

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 SENATE COMMITTEE ON HAWAIIAN AFFAIRS
ON
SENATE BILL NO. 3142

February 4, 2020
1:15 P.M.
Room 016

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

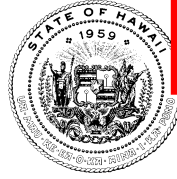
The Department of Budget and Finance offers the following comments on Senate Bill No. 3142 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the Pueo Development, LLC, a Hawaii limited liability company, with its proposed master planned development that will include low- 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.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



LATE

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 4, 2020 AT 1:15PM IN CR 016

**SB 3142, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE
BONDS TO ASSIST PUEO DEVELOPMENT, LLC**

February 3, 2020

Aloha Chair Shimabukuro, Vice-Chair Kahele 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.

**HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND**



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*Uniting our strengths and working together
for a better tomorrow.*

Senate Committee on Hawaiian Affairs
Honorable Maile S.L. Shimabukuro, Chair
Honorable Kaiiali'i Kahele, Vice Chair
Honorable Members of the Hawaiian Affairs Committee

January 31, 2020

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

Dear Chair Shimabukuro, Vice Chair Kahele, 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 S.B. 3142.** 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 strongly urge this committee to pass this bill.

Sincerely,

Pane Meatoga III
Community Liaison
Hawaii Operating Engineers Industry Stabilization Fund

DATE: February 4, 2020

TO: Chair Maile Shimabukuro, Vice-Chair Kaiali'i Kahele and Members of the Senate Committee on Hawaiian Affairs

MEASURE: SB 3142
Tuesday, February 4, 2020
1:15 pm
Conference Room 016

SUBJ: Testimony in Strong Support of SB 3142

Aloha Chair Shimabukuro, Vice-Chair Kahele and Members of the Senate Committee on Hawaiian Affairs. My name is Bob Hall, partner with Pueo Development, LLC, and I submit testimony in strong support of SB 3142.

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

Center for Hawaiian Sovereignty Studies
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Kane'ohe, HI 96744
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Kenneth R. Conklin, Ph.D. Executive Director
e-mail Ken_Conklin@yahoo.com
Unity, Equality, Aloha for all



To: SENATE COMMITTEE ON HAWAIIAN AFFAIRS

For hearing Tuesday, February 4, 2020

Re: SB 3142 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PUEO DEVELOPMENT, LLC.

Authorizes the issuance of special purpose revenue bonds for a master planned development proposed by Pueo Development, LLC.

TESTIMONY IN OPPOSITION

This bill has the smell of corruption, violation of Hawaii procurement law, insider dealing, pay-to-play, and racism.

What is PUEO? Who are the owners and board members? It's not easy to find out! How was PUEO chosen for this deal? Was PUEO's involvement in this housing scheme a sole-source contract? If not, which contractors were the other bidders?

There's a long history of PUEO's relationship with Alaska native corporations in relation to lobbying for the Akaka bill during the period 2000-2012 when that bill was being pushed in Congress. PUEO was closely involved with Robin Danner and her (still ongoing!) schemes for organization and housing on DHHL lands; and also the involvement of Danner and Alaska corporations in the creation of the Council for Native Hawaiian Advancement. Danner and Senator Inouye arranged for Julie Kitka, President/CEO of the Alaska Federation of Natives, to come to Hawaii to lobby for the Akaka bill, including testifying at the weeklong joint U.S. House/Senate committee hearing at the Blaisdell in Honolulu in August 2000.

Danner and Inouye were also instrumental in the 2001 recruitment of a grossly incompetent but politically connected Evan Dobbelle from an obscure college in Massachusetts to be President of University of Hawaii system (in 2004 he got fired for cause, whereupon he sued and got a large settlement).

On September 11, 2002 Dobbelle gave the inaugural address to the first annual convention of CNHA, a consortium of wealthy, powerful ethnic Hawaiian institutions assembled for the primary purpose of pushing the Akaka bill and securing racial entitlement programs. In his speech to CNHA, as reported in The Honolulu Advertiser of Sept. 12, 2002, President Dobbelle enlisted the University of Hawaii as a political force fighting for ethnic Hawaiians. He pledged that U.H. will work as a strong partner to help Native Hawaiians "redress past injustices"; achieve "self-determination," "decolonization," and "social justice"; and that U.H. will help push the dream of a nation-state into a reality. Dobbelle said "It seems to me that those of you who are battling to define your people according to self-defined terms have a dual citizenship -- of this state, and of a state yet to come into existence. Of Hawaii and Ha-va-ii," he said. "Ha-va-ii, home of your ancestors, exists now as a state of mind -- and with the university as your partner, the Hawaiian community will turn that into a state of being. ... "

Some of the issues identified above regarding PUEO are mentioned in an article in Kaua'i's "The Garden Island" newspaper of September 18, 2006. "The Native Hawaiian Economic Alliance Board of Directors this month approved the acquisition of a small business owned by the Ukpeagvik Inupiat Corporation of Alaska. Currently headquartered in Anchorage, Alaska, the purchase transaction will move the company, a federal government contracting firm, permanently to Honolulu and into the hands of Native Hawaiians. ... 'We contacted Robin Danner at CNHA, told her what we were looking for, and she arranged a week full of meetings in Alaska with tribal governments, corporations and nonprofit leaders there,' Billy Ornellas, a Honolulu attorney and advisory board member of NHEA, said in a press release. 'She also arranged meetings with tribal leaders from North Dakota, Wyoming, New Mexico and other states from around the country. It was an incredible experience to meet other native business leaders working to achieve the very same goals we were seeking.' ... NHEA hired Derek Sakaguchi, president of a hula halau with 25 years experience in business, 15 of them in the telecommunications field. Under the memorandum and partnership agreement, the company changed its name to Nuvuk Construction doing business as Pueo Group Contracting, and was certified by the Small Business Administration"

The public needs a detailed explanation of how PUEO was chosen to receive up to \$50,000,00.00 in state-guaranteed revenue bonds "to design, build, and operate a master planned development in support of a public-private partnership with Waiohuli Hawaiian Homesteaders Association, Inc., on approximately one hundred fifty acres of department of Hawaiian home lands land in Waiohuli, Maui."

SB-3142

Submitted on: 2/1/2020 10:58:36 AM

Testimony for HWN on 2/4/2020 1:15:00 PM

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

Comments:



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

P.O. Box 698 Kula, Hawai'i 96790-0698

February 4, 2020

TO: Chair Maile Shimabukuro, Vice-Chair Kaiali'i Kahele and Members of the Senate Committee on Hawaiian Affairs

MEASURE: SB 3142
Tuesday, February 4, 2020
1:15 pm
Conference Room 016

SUBJ: Testimony in Support of SB 3142

Aloha Chair Shimabukuro, Vice-Chair Kahele and Members of the Senate Committee on Hawaiian Affairs. My name is Perry Artates, President of the Waiohuli Hawaiian Homestead Association, Inc, and I submit the following testimony in support of SB 3142.

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).

Historically, WHHA received a land disposition from the Department of Hawaiian Home Lands (DHHL) in 2005 to a 17-acre parcel of land in Waiohuli Homesteads, Kula, Maui. Since then, WHHA has received strong support from the Legislature through the Grant in Aid Program. WHHA has leveraged community participation to create multiple facilities and infrastructure, including a certified commercial kitchen, patio banquet area, hale halawai, cultural garden and open amphitheater. These facilities have provided rental revenue which WHHA is using for educational scholarships.

As a result of their development experience, WHHA has focused on a new initiative, "Project: WE-DO". The goal of Project: WE-DO is to create long-term, economic development opportunities for WHHA's community THROUGH development including:

- career mentoring and employment opportunities associated with development
- collaboration with DHHL to create homestead opportunities and services, including new housing
- leveraging private and public financing commitments

DHHL issued WHHA a Right of Entry (ROE) #688 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. The initial due diligence period is 36-month, during which time WHHA's



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

P.O. Box 698 Kula, Hawai'i 96790-0698

partner, Pueo Development, LLC plans to assemble a financing package for the master plan, inclusive of a Special Purpose Revenue Bond.

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.

In closing, we seek your support for this measure to enable WHHA a chance to further self-sufficiency as Prince Jonah Kuhio envisioned.

Perry Artates
President

Waiohuli Hawaiian Homesteaders Association, Inc.

SB-3142

Submitted on: 2/1/2020 10:12:15 AM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Aruda	Testifying for WHH board of directors	Support	No

Comments:

SB-3142

Submitted on: 2/1/2020 3:57:34 PM

Testimony for HWN on 2/4/2020 1:15:00 PM

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

Comments:

SB-3142

Submitted on: 2/2/2020 7:53:50 AM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Simeon Alo	Testifying for Waiohuli Hawaiian Homesteader inc.	Support	No

Comments:

As a leasee and Association member I fully support Waiohuli Economic Development Organization (WEDO) in building and sustainability for our Homestead community as well as Maui Nui as a whole.

Sincerely, Simeon Alo

VP. WHHA inc.

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

TO: Chair Maile Shimabukuro, Vice-Chair Kaiali'i Kahele and Members of the
Senate Committee on Hawaiian Affairs

MEASURE; SB 3142

SUBJ; Testimony in Support of SB 3142

Aloha Chair Shimabukuro, Vice-Chair Kahele and Members of the Senate Committee on
Hawaiian Affairs. 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 SB 3142.

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

SB-3142

Submitted on: 2/1/2020 7:35:54 AM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jo Addie Brown	Individual	Support	No

Comments:

SB-3142

Submitted on: 2/1/2020 8:07:45 AM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Danette Nakooka	Individual	Support	No

Comments:

SB-3142

Submitted on: 2/1/2020 4:30:15 PM

Testimony for HWN on 2/4/2020 1:15:00 PM

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

Comments:

I support SB3142 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.

SB-3142

Submitted on: 2/1/2020 7:44:09 PM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Emma Yap	Individual	Support	No

Comments:

SB-3142

Submitted on: 2/2/2020 8:51:48 AM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alvin K Pelayo	Individual	Support	No

Comments:

Aloha,

I fully support.

Alvin K. Pelayo

SB-3142

Submitted on: 2/2/2020 6:57:07 PM

Testimony for HWN on 2/4/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ernette Kaea-Prones	Individual	Support	No

Comments: