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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
FINANCE

Thursday, February 25, 2021
11:00 AM

State Capitol, Via Videoconference, Conference Room 308

In consideration of
HOUSE BILL 58, HOUSE DRAFT 1
RELATING TO STATE FUNDS

House Bill 58, House Draft 1 proposes that for the period beginning July 1, 2021, through June 30, 2023, all taxes collected under Section 247-7, Hawaii Revised Statutes (HRS). shall be deposited into the General Fund, and the Land Conservation Fund would not receive annual revenue from real estate conveyance taxes (SECTION 1). This measure also proposes to deposit cash generated from general obligation bonds into the Land Conservation Fund (SECTIONs 2 and 3) and proposes to appropriate necessary amounts from the Land Conservation Fund for the Department of Land and Natural Resources to expend "for the purposes for which the land conservation fund is established" (SECTION 4). **The Department of Land and Natural Resources (Department) acknowledges that this bill supports our Legacy Land Conservation Program and offers the following comments and amendments.**

Proposed Appropriations and Biennium Budget Request

The Department appreciates the intent to appropriate necessary amounts from the Fiscal Year (FY) 2022 and FY 2023 Land Conservation Fund for legacy land conservation purposes. The Department requires at least \$285,000 per year to support two existing staff positions and operational costs for the Legacy Land Conservation Program, plus an additional \$1.5 million per year for required debt service payments on the Turtle Bay reimbursable general obligation bonds.

General Obligation Bonds

The Department supports the intended deposit of bond proceeds into the Land Conservation Fund to replace conveyance tax revenues for land acquisitions under the Legacy Land Conservation Program.

Administrative Costs and Management Grants

In addition to land acquisition costs, the conveyance tax revenue also covers funds for administrative costs and management grants, per Sections 173A-5(h)(3) and 173A-5(h)(4), HRS, providing that expenditures shall not exceed five per cent of annual fund revenues of the previous year. The Department estimates administrative costs at \$285,000 for each year of the upcoming biennium (based on a five-year average for FY 2016 through FY 2020). Therefore, in order to provide for administrative expenses and management grants, the Department respectfully proposes an amendment to SECTION 1 of House Bill 58, House Draft 1, as presented in the Amendments section of our testimony, below.

Turtle Bay Debt Service Obligations

In 2005, the Legislature authorized real estate conveyance taxes as the source of revenue for supporting the Land Conservation Fund and the Legacy Land Conservation Program (LLCP). In 2015, the Legislature required that the annual operating budget for the LLCP provide \$1,500,000 for debt service payments on the Turtle Bay reimbursable general obligation bonds. Therefore, we respectfully request an amendment to SECTION 1, HB 58, HD 1 that would relieve the Land Conservation Fund of its obligation to pay annual debt service for the Turtle Bay reimbursable general obligation bonds by amending Act 121, 2015 Session Laws of Hawaii, to suspend the use of moneys from the Land Conservation Fund to reimburse the general fund for Turtle Bay debt service.

Amendments

In PART I, SECTION 1, further amend Section 247-7, HRS, by adding a new subsection (c), to read as follows:

(c) Notwithstanding subsections (a) and (b) and any other law to the contrary, for the period beginning July 1, 2021, through June 30, 2023, of the taxes collected under this chapter each fiscal year, notwithstanding sections 173A-5(h)(3) and 173A-5(h)(4), \$285,000 shall be paid into the land conservation fund established pursuant to section 173A-5 to support administrative costs for the legacy land conservation program.

Thank you for the opportunity to comment on this measure.

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
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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 FINANCE
ON
HOUSE BILL NO. 58, H.D. 1

February 25, 2021
11:00 a.m.
Via Videoconference

RELATING TO STATE FUNDS

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 58, H.D. 1.

H.B. No. 58, H.D. 1, temporarily provides that, for FYs 22 and 23, all taxes collected pursuant to Section 247-7, HRS, be deposited to the credit of the general fund, provided that taxes collected pursuant to this section be expended to pay the principal and interest of general obligation (G.O.) bonds pursuant to Section 39-12, HRS; authorizes the Director of Finance to issue G.O. bonds in the same fiscal years for deposit into the Land Conservation Fund (LCF) and Rental Housing Revolving Fund (RHRF); and appropriates the same amount out of each fund to be expended by their respective parent agencies.

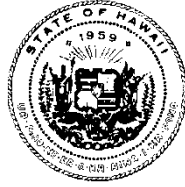
This measure is similar to two Administration Proposals introduced this session, Senate Bill (S.B.) No. 1092 and H.B. No. 938. Both S.B. No. 1092 and H.B. No. 938 would temporarily suspend disposition of the conveyance tax to the LCF and RHRF for FY 2021-23 to the credit of the general fund as provided in Part 1 of H.B. No. 58, H.D. 1.

B&F notes that the intent of Parts I and II of H.B. No. 58, H.D. 1, which authorizes the issuance of G.O. bonds for deposit into the LCF and RHRF to offset the loss of revenue to these funds from suspension of the conveyance tax, are addressed in the Executive Budget submitted for FB 2021-23.

Further, B&F notes our preference for the language contained in the Administration's proposed S.B. No. 1092 and H.B. No. 938 which do not limit the use of taxes collected and deposited into the general fund pursuant to Section 247-7, HRS.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

LATE

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 25, 2021 at 11:00 a.m.
State Capitol, Room 308

In consideration of
H.B. 58, H.D. 1
RELATING TO STATE FUNDS.

The HHFDC supports H.B. 58, H.D. 1, which suspends the Rental Housing Revolving Fund's dedicated funding from conveyances taxes for the Fiscal Biennium 2021 to 2023, and replaces it with unspecified appropriations of General Obligation Bond funds given the drop in tax revenues in light of the pandemic that has left the State with a massive budget shortfall.

The Executive Biennium Budget includes a request for a General Obligation Bond appropriation of \$38,000,000 in both FY2021-2022 and FY2022-2023 for the Rental Housing Revolving Fund to replace conveyance tax funds. This appropriation is needed to continue development of affordable rental housing in light of the dire need statewide.

The demand is exemplified in the magnitude of requests for RHRF during our current funding round. HHFDC received a total of 28 applications from developers that totaled nearly \$300,000,000 in RHRF.

Thank you for the opportunity to provide written comments on this bill.



