

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 WAYS AND MEANS
DECISION MAKING ON FEBRUARY 13, 2020 AT 11:00AM IN CR 211

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

February 11, 2020

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Committee:

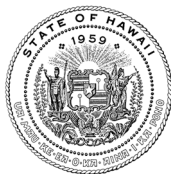
The Department of Hawaiian Home Lands (DHHL) supports this bill authorizing the issuance of special purpose revenue bonds for a master planned development proposed by Pueo Development, LLC.

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.

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 WAYS AND MEANS
ON
SENATE BILL NO. 3142

February 13, 2020
11:00 A.M.
Room 211

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 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.

DATE: February 13, 2020

TO: Chair Donovan Dela Cruz, Vice-Chair Gilbert Keith-Agaran and Members of the Senate Committee on Ways and Means

MEASURE: SB 3142
Tuesday, February 13, 2020
11:00 a.m.
Conference Room 211

SUBJ: Testimony in Strong Support of SB 3142

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Senate Committee on Ways and Means. 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

SB-3142

Submitted on: 2/11/2020 2:10:37 AM

Testimony for WAM on 2/13/2020 11:00:00 AM

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

Comments:



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

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

February 13, 2020

TO: Chair Donovan Dela Cruz, Vice-Chair Gilbert Keith-Agaran and Members of the Senate Committee on Ways and Means

MEASURE: SB 3142
Thursday, February 13, 2020
11:00 a.m.
Conference Room 211

SUBJ: Testimony in Support of SB 3142

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Senate Committee on Ways and Means. 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.



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

SB-3142

Submitted on: 2/11/2020 12:13:09 PM

Testimony for WAM on 2/13/2020 11:00:00 AM

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

Comments:

SB-3142

Submitted on: 2/11/2020 5:24:15 AM

Testimony for WAM on 2/13/2020 11:00:00 AM

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

Comments:

SB-3142

Submitted on: 2/11/2020 7:45:42 AM

Testimony for WAM on 2/13/2020 11:00:00 AM

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

Comments:

SB-3142

Submitted on: 2/11/2020 6:54:19 AM

Testimony for WAM on 2/13/2020 11:00:00 AM

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

Comments:

SB-3142

Submitted on: 2/11/2020 9:57:02 AM

Testimony for WAM on 2/13/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Simeon Alo	Individual	Support	No

Comments:

SB-3142

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

Testimony for WAM on 2/13/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
W Greig	Individual	Support	No

Comments: