DAVID Y. IGE GOVERNOR

JOSH GREEN M.D. LT. GOVERNOR



STATE OF HAWAII DEPARTMENT OF TAXATION

P.O. BOX 259 HONOLULU, HAWAII 96809 PHONE NO: (808) 587-1540 FAX NO: (808) 587-1560

To: The Honorable Donovan M. Dela Cruz, Chair;

The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and Members of the Senate Committee on Ways & Means

From: Isaac W. Choy, Director

Department of Taxation

Date: Wednesday, February 10, 2021

Time: 10:00 A.M.

Place: Via Videoconference, Hawaii State Capitol

Re: S.B. 1091, Relating to State Funds

The Department of Taxation (Department) <u>strongly supports</u> S.B. 1091, an Administration measure and offers the following comments for your consideration.

S.B. 1091 authorizes the transfer of funds from certain special funds to the general fund. The measure also authorizes the Director of Finance to issue general obligation bond funds supplant the special funds where appropriate. S.B. 1091, upon its approval, is effective on July 1, 2021.

Thank you for the opportunity to provide testimony in support of this measure.

DAVID Y. IGE



STATE OF HAWAII DEPARTMENT OF HEALTH

P. O. Box 3378 Honolulu, HI 96801-3378 doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of SB1091 RELATING TO STATE FUNDS.

SENATOR DONOVAN M. DELA CRUZ, CHAIR SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: February 10, 2021 Room Number: N/A

- 1 **Department Testimony:** The Department of Health (DOH) is in strong support of this
- 2 administration bill that appropriates out of the emergency medical services special fund the sum
- of \$15,000,000 or so much thereof as may be necessary for fiscal year 2021-2022 to be deposited
- 4 into the general fund.
- 5 Thank you for the opportunity to testify.
- 6 **Offered Amendments:** N/A.

DAVID Y. IGE

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER

OF A

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150 HONOLULU. HAWAII 96810-0150 CRAIG K. HIRAI

ROBERT YU
DEPUTY DIRECTOR

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1091

February 10, 2021 10:00 a.m. Room 211

RELATING TO STATE FUNDS

The Department of Budget and Finance (B&F) supports this Administration bill.

Senate Bill (S.B.) No. 1091 authorizes the transfer of special funds to general funds; replaces special fund appropriations with general obligation (G.O.) bond funds; and authorizes the transfer of excess moneys from other sources into the Dwelling Unit Revolving Fund (DURF).

The COVID-19 pandemic has been devastating to global, national, and state economies. The State of Hawai'i experienced a revenue decline of \$2.3 billion for FB 2019-21, with the most significant impact to the State's general fund. To help address the general fund shortfall, additional funds from various special funds are proposed to be transferred to the general fund to ensure continued funding of critical State programs and activities.

Pursuant to Executive Memorandum No. 20-11, departments were instructed to review their special and revolving funds to identify anticipated unrequired cash balances as of December 31, 2020. Thus, we are submitting the attached S.B. No. 1091,

Proposed S.D. 1, which identifies additional funds and fund balances deemed excess and eligible for transfer to the special fund.

Finally, this measure authorizes the transfer of G.O. bond funds from the Rental Housing Revolving Fund (RHRF) to the DURF. B&F notes that the Executive Budget for FB 2021-23 would authorize additional G.O. bond funds for the RHRF and DURF to continue the State's housing initiatives.

Given the continued number of active COVID-19 infection cases in Hawai'i and delays in reopening major sectors of the economy, general-funded State operations require budgetary relief. The proposed S.D. 1 helps to continue essential State operations during the COVID-19 pandemic and avoids unnecessary impacts to State services to ensure the State is in the best position for economic recovery.

Thank you for your consideration of our comments.