HAWAII

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THE TRUST FOR PUBLIC LAND'S TESTIMONY OPPOSING HB 58 HD 1

House Committee on Finance
Thursday, February 24, 2021, 11:00 a.m.
Conf. Rm. 308

The Trust for Public Land strongly opposes HB 58 HD 1. We recognize the current fiscal crisis facing the State and appreciate the Governor, this Committee, and the Legislature for its difficult work. We suggest, however, that base levels of funding for the Legacy Land Conservation Program of \$5.1 million annually (staff/operating and land acquisition capital/grants) should continue in order to capitalize on \$900 million of federal conservation funding made available by the 2020 Great American Outdoors Act, and secure federal funding for important Hawai'i projects such as Nā Wai 'Eha on Maui.

HB 58 HD 1 proposes to stop conveyance tax deposits into the Legacy Land Conservation Fund for FY22 and FY23, and use the conveyance tax funds to issue general obligation bonds. Although the purpose of the bill indicates that the intent of the bill is redeposit bond funds into the Legacy Land Conservation Fund, the current draft of the bill does not have any redeposit provision. Instead, the bill as written effectively suspends conveyance tax deposits into Legacy Land Conservation Fund, and uses that conveyance tax allocation to issue general obligation bonds for unspecified purposes.

The COVID-19 crisis has proved that DLNR's mission to maintain and manage our natural and cultural resources is critical to our physical and mental well-being, our shrinking freshwater supplies threatened by climate change, our public shorelines and reefs, and our unique plant and animal species found nowhere else in the world. Current DLNR programs and staffing levels should continue. As discussed below, base/core funding of \$5.1 million per year for the Legacy Land Conservation Program is critical for Hawai'i to secure its share of federal funding for important projects.

If deposits in the Legacy Land Conservation Fund are paused and the entire program paused, Hawai'i will be unable to capitalize on millions of dollars of federal funding opportunities that can provide up to 75% of matching funding because Hawai'i has established a dedicated source of conservation funding via the Legacy Land Conservation Fund.

In the Summer of 2020, Congress passed and the President signed the Great American Outdoors Act, which fully funded the Land and Water Conservation Fund (LWCF) at **\$900 million annually**. LWCF finances conservation programs like the U.S. Forest Legacy Program under the U.S. Department of Agriculture, the Outdoor Recreation Legacy Partnership under the National Park Service, and U.S. Fish & Wildlife Recovery Land Acquisition and Habitat Conservation Plan Acquisition



Programs. As a result, federal funding has increased (in some cases, more than doubled) for these federal programs.

The Legacy Land Conservation Fund provides an important source of local/state match for these federal conservation programs. Because Hawai'i has a dedicated source of funding – the Legacy Land Conservation Fund – the match requirements for some federal programs are more favorable, allowing 75% federal share and 25% state/local share (in the absence of a dedicated fund, some programs will only allow a 50% federal share and require a 50% local/state match).

For example, The Trust for Public Land and DLNR/DOFAW are currently working on an U.S. Fish & Wildlife Service application for funding the purchase of the Nā Wai 'Eha watershed on Maui. DLNR/DOFAW previously secured \$3 million of U.S. Forest Legacy funding for Nā Wai 'Eha. We need approximately \$2 million of state/local match to complete an estimated over \$9 million purchase. We plan to apply for FY22 Legacy Land Conservation Program funding this year. DLNR/DOFAW has several other projects for which it is also applying for federal funding to take advantage of the \$900 million annually funding federal conservation programs, and the Legacy Land Conservation Fund provides additional federal leverage, and a source of matching state/local funds.

We urge the Legislature to continue funding the State Legacy Land Conservation Program at its current/base level to pay for staff and the base program.

Me ke aloha,



Lea Hong
State Director

Edmund C. Olson Trust Fellow



Testimony Before The
House Committee on Finance
IN OPPOSITION TO HB 58 HD 1
Thursday, February 25, 2021, 11:00AM, Room 308

My name is Kevin Chang and I am the Co-Director of Kua'āina Ulu 'Auamo (or KUA). KUA works to empower grassroots rural and Native Hawaiian mālama 'āina groups to celebrate their places and pass on their traditions to better Hawai'i and achieve 'āina momona— an abundant, productive ecological system that supports community well-being.

KUA opposes HB 58 HD 1. This bill proposes to stop conveyance tax deposits into the Legacy Land Conservation Fund for FY22 and FY23, and use the conveyance tax funds to issue general obligation bonds. Although the purpose of the bill indicates that the intent of the bill is redeposit bond funds into the Legacy Land Conservation Fund, the current draft of the bill does not have any redeposit provision. Instead, the bill as written effectively suspends conveyance tax deposits into Legacy Land Conservation Fund and uses that conveyance tax allocation to issue general obligation bonds for unspecified purposes.

KUA works to empower communities to improve their quality of life through caring for their environmental heritage together. We employ a community-driven approach that currently supports a network of more than 36 mālama 'āina community groups collectively referred to as E Alu Pū (moving forward together), 38 fishpond projects and practitioners called the Hui Mālama Loko I'a, and a growing hui of Limu practitioners all from across our state.

A primary function of KUA includes development of the 'auwai, a stream of resources tools, bridges and networks that help to cultivate and take our communities' work to greater levels of collective impact. A core source of the flow in this 'auwai includes the partnerships and programs within government that empower communities to care for and/or own land outright or in partnership with government. The Legacy Land's program is one of the most important programs helping see this through and as at home, national conversations look to broaden conservation capacity as part of our economic recovery. If deposits in the Legacy Land Conservation Fund are paused and the entire program paused, Hawai'i will be unable to capitalize on millions of dollars of federal funding opportunities that can provide up to 75% of matching funding because Hawai'i has established a dedicated source of conservation funding via the Legacy Land Conservation Fund.

It is important to shore up on some of our fiscal concerns but this proposal could stifle the pathways toward growth and resources important to Hawai'i's fiscal and environmental future.

Mahalo for this opportunity to testify.

Aloha 'Āina Momona.



**SUBMITTED TO HOUSE COMMITTEE ON FINANCE
HEARING: THURSDAY, FEBRUARY 25, 2021 11:00am
HAWAII STATE CAPITOL ROOM 308 VIA VIDEO CONFERENCE
HB58, HD1 RELATING TO STATE FUNDS**

Funds from the Legacy Land Conservation Fund have provided opportunities for land requisition, land management and programs, and protection of habitats for our native plants and animals as well as protecting ecosystems in which our native species flourish throughout the state of Hawaii. Conservation Council For Hawaii **opposes HB58, HD1.**

HB 58 HD 1 proposes to stop conveyance tax deposits into the Legacy Land Conservation Fund for FY22 and FY23, and use the conveyance tax funds to issue general obligation bonds. Although the purpose of the bill indicates that the intent of the bill is redeposit bond funds into the Legacy Land Conservation Fund, the current draft of the bill does not have any redeposit provision. Instead, the bill as written effectively suspends conveyance tax deposits into Legacy Land Conservation Fund, and uses that conveyance tax allocation to issue general obligation bonds for unspecified purposes.

