government is allowed to squirrel away huge amounts of wealth as a permanent cash stash.

Make OHA spend its vast wealth for the needs of DHHL -- i.e., for the betterment of native Hawaiians as defined in HHCA. If DHHL decides to use some of the money for "micro housing units" it can do so. DHHL can build slums for low-income native Hawaiians, to the consternation of middle-class suburban homeowners (including native Hawaiians) living right across the street.



200 North Vineyard Boulevard, B140  
Honolulu, HI 96817  
Ph: 808-587-7886  
Toll Free: 1-866-400-1116  
[www.hawaiiancommunity.net](http://www.hawaiiancommunity.net)

March 18, 2018

Joint Committee on Housing and Ocean, Marine, and Hawaiian Affairs  
Tuesday, March 20, 2018, 10:15am  
Conference Room 423

### **SB2424, SD2 – Relating to Housing for Native Hawaiians**

Aloha Chairs Brower and Ing, Vice-Chairs Nakamura and DeCoite, and Committee Members:

I am submitting testimony on behalf of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency, to **STRONGLY SUPPORT SB2424, SD2.**

SB2424, SD2 would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of up to 10,000 tiny homes on Hawaiian Home Lands' lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

### **Need for Affordable Housing**

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424, SD2 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

### **Power to Leverage the State's Investment**

The bill would provide State funds to a native community development financial institution (CDFI) that would administer the revolving tiny home loan fund. CDFIs are nonprofit intermediaries that are helping communities build affordable housing across the United States by pooling together public and private capital for deployment to underserved populations through loans and grants. The Carsey Institute cites that CDFIs are leveraging Federal investments at a rate of up to 8:1<sup>1</sup>. This bill would take advantage of the power of CDFIs and their ability to leverage investments from foundations, banks, and government entities to increase affordable housing for native Hawaiian and their non-native Hawaiian family members on Hawaiian Home Lands.

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<sup>1</sup> CDFI Industry Analysis: Summary Report. Carsey Institute, Spring 2012.  
<https://www.cdfifund.gov/Documents/Carsey%20Report%20PR%20042512.pdf>

**Nonprofit Developers are a National Best Practice for Addressing Affordable Housing**

In October 2017, Vice President of the Local Initiative Support Corporation's rural initiative, Suzanne Anarde, announced at the Annual Native Hawaiian Convention that "nonprofit developers are a national best practice for addressing affordable housing in our communities". Nonprofit developers have dual social and financial missions and are experts at utilizing both public and private funds to build affordable housing units for low- and moderate-income households, defined by the Department of Housing and Urban Development as those earning at or below 100% the area median income. SB2424, SD2 would assist Hawaii in building the capacity of native Hawaiian nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands. Most importantly, this will allow native Hawaiian families who are currently unable to qualify for turnkey single family homes being developed on Hawaiian Home Lands and priced at \$250,000 and above.

At a time when we are facing dual homeless and affordable housing crises, we cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these opportunities to its beneficiaries that support economic self-sufficiency and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. **PASS SB2424, SD2.**

Sincerely



Jeff Gilbreath  
Executive Director

**SB-2424-SD-2**

Submitted on: 3/16/2018 8:28:57 PM

Testimony for HSG on 3/20/2018 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton Kealii Pang, Ph.D.	Hawaiian Civic Club of Honolulu	Support	No

Comments:

The Hawaiian Civic Club of Honolulu supports SB2424 SD2 and has been a long-time supporter of the Department of Hawaiian Homelands programs which was first envisioned by our founder, Jonah KĀĀhiʻĀ Kalanianaʻole in 1918. This bill authorizes the construction and use of micro housing units on Hawaiian home lands approved by the Department of Hawaiian Home Lands, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement, notwithstanding county zoning laws. It also authorizes the use of the Hawaiian home loan fund and Hawaiian home general loan fund for assistance in purchasing or renting micro housing units for use on approved Hawaiian home lands and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement. Please pass SB2424 SD2.

**SB-2424-SD-2**

Submitted on: 3/19/2018 10:10:23 AM

Testimony for HSG on 3/20/2018 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Oahu County Committee on Legislative Priorities, Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Tom Brower, Chair; the Honorable Nadine K. Nakamura, Vice-Chair, and Members of the House Committee on Housing:

To the Honorable Kaniela Ing, Chair; the Honorable Lynn DeCoite, Vice-Chair, and Members of the House Committee on Ocean, Marine Resources, & Hawaiian Affairs:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on Senate Bill No. **SB2424 SD2**, relating to DHHL; HHFDC; Micro Housing; Tiny Homes; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **SB2424 SD2** and supports its passage.

**SB2424 SD2**, is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it authorizes the construction and use of micro housing units on Hawaiian home lands approved by the Department of Hawaiian Home Lands, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement, notwithstanding county zoning laws; and authorizes the use of the Hawaiian home loan fund and Hawaiian home general loan fund for assistance in purchasing or renting micro housing units for use on approved Hawaiian home lands and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement. Makes appropriations to the Department of Hawaiian Home Lands for construction of micro housing units, subject to certain conditions, and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers, effective 7/1/2050.

