

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

ROBERT YU  
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 HOUSING  
ON  
HOUSE BILL NO. 2721

**February 4, 2020**  
**9:15 A.M.**  
**Room 423**

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST PUEO DEVELOPMENT, LLC.

The Department of Budget and Finance (the "Department") offers the following comments on House Bill No. 2721 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the Pueo Development, LLC, a Hawaii limited liability company, with its proposed master planned development that will include low- and moderate- income homes; rental housing units; elderly care units; alternative energy development; and infrastructure development, including roads and utilities pursuant to Part IX, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.

**DATE:** February 4, 2020

**TO:** Chair Tom Brower, Vice-Chair Scot Matayoshi and Members of the House Committee on Housing

**MEASURE:** HB 2721  
Tuesday, February 4, 2020  
9:15 am  
Conference Room 423

**SUBJ:** Testimony in Strong Support of HB 2721

Aloha Chair Brower, Vice-Chair Matayoshi and Members of the House Committee on Housing. My name is Bob Hall, partner with Pueo Development, LLC, and I submit testimony in strong support of HB 2721.

Special Purpose Revenue Bonds provide loan financing to assist qualifying private capital improvement projects in the public interest. The bonds do not constitute a general obligation of the State and are not State monies.

Waiohuli Hawaiian Homestead Association, Inc. (WHHA) is a non-profit, 501(c)3 organization, who has partnered with Pueo Development, LLC, a Hawaii-based company to seek Hawaii State Legislature's authorization for a \$50M Special Purpose Revenue Bond (SPRB) to support WHHA's "Project: WE-DO" (Waiohuli Economic Development Opportunities).

The goal of Project: WE-DO is to create long-term, economic development opportunities for WHHA's community THROUGH development. WE-DO's intended outcomes are:

- To create career mentoring and employment opportunities in multiple fields of expertise and services associated with development
- To collaborate with the Department of Hawaiian Home Lands (DHHL) in creating an array of homestead opportunities and services, including new housing as an end-product of this initiative
- To leverage private financing, expertise and services that secure deliberate and sustainable public commitments in order to deliver the best, affordable and timely homesteading opportunities.

WHHA has been issued Right of Entry (ROE) #688 from DHHL on January 7, 2020 to conduct necessary due diligence and project feasibility to develop a master plan on approximately 150 acres of DHHL located adjacent to the existing Waiohuli Hawaiian Homesteads, Kula, Maui. The initial due diligence period is 36-month, during which time Pueo Development, LLC plans to assemble a financing package for the master plan, inclusive of a Special Purpose Revenue Bond.

Mahalo for the opportunity to provide testimony

Respectfully Submitted,



Bob Hall, Partner  
Pueo Development, LLC

**HAWAII OPERATING ENGINEERS  
INDUSTRY STABILIZATION FUND**



Affiliated AFL-CIO  
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*Uniting our strengths and working together  
for a better tomorrow.*

House of Representative Committee on Housing

Honorable Tom Brower, Chair

Honorable Scot Z. Matayohi, Vice Chair

Honorable Members of the Housing Committee

February 3, 2020

**RE: H.B. 2721- ELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST  
PUEO DEVELOPMENT, LLC..**

Dear Chair Brower, Vice Chair Matayoshi, and Members of the Committee,

My name is Pane Meatoga III and I am the Community Liaison representing the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF). We are a labor management fund representing 4000 unionized members in the heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

Hawaii Operating Engineers Industry Stabilization Fund **strongly supports the passing of H.B. 2721**. The partnership between Waiohuli Hawaiian Homestead Association, Inc. (WHHA), a non-profit, 501(c)3 and Pueo Development, LLC, a Hawaii-based company, is the perfect example of how a public-private partnership can work in developing communities here in Hawaii.

Their project "Project WE-DO" (Waiohuli Economic Development Opportunities) is a great template on how communities can partner with private business entities to create a comprehensive community plan. The issuance of GO bonds will help a community in dire need of low- and moderate- income housing units; rental housing units; elderly care units; alternative energy development systems; and infrastructure development, including roads and utilities. We strong urge this committee to pass this bill.

Sincerely,

A handwritten signature in black ink that reads "Pane Meatoga III".