Base levels of funding for the Legacy Land Conservation Program of \$5.1 million annually (staff/operating and land acquisition capital/grants) should continue in order to capitalize on \$900 million of federal conservation funding made available by the 2020 Great American Outdoors Act, and secure federal funding for important Hawai'i projects such as Nā Wai 'Eha on Maui.

The COVID-19 crisis has proved that DLNR's mission to maintain and manage our natural and cultural resources is critical to our physical and mental well-being, our shrinking freshwater supplies threatened by climate change, our public shorelines and reefs, and our unique plant and animal species found nowhere else in the world. Current DLNR programs and staffing levels should continue. As discussed below, base/core funding of \$5.1 million per year for the Legacy Land Conservation Program is critical for Hawai'i to secure its share of federal funding for important projects.

If deposits in the Legacy Land Conservation Fund are paused and the entire program paused, Hawai'i will be unable to capitalize on millions of dollars of federal funding opportunities that can provide up to 75% of matching funding because Hawai'i has established a dedicated source of conservation funding via the Legacy Land Conservation Fund.

In the Summer of 2020, Congress passed and the President signed the Great American Outdoors Act, which fully funded the Land and Water Conservation Fund (LWCF) at **\$900 million annually**. LWCF finances conservation programs like the U.S. Forest Legacy Program under the U.S. Department of Agriculture, the Outdoor Recreation Legacy Partnership under the National Park Service, and U.S. Fish

& Wildlife Recovery Land Acquisition and Habitat Conservation Plan Acquisition Programs. As a result, federal funding has increased (in some cases, more than doubled) for these federal programs.

The Legacy Land Conservation Fund provides an important source of local/state match for these federal conservation programs. Because Hawai'i has a dedicated source of funding – the Legacy Land Conservation Fund – the match requirements for some federal programs are more favorable, allowing 75% federal share and 25% state/local share (in the absence of a dedicated fund, some programs will only allow a 50% federal share and require a 50% local/state match).

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Temporary suspension of earmarks

BILL NUMBER: HB 58, HD1

INTRODUCED BY: House Committees on Water & Land and Housing

EXECUTIVE SUMMARY: Temporarily reallocates conveyance tax revenues for purposes of paying the principal and interest of general obligation bonds. Authorizes the issuance of general obligation bonds to be appropriated into and out of the land conservation fund and rental housing revolving fund.

SYNOPSIS: Amends section 247-7, HRS, to provide that between 7/1/2021 and 6/30/2023, all conveyance taxes shall be deposited into the general fund for the purposes of paying the principal and interest of general obligation bonds.

Authorizes the issuance of general obligation bonds to replenish \$_____ of the land conservation fund and \$_____ of rental housing revolving fund, the two funds that were the beneficiaries of earmarks on the conveyance tax.

EFFECTIVE DATE: 7/1/2050.

STAFF COMMENTS: This bill has many similarities to the Administration measure BUF-26 (21) (SB 1092; HB 938). The Department's stated justification for its bill is that the economic impact of the COVID—19 pandemic on the revenues of the State has been devastating with an estimated decline of \$2.3 billion for fiscal biennium 2019—2021 and necessitates action to preserve the solvency of the state general fund and ensure the continuation of critical government operations.

The proposed victims of this action are the Land Division of the Department of Land and Natural Resources and the HHFDC. If, however, the Legislature deems their respective programs worthy, it can compensate. This bill compensates by borrowing money and appropriating a specific sum to both funds. In the current draft of the bill the borrowing amounts are unspecified.

With any earmarking of revenues, the legislature will be preapproving each of the initiatives fed by the tax earmark, so expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether too little or too much revenue has been diverted from other priorities in the state budget.

This bill proposes to decrease or eliminate existing earmarks, which appears to be a step in the right direction.

Digested 2/23/2021



Nā Kālai Wa‘a

"He wa‘a he moku, he moku he wa‘a." Our canoe is our island, our island is our canoe.

TESTIMONY OF NĀ KĀLAI WA‘A - OPPOSING HB 58 HD 1

House Committee on Finance

Thursday, February 24, 2021, 11:00 a.m.

Conf. Rm. 308

Nā Kālai Wa‘a, a 501(c) (3) organization on Hawai‘i Island, strongly opposes HB 58 HD 1. We recognize the current fiscal crisis facing the State and appreciate the Governor, this Committee, and the Legislature for its difficult work. We suggest, however, that base levels of funding for the Legacy Land Conservation Program of \$5.1 million annually should continue in order to capitalize on \$900 million of federal conservation funding made available by the 2020 Great American Outdoors Act, and to secure federal funding for important Hawai‘i projects.

The Mahukona Navigational and Cultural Complex in Kohala, Hawai‘i, includes 642 acres once slated as another resort development along the Kohala coastline. At the present time Nā Kālai Wa‘a is partnering with Hawai‘i Islands Land Trust and Kohala community groups to permanently protect the lands and waters that continue to teach generations of navigators and provide a sense of reprieve and well being for Kohala and Hawai‘i Island families. These lands are home to over 175 cultural sites including Ko‘a Heiau Holomoana, a navigational heiau that has been used for generations and is still used today to guide our Hawai‘i voyagers. We are working with Hawai‘i Islands Land Trust to ensure access and stewardship to these lands that can continue to serve as a place for educational, environmental, and cultural resiliency for the people of Hawai‘i Island and throughout the state. We anticipate the the Legacy Land Conservation Program will be able to assist us in securing federal funds for this project.

HB 58 HD 1 proposes to stop conveyance tax deposits into the Legacy Land Conservation Fund for FY22 and FY23, and use the conveyance tax funds to issue general obligation bonds. Although the purpose of the bill indicates that the intent of the bill is redeposit bond funds into the Legacy Land Conservation Fund, the current draft of the bill does not have any redeposit provision. Instead, the bill as written effectively suspends conveyance tax deposits into Legacy Land Conservation Fund, and uses that conveyance tax allocation to issue general obligation bonds for specified purposes.

Base /core funding of \$5.1 million per year for the Legacy Land Conservation Program is critical for Hawai‘i to secure its share of federal funding for important projects such as the protection of the Mahukona lands. If deposits in the Legacy Land Conservation Fund are paused and the entire program paused, Hawai‘i will be unable to capitalize on millions of dollars of federal funding opportunities that can provide up to 75% of matching funding because Hawai‘i has established a dedicated source of conservation funding via the Legacy Land Conservation Fund.