Specifically, the DPH Platform states, "Native Hawaiians are the indigenous people of Hawai'i and deserve a just relationship with the state and federal governments. (Platform of the DPH, P. 4. Lines 204-205 (2016)).

We support the continued engagement and empowerment of the Native Hawaiian community in decisions related to county and state affairs. We support the growth of Native Hawaiian farming, agricultural and healing practices. We value and

wish to foster the preservation of our host culture. (Platform of the DPH, P. 4, Lines 210214 (2016)).

Housing is a basic human need and we believe that adequate, accessible, affordable, and safe housing should be available to all residents of Hawai'i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent.

We also need economically affordable home ownership. To this end we support policies which re-think the current formula to determine "affordability" as this formula puts both rentals and sales out of the reach of most working families in Hawai'i. (Platform of the DPH, P. 7, Lines 340-348 (2016)).

We believe in the concept of "Housing First" to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawaii's homeless population, to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups including but not limited to the Hawaiian community, aged-out foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless. (Platform of the DPH, P. 7, Lines 352-358 (2016)).

Given that **SB2424 SD2** authorizes the construction and use of micro housing units on Hawaiian home lands approved by the Department of Hawaiian Home Lands, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement, notwithstanding county zoning laws; and authorizes the use of the Hawaiian home loan fund and Hawaiian home general loan fund for assistance in purchasing or renting micro housing units for use on approved Hawaiian home lands and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement. Makes appropriations to the Department of Hawaiian Home Lands for construction of micro housing units, subject to certain conditions, and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers, effective 7/1/2050, it is the position of the OCC Legislative Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889



*Building strength and stability through shelter*

**LATE**

February 20, 2018

House Committee on Housing  
House Committee on Ocean, Marine Resources & Hawaiian Affairs  
Tuesday, March 20, 2018, 10:15 am  
Conference Room 423

**SB2424, SD2 – Relating to Housing for Native Hawaiians**

Aloha Chair Brower, Chair Ing, Vice-chair Nakamura, Vice-chair DeCoite, and Committee Members:

I am submitting testimony on behalf of Hawaii Habitat for Humanity and six locally-based Habitat organizations across the state. Habitat for Humanity is only one of very few nonprofit organizations that offer homeownership opportunities to low-income residents in Hawaii. Hawaii Habitat for Humanity is a Department of Treasury certified nonprofit Community Development Financial Institution (CDFI). I write in **SUPPORT of SB2424 SD2.**

SB2424, SD2 would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of up to 10,000 tiny homes on Hawaiian Home Lands lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. **PASS SB2424, SD2.**

We support SB3008, SD1 to protect Hawaii's low-income families and specifically providing options that will not jeopardize their ability to afford decent homes.

Mahalo for your time, leadership and consideration. Please contact me at 808-847-7676 or [jean@hawaiihabitat.org](mailto:jean@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jean Lilley", is displayed on a light gray rectangular background.

Jean Lilley  
Executive Director

Habitat for Humanity Hawaii Island  
Habitat for Humanity Leeward Oahu  
Habitat for Humanity Maui  
Honolulu Habitat for Humanity  
Kauai Habitat for Humanity  
Molokai Habitat for Humanity

**SB-2424-SD-2**

Submitted on: 3/19/2018 2:48:25 PM

Testimony for HSG on 3/20/2018 10:15:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Velma Mariano	Paukukalo Hawn Homestead	Support	No

Comments:

Yes this bill is imperative to help all the homeless crisis in Hawaii

**SB-2424-SD-2**

Submitted on: 3/17/2018 10:56:50 AM

Testimony for HSG on 3/20/2018 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Crouch	Individual	Support	No

Comments:

My name is John Crouch. I have been involved with renewable energy development since 1975 with the installation of the first MW sized windfarm at Kahua Ranch on the Big Island and then the South Point 13 MW wind farm in 1986 and the 1.5 MW PV farm on Lanai in 2008.

I support this measure because of the unique ability for renewable energy production, with storage, to meet the requirements of small home energy security and power resilience for residential and small commercial facilities, especially small home communities. It is important to note that individual or communities of small homes can be provided with clean, safe, dependable electrical energy when grid connected or in Off-Grid applications.

Aloha, John Crouch

883-9411

**SB-2424-SD-2**

Submitted on: 3/19/2018 5:03:29 AM

Testimony for HSG on 3/20/2018 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Leimomi Khan	Individual	Support	No

Comments:

Support the intent of SB2424 SD2. "Tiny homes" are a form of affordable housing that may address the State's persistent housing shortage. There should be assurance, however, that "Tiny homes" do not preclude homestead beneficiaries from eligibility for larger hawaiian homes as homeowner families grow.

