

STAND. COM. REP. NO.

1338

Honolulu, Hawaii

MAR 23 2023

RE: GOV. MSG. NO. 524

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred Governor's Message No. 524, submitting for study and consideration the nomination of:

CHAIRPERSON, DEPARTMENT OF HAWAIIAN HOMELANDS

G.M. No. 524 KALI WATSON,
for a term to expire 12-31-2026,

begs leave to report as follows:

Your Committee reviewed the personal history, resume, and statement submitted by Kali Watson for service as the Chairperson of the Department of Hawaiian Home Lands.

Your Committee received testimony in support of the nomination of Mr. Watson from the Governor; Department of Land and Natural Resources; Department of Labor and Industrial Relations; Department of Transportation; Department of Health; Department of Budget and Finance; Department of Public Safety; Department of Law Enforcement; Department of Defense; Department of Taxation; Department of Agriculture; Office of Planning and Sustainable Development; Hawaii Public Housing Authority; Office of Enterprise Technology Services; one member of the Kaua'i County Council; one member of the Maui County Council; one former Chairperson of the Department of Hawaiian Home Lands; Hawaii State Aha Moku; Ko'olaupoko Hawaiian Civic Club; PBR Hawaii and Associates, Inc.; Waiohuli Hawaiian Homesteaders Association, Inc.; Hawaii Regional Council of Carpenters; Waimea Hawaiian Homesteaders Association; Ho'omana Pono, LLC; Kalihi Palama Hawaiian Civic Club; Kainalu Surf Shop; Piihonua Hawaiian Homestead Community Association; Hawaii

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Operating Engineers Industry Stabilization Fund Political Action Committee; Ko'olau Foundation; Keaukaha Pana'ewa Farmers Association; Hawai'i Community Lending, Inc.; Friends of Waimanalo; and forty individuals. Your Committee received testimony in opposition to the nomination of Mr. Watson from Ka Lāhui Hawai'i and thirty-five individuals.

Upon review of the testimony, your Committee finds that Mr. Watson's background and extensive experience qualify him to be appointed as the Chairperson of the Department of Hawaiian Home Lands. Mr. Watson currently serves as the President and Chief Executive Officer of the Hawaiian Community Development Board (HCDB), a nonprofit established in 2000 with the express mission of supporting and promoting housing, community, and economic development projects that benefit low-income Native Hawaiian families living in the Hawaiian Home Lands and communities throughout the State. As President and CEO, Mr. Watson has worked closely with homestead beneficiary leaders and numerous Native Hawaiian organizations and has cultivated relationships with both nonprofit and private developers to bring such projects to life. For example, Mr. Watson served as the project director for the Nanakuli Hawaiian Homestead Community Association where he coordinated the planning, design, and construction of a six-acre multi-use retail and health services commercial project known as the Nanakuli Village Center, which serves as the locale for the Kamehameha Schools' Kalanihookaha Hawaiian Cultural Center, a commercial center, a satellite of the Waianae Coast Comprehensive Health Center, and a forty-eight-unit affordable rental housing project. Mr. Watson also served as the project director for the Kahikolu Ohana Hale O Waianae where he developed the Kahikolu Housing Project, which includes seventy-two affordable multi-family apartments. Your Committee finds that these projects, among the many others, demonstrate Mr. Watson's leadership, vision, and dedication to providing much needed housing and economic opportunities for the predominantly Native Hawaiian families living in the often-neglected leeward community.

Especially relevant, Mr. Watson previously served as the Director of the Department of Hawaiian Home Lands and Chairman of the Hawaiian Homes Commission from 1995 through 1998, under the administration of then Governor Benjamin Cayetano. During his tenure, Mr. Watson was responsible for coordinating the development of over 3,100 residential lots on Hawaiian Home Lands and helped transfer 16,518 acres of state lands to the Hawaiian Home Lands Trust. Mr. Watson was also instrumental in the passage



and transfer of over nine hundred acres of federal lands into the Hawaiian Home Lands Trust through the federal Hawaiian Home Lands Recovery Act of 1995. Your Committee finds that Mr. Watson's core institutional knowledge of the Department of Hawaiian Home Lands and his deep understanding of the issues pertinent to homestead communities -- both of which were on full display during the hearing on March 16, 2023 -- will suit him well as he returns to once again lead the Department.

Further, a lawyer by trade, Mr. Watson previously served as a state Deputy Attorney General, where he was assigned to the Department of Hawaiian Home Lands and helped oversee the Department's management and development of commercial and industrial properties. Mr. Watson also served as legal counsel for the Office of Hawaiian Affairs, where he advised the Board of Trustees on ceded land negotiations and fashioned settlement packages designed to increase and expand the Office's real estate development potential. Mr. Watson is a member of the Native Hawaiian Bar Association and was formerly involved with organizations such as the Native Hawaiian Chamber of Commerce, Legal Aid Society of Hawaii, Habitat for Humanity, and others. Mr. Watson received a Juris Doctorate from the William S. Richardson School of Law and a Bachelor of Business Administration and Management degree from the University of Hawai'i at Manoa.

Your Committee believes that Mr. Watson's extensive project development and legal background, combined with his life-long service on behalf of Native Hawaiian housing and cultural issues, qualifies him to serve as the Chairperson of the Department of Hawaiian Home Lands. Your Committee finds that Mr. Watson is an established and sophisticated project developer with a proven track record of success and that his subject matter expertise and fluency in the complex field of housing development -- which encompasses bond financing, housing tax credits, project management, and land use and zoning laws -- will allow him to immediately take the helm and begin putting plans into action for the benefit of the Native Hawaiian people. Your Committee finds that one of the chief concerns for many who testified was the need to quickly and efficiently encumber the \$600,000,000 appropriated by the Legislature through Act 279, Session Laws of Hawaii 2022, before the funds lapse, and your Committee appreciates Mr. Watson's expressed intent to aggressively pursue the twenty projects identified in the strategic plan approved by the Hawaiian Home Lands Commission.



Lastly, your Committee inquired, in performing its due diligence, whether any actual or perceived conflicts of interest might arise in relation to Mr. Watson's nonprofit, HCDB, and the Department of Hawaiian Home Lands, which have collaborated together on several projects over the years. Your Committee finds that Mr. Watson provided clear and candid responses to questions and notes that Mr. Watson testified that, should he be confirmed, he would step down from the HCDB and recuse himself from any action involving HCDB and the Department of Hawaiian Home Lands. Therefore, your Committee recommends that Kali Watson be appointed as the Chairperson of the Department of Hawaiian Home Land based on his knowledge, experience, and dedication to public service.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,



MAILE S.L. SHIMABUKURO, Chair