We urge the Legislature to continue funding the State Legacy Land Conservation Program at its current/base level and to oppose HB 58 HD 1.

Me ka ‘oia ‘i‘o,

Keomailani Case

Executive Director

Nā Kālai Wa‘a

65-1198 Mamalahoa Hwy

Kamuela, Hi. 96743

(808) 987-8709



February 24, 2021

The Honorable Representative Sylvia Luke, Chair
The Honorable Representative Ty Cullen, Vice Chair
House Committee on Finance
Hawai'i State Legislature

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Honolulu, Hawaii 96813
www.hilt.org

Re: **HB58 HD1, Hearing on Th. Feb. 25, 2021 at 11:00am**

Dear Chair Luke, Vice Chair Cullen & Committee Members,

Hawaiian Islands Land Trust, d/b/a Hawai'i Land Trust ("HILT") is Hawai'i's islands-wide land trust that is both a Hawai'i 501(c)3 nonprofit, and a nationally accredited land trust. Our mission is to protect and steward the lands that sustain Hawai'i, and to perpetuate Hawaiian values by connecting people to 'āina. HILT is actively working with willing landowners, government, and private sector partners to protect over 5,500 acres of coastlines, forests, and lands that grow healthy food for local families throughout Hawai'i through the acquisition of conservation easements and fee ownership and stewardship of lands in partnership with community. HILT also owns and stewards seven preserves totaling 2,033 acres of coastal and cultural landscapes where in a year of hardship, we were able to hire 47 temporary conservation workers during the COVID-19 pandemic, getting Federal funds into local households and provide open space reprieve for over 26,000 individuals.

We appreciate the opportunity to provide testimony on HB58 HD1 as it could negatively impact on our ability to serve our communities and State.

HILT strongly opposes HB58 HD1 as it proposes to halt all deposits into the State's Legacy Land Conservation Fund for two fiscal years. Although the purpose of the bill indicates that the intent of the bill is to re-deposit funds into the Legacy Land Conservation Fund, the current draft of the bill does not have any redposit provision. Instead, the bill as written, effectively suspends conveyance tax deposits into Legacy Land Conservation Fund, and uses that conveyance tax allocation to issue general obligation bonds for unspecified purposes.

Base levels of funding for the Legacy Land Conservation Program of \$5.1 million annually (staff/operating and land acquisition capital/grants) should continue in order to capitalize on \$900 million of federal conservation funding made available by the 2020 Great American Outdoors Act, and secure federal funding for important Hawai'i projects.

The following HILT projects will be greatly compromised without FY22 and FY23 State Legacy Land Conservation Fund appropriations:

Mālama Mokae's coastal lands at Hāna, Maui (34 acres): a conservation acquisition project that will protect local community stewardship and access to an indigenous food source and ensure the permanent protection of this open space resource sung about by the late Pekelo Cosma. In partnership with Ke Ao Hāli'i, local 501(c)(3), the County of Maui's Open Space Fund has earmarked the matching funds for this project and State funds are needed for a successful



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close of this fourth and final phase of the community's landscape conservation effort to protect the entire coastline from Hamoa Beach to Waioka Pond.

Māhukona Navigational & Cultural Complex at Kohala, Hawai'i (642 acres):

land that was once slated as another resort development along the Kohala coastline, to an opportunity for us to protect the lands and waters that have and continue to teach generations of navigators the living cultural practice of non-instrumental navigation. HILT is working in partnership with Nā Kālai Wa'a, local 501(c)(3), and the greater Kohala and Hawai'i Island community to protect the home of over 175 cultural sites including Ko'a Heiau Holomoana and community access and stewardship to lands that have and can continue to serve as a hub for educational and cultural resiliency and opportunities for climate change mitigation. Māhukona ranked the #1 priority project in 2020 for the County of Hawai'i's open space program to provide matching funds for, alongside Federal and private funding partners—we hope the State Legacy Land Conservation Program can be a part of this incredible community effort.

As HILT steps into its 10-year anniversary in 2021, we are humbled and equally emboldened in how our mission directly provides reprieve and addresses the environmental and community resiliency issues our Hawai'i families face statewide. As we grow our strength in connection and storytelling, we hope we were able to communicate the **importance and security that the State of Hawai'i's Legacy Land Conservation Fund holds for a resilient future for Hawai'i.**

Mahalo nui loa for your public service and for the opportunity to submit testimony. We look forward to working collaboratively to protect our most special places in Hawai'i. Please do not hesitate to reach out as we would love to have you and your 'ohana out on the land with us.

Mālama pono,

Shae Kamakaala
Director of 'Āina Protection, shae@hilt.org, 808-940-0639

Enclosure

HAWAIIAN ISLANDS LAND TRUST

2020 HIGHLIGHTS AND ACCOMPLISHMENTS

In 2020, HILT encountered a variety of challenges and opportunities brought about by the Global Coronavirus Pandemic. However, the strong foundation built over the previous two years, our dedicated volunteer board, and support from generous donors allowed us to successfully weather these challenges. HILT retained its employees and grew our staff by 4, protected 3 special places, and connected thousands with the land by welcoming everyone on our preserves, and providing 'āina-based education. We are thrilled by the building momentum that will ensure the protection and community stewardship of even more of Hawai'i's coastlines, Hawaiian cultural landscapes, and lands that grow food for Hawai'i's people.

BY THE NUMBERS

21,650 Total Acres Protected

26,300 Visitors at HILT Preserves

4,724 Community Volunteer Hours

7 HILT Preserves & **45** HILT Conservation Easements

PROTECT (Conservation Purchases and Easements):

- Partnered with the Hāna community group Ke Ao Hāli'i to protect **27** acres of coastal ranchland of great cultural significance at Pu'u Hele, Moka'e, Hāna Coast, Maui
- Finalized the protection of Hakipu'u Lo'i Kalo, Ko'olaloa, O'ahu. A project more than 10 years in the making, HILT worked with community nonprofit Ho'āla 'Āina Kūpono, The Trust for Public Land, and the City & County of Honolulu to forever protect this **1.5**-acre historic wetland taro farm.
- Conserved **1,752**-acres of Ulupalakua Ranchland to be reforested with koa creating habitat for 'Ōpe'ape'a (Hawaiian Hoary Bat).
- Total places protected following HILT's Strategic Land Protection Priorities: **3**
- Total acreage protected in 2020: **1,780.5**
- Significantly advanced **8** protection projects to close in 2021 through 2023
- Increased capacity to own and steward land in **8** communities
- Signed **5-year** Agricultural Conservation Easement Program Agreement with Federal Agency NRCS
- Added **1** new position to lead HILT's Protect work. Shae Kamaka'ala was hired as HILT's Director of 'Āina Protection based on Hawai'i Island in February 2020
- Developed **1** Community Guide to Land Conservation in Hawai'i in partnership with The Trust for Public Land
- Achieved **#1** ranking for HILT's Māhukona Project by the County of Hawai'i Public Access, Open Space and Natural Resources Commission