**SB-2424-SD-2**

Submitted on: 3/19/2018 3:04:06 PM

Testimony for HSG on 3/20/2018 10:15:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Natalie Kama	Individual	Support	No

Comments:

Aloha,

My name is Natalie Kama, an awardee of a lease in 1987 given out during the DHHL's Acceleration program, in which they were trying to get people off the DHHL waiting list (in which ended up on another list, which by way, we have a current list of waiters, call the Undivided Interest List). Going from list to list does not benefit the beneficiary of the HHCA Trust. The DHHL was never to be the housing developer but to give out the land with infrastructure upon it and allow the lessee to farm, put a business, put up a restaurant or whatever needed for the native Hawaiian to succeed on their aina.

Section 5 (1) is not in line with the HHCA. The Act says 50% blood quantum is the eligibility requirement to be a beneficiary of the HHL Trust. The legislation says that to be a board of director on a native Hawaiian controlled housing developer one needs to be of 51% native Hawaiian ancestry. This sentence needs to reflect what is written in the HHCA so beneficiaries can qualify. Please do not make things hard for our beneficiaries.

Also, this bill allows for the entrepreneurial ship of beneficiaries into the housing market. This is a good thing for us.

And on another note, Section 8 says this will take effect in 2050. Please do not let us wait 32 years for this to happen. We need to do this NOW.

Mahalo,

**LATE**

**SB-2424-SD-2**

Submitted on: 3/19/2018 8:44:21 PM

Testimony for HSG on 3/20/2018 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
De MONT R. D. CONNER	Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

We STRONGLY SUPPORT this bill. Mahalo.

**SB-2424-SD-2**

Submitted on: 3/19/2018 9:34:34 PM

Testimony for HSG on 3/20/2018 10:15:00 AM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rachel L. Kailianu	Ho`omana Pono, LLC	Support	Yes

Comments:

I STRONGLY SUPPORT THIS BILL.

**SB-2424-SD-2**

Submitted on: 3/20/2018 4:24:39 AM

Testimony for HSG on 3/20/2018 10:15:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kapua Keliikoa-Kamai	Individual	Support	Yes

Comments:

**LATE**



**SB2424 SD2**  
**RELATING TO HOUSING FOR NATIVE HAWAIIANS**  
House Committee on Housing  
House Committee on Ocean, Marine Resources, & Hawaiian Affairs

March 20, 2018

10:15 a.m.

Room 423

The Office of Hawaiian Affairs (OHA) appreciates the opportunity to provide **COMMENTS** on SB2424 SD2, which seeks to advance housing options and opportunities for Department of Hawaiian Home Lands (DHHL) beneficiaries and their families.

OHA is the constitutionally-established body responsible for protecting and promoting the rights of Native Hawaiians, and serves as the principle agency responsible for the performance, development, and coordination of programs and activities relating to Native Hawaiians; assessing the policies and practices of other agencies impacting Native Hawaiians; and conducting advocacy efforts for Native Hawaiians.<sup>1</sup> In furtherance of its constitutional mission, OHA has adopted a strategic priority of **Ho‘okahua Waiwai**, which focuses on improving Native Hawaiians’ economic self-sufficiency through improved home ownership and rental standards. **Between FY11 – FY16, OHA accordingly provided approximately \$28 million in support of housing and housing stability programs, including foregone rent for a homeless shelter, sponsorships, programs and services (including contracts and grants), and \$3 million annually for DHHL housing development program activities.**

OHA is therefore appreciative of the intent behind this measure, to provide its lessees with greater flexibility in the development of housing on DHHL lands. We offer these comments with respect to Section 4 and Section 5, which as currently drafted, would appropriate funds to DHHL for the purposes of the bill.

OHA respectfully suggests that the Hawai‘i Housing Finance and Development Corporation (HHFDC), rather than the DHHL, may be the more appropriate agency to dispense the appropriated funds under Section 4 and Section 5 of this bill. OHA appreciates the Attorney General’s (AG’s) concerns about the HHFDC’s inability to restrict its programs based on “race,” pursuant to the AG’s interpretation of the federal Fair Housing Act. However, OHA also notes that the Hawaiian Homes Commission Act of 1920, as amended (HHCA), is also based upon federal law, and has the express purpose of rehabilitating native Hawaiians as a political class, through a homestead program specifically designed to return them to the land. Although the State assumed most of the

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<sup>1</sup> HAW. CONST. ART. XII SEC. 5; Haw. Rev. Stat. § 10-3.

responsibility for the administration of the HHCA through the Admission Act, the federal government continues to have trust responsibilities under the HHCA, and continues to require, subject to certain exceptions, that the HHCA may only be amended by the State with the consent of the United States. Accordingly, the Committees and the Legislature may wish to consider whether these federal laws should be interpreted to give full effect to each, and whether the political status of the HHCA's native Hawaiian beneficiaries should allow the HHFDC to expend funds for their benefit, without conflicting with the Fair Housing Act. Notably, designating the HHFDC as the expending agency may obviate the concerns relating to the DHHL's limitations in awarding loans for second mortgages, which may frustrate the intent of this measure.

Finally, in light of these concerns, the Committees may also want to consider requiring awards to be used for projects on lands as described in the Hawaiian Homes Commission Act, as amended.

Mahalo nui for the opportunity to testify on this measure.