Pane Meatoga III

Community Liaison

Hawaii Operating Engineers Industry Stabilization Fund

**HB-2721**

Submitted on: 2/1/2020 7:58:59 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Danette Nakooka	Waiohuli Hawaiian Homesteaders Association Inc.	Support	No

Comments:

**HB-2721**

Submitted on: 2/1/2020 10:11:12 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steve Aruda	WHH board of directors	Support	No

Comments:

**HB-2721**

Submitted on: 2/1/2020 10:54:51 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alani Artates	WHHA	Support	No

Comments:

**HB-2721**

Submitted on: 2/1/2020 2:34:48 PM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Perry O. Artates	WHA Inc.	Support	No

Comments:

**HB-2721**

Submitted on: 2/1/2020 3:56:00 PM

Testimony for HSG on 2/4/2020 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Saafiga Foster	Waiohuli Hawaiian Homestead Association	Support	No

Comments:



**HB-2721**

Submitted on: 2/2/2020 7:46:05 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Simeon Alo	Waiohuli Hawaiian Homesteader inc.	Support	No

Comments:

Doreen Nāpua Canto  
322, Pueo Drive  
Kula, Maui, Hawai'i 96790  
February 4, 2020

To: Chair Tom Brower, Vice-Chair Scot Z. Matayoshi and Members of the House  
Committee on Housing

MEASURE: HB 2721  
Tuesday, February 4, 2020  
9:15 am  
Conference Room 423

Testimony in Support of HB 2721

Aloha Chair Brower, Vice-Chair Matayoshi and Members of the House Committee on  
Housing. My name is Doreen Nāpua Canto, a long time resident of the Waiohuli Hawaiian  
Homestead Lands in Kula, Maui, Hawai'i

I submit the following testimony in support of HB 2721.

There is much that can be said about the leadership, and hard working members of our  
beloved community. I have been a part of its' early beginnings, and will attest that we have  
only just begun. We continue to be stewards of the land, but more importantly, we  
continue to set a strong foundation for the next generation of leaders to build upon.

I believe the collaborated efforts between WHHA, Inc., and Pueo Development, LLC will  
create a promise to the future of Waiohuli and neighboring communities. On behalf of  
myself, and my 'ohana, mahalo nui for the opportunity to provide testimony.

With Sincere Aloha,

Doreen Nāpua Canto  
Beneficiary  
Waiohuli Hawaiian Homestead Lands  
Kula, Maui, Hawai'i

**HB-2721**

Submitted on: 2/1/2020 7:34:45 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jo Addie Brown	Individual	Support	No

Comments:

**HB-2721**

Submitted on: 2/1/2020 4:31:21 PM

Testimony for HSG on 2/4/2020 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Teri F. Gorman	Individual	Support	No

## Comments:

I support HB2721 because of the dire need for affordable housing in Hawai'i. The lack of housing for island-born people is causing a plethora of social problems including the loss of our best and brightest young citizens who can no longer afford to live in their homeland. Please pass this bill. It is urgent. Thank you, Teri Gorman

**HB-2721**

Submitted on: 2/1/2020 7:43:29 PM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Emma Yap	Individual	Support	No

Comments:

**HB-2721**

Submitted on: 2/2/2020 8:53:36 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alvin K Pelayo	Individual	Support	No

Comments:

Aloha.

I fully support.

Alvin K. Pelayo

**HB-2721**

Submitted on: 2/2/2020 6:55:41 PM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ernette Kaea-Prones	Individual	Support	No

Comments:

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

**LATE**

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON HOUSING  
HEARING ON FEBRUARY 4, 2020 AT 9:15AM IN CR 423

IN SUPPORT OF

**HB 2721, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE  
BONDS TO ASSIST PUEO DEVELOPMENT, LLC**

February 3, 2020

Aloha Chair Brower, Vice-Chair Matayoshi and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill authorizing the issuance of special purpose revenue bonds for a master planned development proposed by Pueo Development, LLC.

The Hawaiian Homes Commission (HHC) voted in August 2019 to approve the issuance of a Right of Entry permit to Waiohuli Hawaiian Homesteaders Association, Inc. (WHHA) for approximately 150 acres of Hawaiian home lands for the purpose of conducting due diligence studies including but not limited to project master plan, business plan, and related Chapter 343, HRS compliance requirements and Chapter 6E, HRS compliance requirements.

WHHA submitted a land use request to DHHL on December 3, 2018 with a proposed plan including development of residential and agricultural lots, economic and educational opportunities, energy projects, and water source development through collaboration and partnerships which would result in career development and employment opportunities. A beneficiary consultation meeting was conducted on May 30, 2019 to collect beneficiary input and feedback on WHHA's land use request. A beneficiary consultation report was submitted to the HHC in July 2019 for acceptance.

Thank you for your consideration of our testimony.