STEWARD (Caring for HILT's Preserves, and Conservation Easement Annual Monitoring):

- Completed **Climate Change Resiliency Plan** for Waihe'e Coastal Dunes and Wetlands Refuge
- Planted **1,659** native and rare plants at HILT's preserves
- 1,262** volunteers gave 4,724 hours of stewardship to HILT preserves
- Installed **950"** of ungulate-proof fence at Maunawila Heiau Complex
- Hosted **93** volunteer days at Waihe'e Refuge, Kāhili Beach Preserve, and Maunawila Heiau Complex
- Continued cultivation of over **50** different rare Kalo species through partnership with E Kupaku Ka 'Āina's Maka'aka Lo'i at Waihe'e Coastal Dunes and Wetlands Refuge
- Hired **47** temporary conservation workers during COVID-19 pandemic, getting Federal funds into local households
- Provided annual monitoring for **45** Conservation Easements per national standards
- Hired **3** part-time stewardship & education staff at Kāhili Beach Preserve on Kaua'i in March 2020
- Hosted **2** Community Kilo Programs at Kāhili Beach Preserve and Maunawila Heiau Complex
- Cleared **2** streambeds to prohibit flooding issues at Kālepa Stream (which now flows to the ocean) at Waihe'e Refuge, and Puna'iki Stream at Maunawila Heiau Complex
- Removed invasive plants from **2** acres at Waihe'e Refuge, Nu'u Refuge, Maunawila Heiau Complex, and Kāhili Beach Preserve
- Obtained **State LUC approval** to retain agricultural designation on the makai portion of Kūkūau Forest to actively restore the forest
- Mapped **1** cultural site – Kealaka'ihonua heiau on Waihe'e Refuge
- Expanded **¼** acre of native habitat at Waihe'e Coastal Dunes & Wetlands Refuge

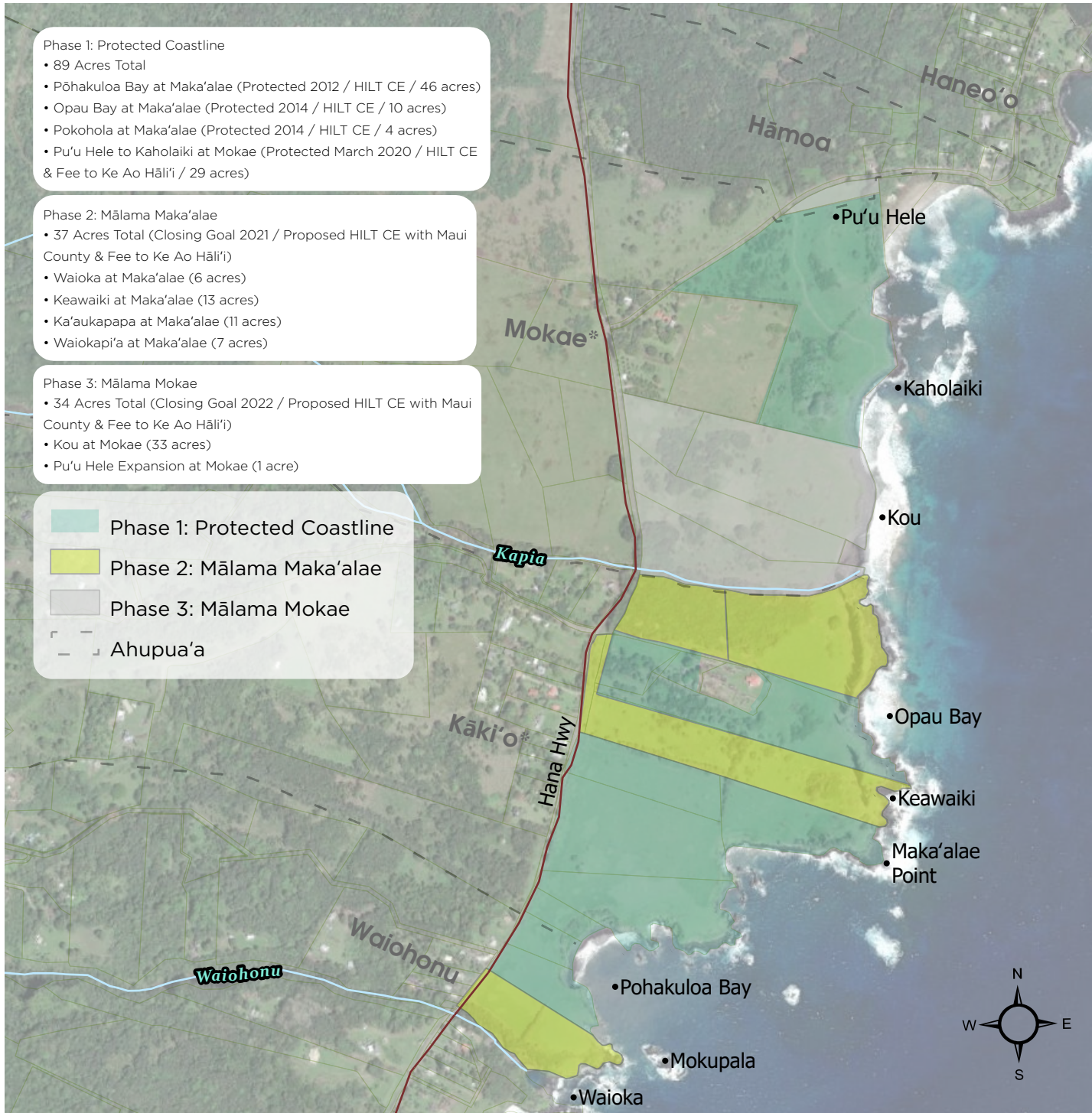
CONNECT ('Āina Engagement and Education):

- Led **30 Talk Story on the Land Hikes** across the islands, sharing the importance of mālama 'āina with over 100 participants
- Taught **566** students in 'āina-based education on HILT preserves and developed **12** educational videos being used by teachers across Hawai'i
- Distributed **600** Ahu'awa seed packets to **4** elementary schools
- Provided **23** high school and college internships in natural and cultural resource management and land protection
- Welcomed **26,300** visitors to our preserves across Hawai'i
- Hosted **966** campers at HILT preserves
- 15** 'āina & kai-based cultural practices perpetuated on HILT's preserves
- Trained **9** teachers in conservation career pathways and 'āina-based education in partnership with KUPU
- Staff presented at **3** different local and national conferences
- Ran **2** after school youth education programs at Maunawila Heiau Complex and Kāhili Beach Preserve
- Created **2** Virtual Tours for Waihe'e and Maunawila
- Developed **2** QR Code Self-Guided Tours in English and 'Ōlelo Hawai'i at Maunawila Heiau Complex
- Created **1** new position to lead HILT's Connect work, Makana Reilly transitioned to HILT's Director of 'Āina Connection based on Kaua'i

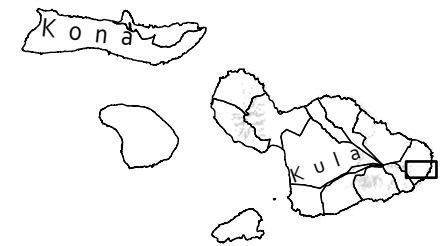


SAVE HĀNA COAST: MOKAE TO MAKĀ'ALAE

WAIOHONU, KĀKI'O, AND MOKAE • HĀNA • MAUI

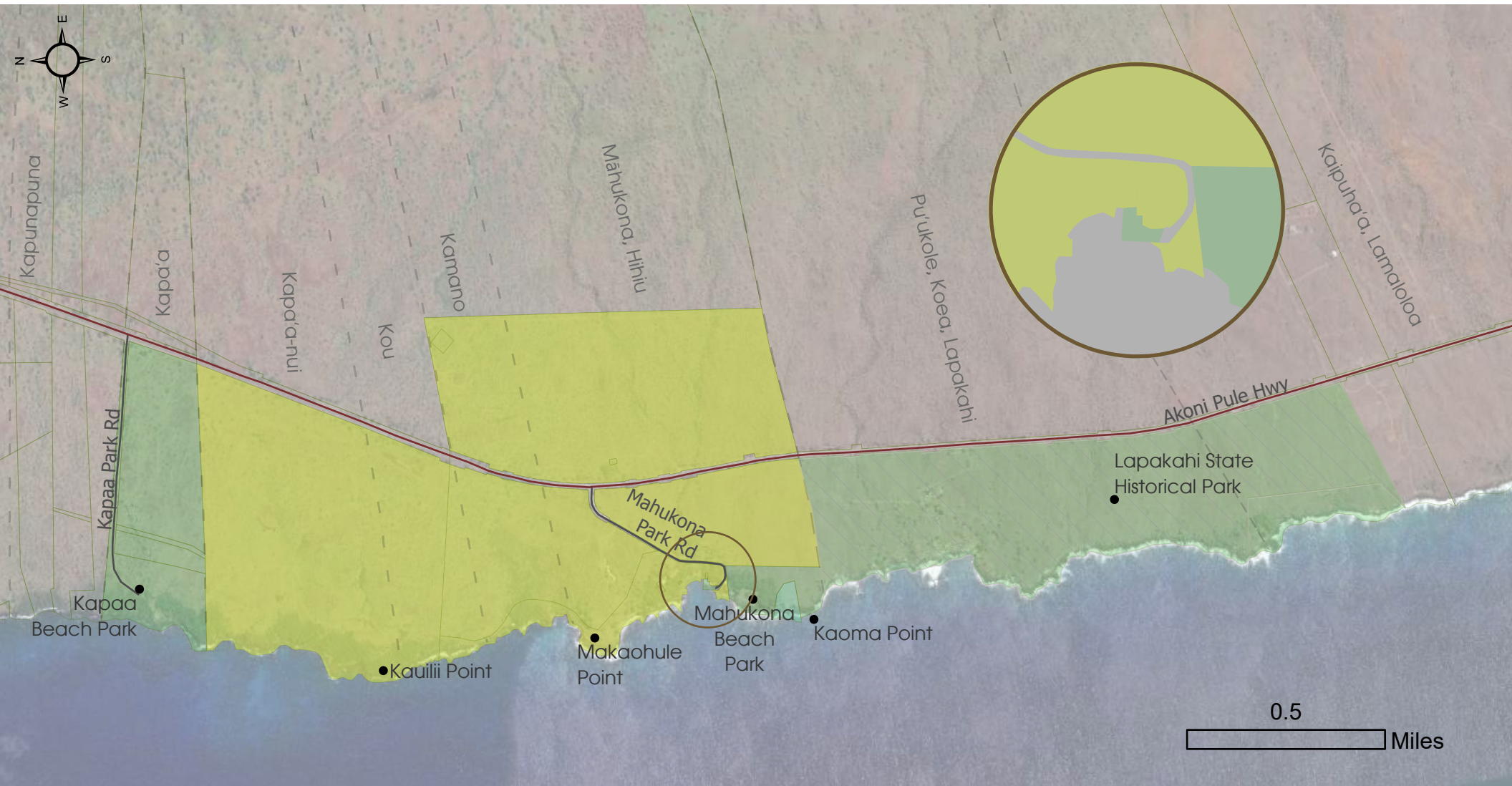


Ke Ao Hāli'i
Save Hāna Coast








MĀHUKONA NAVIGATIONAL AND CULTURAL COMPLEX

KAPA'A NUI, KOU, KAMANO, MĀHUKONA, HIHIU, AND KAOMA AHUPUA'A, KOHALA, HAWAI'I ISLAND



Map Key

-  Project Area (642 acres)
-  State of Hawaii
-  United States of America
-  Ahupuaa
-  Tax Map Boundaries



Hawaiian Islands Land Trust
Māhukona Navigational & Cultural Complex, Kohala Coast, Hawai'i Island
List of Support Letters Received
August 2020

- | | |
|---|---|
| 1. Ka Ua Paliloa, Pūnana Leo o Waimea
(Maluhia O'Donnell) | 19. Moloka'i Resident & Navigator
(Vernett "Penny" Martin) |
| 2. The Kohala Center
(Cheryl Lupenui) | 20. Kona, Hawai'i Resident and Captain Navigator
(Chad Kālepa Baybayan) |
| 3. Hui Aloha Kīhōla
(Nahaku Kalei) | * 21. Stanford University
(Peter Vitousek) |
| 4. Waikōloa Dry Forest
(Jen Lawson) | 22. Hilo, Hawai'i Resident
(Pua Kanakaole Kanahle) |
| 5. Kohala Institute
(Kamana'opono Crabbe) | * 23. O'ahu Resident & Navigator
(Bruce Blankenfeld) |
| 6. Kuamo'o Foundation
(Lehua Kaulukukui) | 24. Kohala, Hawai'i Resident
(Wendy Noritake) |
| 7. Polynesian Voyaging Society
(Clyde Namu'o) | 25. Kohala, Hawai'i Resident
(Randee Golden) |
| 8. USGS, Pacific Island Ecosystems Research Center
(Gordon Tribble) | * 26. Kamehameha Schools West Hawai'i Region
(Alapaki Nahale-a) |
| 9. Kohala, Hawai'i Resident
(Michael Frailey) | 27. Hui o Wa'a Kaulua
(Kala Tanaka) |
| * 10. Kohala Unupa'a & Kohala, Hawai'i Resident
(Hokani K. Maria) | 28. Nohopapa Hawai'i
(Kelley L. Uyeoka) |
| 11. Kohala Unupua'a & Kohala, Hawai'i Resident
(Johnelle "Amoo" Ching Kainoa) | 29. Ulu Mau Puanui
(Kēhaulani Marshall) |
| 12. Kohala Lihikai & Kohala, Hawai'i Resident
(Joseph A. Carvalho) | 30. Nohopapa Hawai'i
(Kelley L. Uyeoka) |
| 13. Nā Kālai Wa'a o Kaua'i and 'Ohana Wa'a
(Dennis Chun) | 31. Edith Kanakaole Foundation
(Kalāho'ohie Mossman) |
| 14. Hawai'i Wildlife Fund
(Megan Lamson) | 32. Ala Kahakai Trail Association
(Linda Kaleo Paik) |
| 15. Huliaupa'a
(Kelley L. Uyeoka) | 33. Edith Kanakaole Foundation
(Kalāho'ohie Mossman) |
| 16. Kānehūnāmoku Voyaging Academy
(Ed Enos) | 34. National Park Service, Ala Kahakai National Historic Trail
(Aric Arakaki) |
| 17. Lonoa Honua LLC and Hālau 'Ōhi'a Hawai'i Stewardship Training Program
(Kekuhi Kanahale) | 35. Edith Kanakaole Foundation
(Kalāho'ohie Mossman) |
| 18. Hawai'i Institute of Pacific Agriculture
(Dash Kuhr) | 36. E Mau Nā Ala Hele
(Kamuela Plunkett) |

*Support Letters Provided on Following Pages

Hawaiian Islands Land Trust
Māhukona Navigational & Cultural Complex, Kohala Coast, Hawai'i Island
Support Petitions
September 2020

1. **Māhukona 'Ohana Support Petition (47 Individual Supporters):** Nā Kālai Wa'a and HILT gathered with 'ohana who were born and raised in Māhukona to share about our efforts. A simple paper petition to support the protection of Māhukona was circulated that day where approximately 47 individual supporters signed on in support.
2. **Protect Māhukona Online Petition Results (3,569 Individual Supporters):** As of 9/22/2020, HILT has received over 3,569 support signatures from individuals throughout Hawai'i County, the State of Hawai'i, the continent, and the Pacific. The petition will remain live in preparation for the State Legacy Land Conservation Program application. The petition is accessible at: <https://www.change.org/protectmahukona>.

Support for the Protection of Māhukona



 Hawaiian Islands Land Trust started this petition to [Public and Private Funders](#)

Hawaiian Islands Land Trust (HILT) and Nā Kālai Wa'a, 501(c)(3), have partnered to purchase and permanently protect the Māhukona Navigational and Cultural Complex, encompassing 642 acres and six ahupua'a along leeward Kohala, Hawai'i's cultural, agricultural, and coastal landscape. With its prime location and agricultural and resort land use designations, the lands of Māhukona are at risk to be sold to resort and high-scale residential developers.

3,569 have signed. Let's get to 5,000!



Sonja Baris signed 1 hour ago





caroline caluag signed 4 hours ago



 Share on Facebook

 Send a Facebook message

 Send an email to friends

 Tweet to your followers

 Copy link

Show this petition to more potential supporters

Promote this petition



February 24, 2021



2021
BOARD OF
DIRECTORS

House Finance Committee
Thursday, February 25, 2021, 11:00 a.m.
Conf. Rm. 308

Elizabeth Reilly
President

RE: Livable Hawaii Kai Hui's Testimony Regarding HB 58 HD1

Allen Tateishi
Vice President

Aloha Chair Luke, and Honorable Representatives,

Dianne Gleis
Secretary

Livable Hawaii Kai Hui **strongly opposes HB 58 HD 1**, which would suspend deposits into the Legacy Land Conservation Fund for the next two fiscal years. We believe prudent efforts to address current economic impacts should not come at the expense of our conservation lands and the many communities that has benefited from the Legacy Land Conservation Program and those currently counting on the program

Marian Grey
Treasurer

Dean Takebayashi
Director

Gary Weller
Director

Our organization successfully acquired Hāwea Heiau & Keawāwā Wetlands (4.5 acres) and the Ka Iwi Mauka lands (182 acres) in east Honolulu because of grant contributions through the Legacy Land Conservation Fund. During the challenges brought by the COVID-19 pandemic in the past year, Livable Hawaii Kai Hui has experienced increased public interest through self-management mālama volunteer opportunities and people yearning to connect with their own communities.

Kendrick Chang
Community Outreach

The Legacy Land Conservation Program has been invaluable to our community, allowing our organization to preserve the last undeveloped parcels of a scenic shoreline, a Heiau, and a wetland preserve. We support other local communities throughout the State who want to conserve their own special places, and therefore believe that continued funding for the Legacy Land Conservation Fund serves an even larger purpose in this current environment.

Dylan Ramos
Communications

We are extremely grateful to the Legislature for establishing this incredible program that has and will benefit so many generations. Suspending fund deposits will hurt our natural resources and the many communities that have come together to serve our lands. Please help our local communities and preserve current funding for the State Legacy Land Conservation Program.

Website

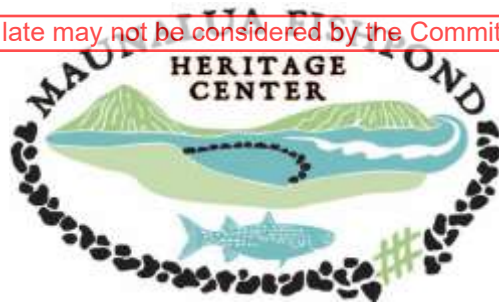
www.hawaii kai hui.org
www.kaiwicoast.org

Like us on Facebook
Livable Hawaii Kai Hui
Aloha Aina O Kamilo Nui
Ka Iwi Coast

Livable Hawaii Kai Hui is a 501c(3) non-profit, community organization serving East Honolulu since 2004. We strive to promote sensible growth, respect for cultural & natural resources and upholding the integrity of the East Honolulu Sustainable Communities Plan.

Elizabeth Reilly
Founder/President
Livable Hawaii Kai Hui

Kendrick S. Chang
Community Outreach
Livable Hawaii Kai Hui



LATE

Testimony Before The Senate Committee on Ways & Means

IN OPPOSITION TO HB 58 HD1 (Halting the Land Conservation Fund)

Thursday, February 25, 2021, 11:00AM in House Conference Room 308

Aloha Chair Luke and Committee members,

We ask that you hold this drastic measure that halts one of the most successful and beneficial programs in the State. This bill would compound the suffering from COVID-19 that many communities are facing. Cutting off the lifeline to preserve Hawaii's most treasured lands and waters would do real harm. The Land Conservation fund directly benefits communities!

In 2017 the spring source feeding the Kanewai Fishpond and the Paiko Fishery was without protection and for sale. Our community felt helpless as our spring water source lay in critical danger of being destroyed. Since it lay on private land, there was little anyone could do. Without the Land Conservation Fund to purchase Kanewai Spring, the dependent fishery and fishpond would likely have been ruined by planned development at the spring.

Fortunately, Maunalua Fishpond Heritage Center and the Trust for Public Land secured funding from the Land Conservation Fund to purchase our community's spring water source. The Fund allowed the community to leverage one million dollars in City funding, and substantial donations from the community to purchase and preserve Kanewai Spring. We ask that you keep this critical fund alive for Hawaii's communities and families.

Mahalo for the opportunity to comment,

Chris Cramer

Executive Director,

Maunalua Fishpond Heritage Center

LATE



WAIMEA VALLEY

HI'IPAKA LLC

February 24, 2021

To: State of Hawaii Legislature

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

From: Richard Pezzulo, Executive Director of Hi'ipaka, LLC

Subject: Testimony in opposition to HB 58 HD 1

As a native Hawaiian owned not for profit in the State of Hawaii responsible for the ownership and stewardship of the traditional *ahupua'a* of Waimea Valley on Oahu we urge the legislature to continue funding the State Legacy Land Conservation Program at its current/base level to pay for staff and the base program. We oppose HB 58 HD 1 a bill to end the State support for acquisition of natural lands.

The bill as written effectively suspends conveyance tax deposits into the Legacy Land Conservation Fund without any redeposit provision and uses that conveyance tax allocation to issue general obligation bonds for unspecified purposes.

Federal funding to match purchases of natural lands is now available through the Great American Outdoors Act of 2020. Critically the federal funding is leveraged at a greater rate (75% vs 50%) when the state has an operating program in place such as the State Legacy Land Conservation Program. If the entire program is paused Hawai'i will be unable to capitalize on millions of dollars of federal funding. Taking a long view of policy, economy, and land use is aligned with traditional Hawaiian practice of *mālama 'āina*.

For this reason we should not make short term sacrifices due to budget fears when economic indicators including visitor arrival rates and federal stimulus legislation as well as medical milestones like reduced case rates and increased vaccine distribution point to an end of the pandemic caused fiscal crisis.

E ho 'ā'o nō i pau kuhi hewa. Onipa`a!

“Remove yourself from illusion and stay steadfast.”

Sincerely,


Richard Pezzulo

Executive Director

Hi'ipaka, LLC 59-864 Kamehameha Hwy Haleiwa, Hi 96712

LATE

HB-58-HD-1

Submitted on: 2/24/2021 5:07:29 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John N. Kittinger	Individual	Oppose	No

Comments:

Dear Distinguished Representatives,

I writing in opposition to HB 58 HD 1. HB 58 HD 1 proposes to stop conveyance tax deposits into the Legacy Land Conservation Fund for FY22 and FY23, and use the conveyance tax funds to issue general obligation bonds. Although the purpose of the bill indicates that the intent of the bill is redeposit bond funds into the Legacy Land Conservation Fund, the current draft of the bill does not have any redeposit provision. Instead, the bill as written effectively suspends conveyance tax deposits into Legacy Land Conservation Fund, and uses that conveyance tax allocation to issue general obligation bonds for unspecified purposes.

Base levels of funding for the Legacy Land Conservation Program of \$5.1 million annually (staff/operating and land acquisition capital/grants) should continue in order to capitalize on \$900 million of federal conservation funding made available by the 2020 Great American Outdoors Act, and secure federal funding for important Hawai'i projects such as NÄ• Wai 'Eha on Maui.

The COVID-19 crisis has proved that DLNR's mission to maintain and manage our natural and cultural resources is critical to our physical and mental well-being, our shrinking freshwater supplies threatened by climate change, our public shorelines and reefs, and our unique plant and animal species found nowhere else in the world. Current DLNR programs and staffing levels should continue. As discussed below, base/core funding of \$5.1 million per year for the Legacy Land Conservation Program is critical for Hawai'i to secure its share of federal funding for important projects.

If deposits in the Legacy Land Conservation Fund are paused and the entire program paused, Hawai'i will be unable to capitalize on millions of dollars of federal funding opportunities that can provide up to 75% of matching funding because Hawai'i has established a dedicated source of conservation funding via the Legacy Land Conservation Fund.

In the Summer of 2020, Congress passed and the President signed the Great American Outdoors Act, which fully funded the Land and Water Conservation Fund (LWCF) at **\$900 million annually**. LWCF finances conservation programs like the U.S. Forest

Legacy Program under the U.S. Department of Agriculture, the Outdoor Recreation Legacy Partnership under the National Park Service, and U.S. Fish & Wildlife Recovery Land Acquisition and Habitat Conservation Plan Acquisition Programs. As a result, federal funding has increased (in some cases, more than doubled) for these federal programs.

The Legacy Land Conservation Fund provides an important source of local/state match for these federal conservation programs. Because Hawai'i has a dedicated source of funding – the Legacy Land Conservation Fund – the match requirements for some federal programs are more favorable, allowing 75% federal share and 25% state/local share (in the absence of a dedicated fund, some programs will only allow a 50% federal share and require a 50% local/state match).

Thank you for your consideration,

Jack Kittinger, PhD

LATE

HB-58-HD-1

Submitted on: 2/24/2021 10:57:48 PM

Testimony for FIN on 2/25/2021 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
C. Kai Lucas	Individual	Oppose	No

Comments:

Dear Finance Committee -

This is an extreme knee-jerk, short sighted, ill-conceived reaction to the current budget shortfall. The value of the properties protected by the Legacy Land Conservation Fund are a forever value, with compounded interest in native species, natural habitat restoration and environmental services. Don't short-change our future.

mahalo,

Kai Lucas,

Legacy Land Commissioner