Attachment

A BILL FOR AN ACT

RELATING TO STATE FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The economic impact of the coronavirus disease 2019 (COVID-19) as a result of the global COVID-19 pandemic has 2 3 created a severe budget shortfall for the State. Accordingly, the purposes of this Act are to: 4 5 Replace, where eligible, special fund appropriations (1)with general obligation bond funds; 6 7 (2) Deposit, or authorize the transfer of, special funds into the general fund; and 8 9 Authorize the transfer of excess moneys from other **10** sources into the dwelling unit revolving fund. 11 SECTION 2. There is appropriated out of the land 12 conservation fund the sum of \$26,300,000 or so much thereof as may be necessary for fiscal year 2021-2022 to be deposited into 13 the general fund. The sum appropriated shall be expended by the 14 15 department of land and natural resources. 16 SECTION 3. The director of finance is authorized to issue 17 taxable general obligation bonds in the sum of \$26,300,000 or so

- 1 much thereof as may be necessary and the same sum or so much
- 2 thereof as may be necessary is appropriated for fiscal
- 3 year 2021-2022 for deposit into the land conservation fund.
- 4 SECTION 4. There is appropriated out of the emergency
- 5 medical services special fund the sum of \$15,000,000 or so much
- 6 thereof as may be necessary for fiscal year 2021-2022 to be
- 7 deposited into the general fund. The sum appropriated shall be
- 8 expended by the department of health.
- 9 SECTION 5. There is appropriated out of the cigarette tax
- 10 stamp administrative special fund the sum of \$1,029,763 or so
- 11 much thereof as may be necessary for fiscal year 2021-2022 to be
- 12 deposited into the general fund. The sum appropriated shall be
- 13 expended by the department of taxation.
- 14 SECTION 6. The director of finance is authorized to
- 15 transfer tax-exempt general obligation bond proceeds and accrued
- 16 interest from the rental housing revolving fund to the dwelling
- 17 unit revolving fund up to the sum of \$45,000,000 for fiscal
- 18 year 2021-2022.
- 19 SECTION 7. There is appropriated out of the state archives
- 20 preservation and long-term access special fund the sum of
- 21 \$317,711 or so much thereof as may be necessary for fiscal
- year 2021-2022 to be deposited into the general fund. The sum

- 1 appropriated shall be expended by the department of accounting
- 2 and general services.
- 3 SECTION 8. There is appropriated out of the criminal
- 4 forfeiture revolving fund the sum of \$200,000 or so much thereof
- 5 as may be necessary for fiscal year 2021-2022 to be deposited
- 6 into the general fund. The sum appropriated shall be expended
- 7 by the department of the attorney general.
- 8 SECTION 9. There is appropriated out of the DNA registry
- 9 special fund the sum of \$50,000 or so much thereof as may be
- 10 necessary for fiscal year 2021-2022 to be deposited into the
- 11 general fund. The sum appropriated shall be expended by the
- 12 department of the attorney general.
- 13 SECTION 10. There is appropriated out of the internet
- 14 crimes against children special fund the sum of \$140,000 or so
- 15 much thereof as may be necessary for fiscal year 2021-2022 to be
- 16 deposited into the general fund. The sum appropriated shall be
- 17 expended by the department of the attorney general.
- 18 SECTION 11. There is appropriated out of the notaries
- 19 public revolving fund the sum of \$150,000 or so much thereof as
- 20 may be necessary for fiscal year 2021-2022 to be deposited into
- 21 the general fund. The sum appropriated shall be expended by the
- 22 department of the attorney general.

1 SECTION 12. There is appropriated out of the criminal 2 record improvement revolving fund the sum of \$600,000 or so much thereof as may be necessary for fiscal year 2021-2022 to be 3 deposited into the general fund. The sum appropriated shall be 4 5 expended by the department of the attorney general. 6 SECTION 13. There is appropriated out of the state disaster revolving fund the sum of \$280,877 or so much thereof 7 as may be necessary for fiscal year 2021-2022 to be deposited 8 9 into the general fund. The sum appropriated shall be expended 10 by the department of business, economic development and tourism. SECTION 14. There is appropriated out of the foreign-trade 11 zone special fund the sum of \$483,723 or so much thereof as may 12 be necessary for fiscal year 2021-2022 to be deposited into the 13 14 general fund. The sum appropriated shall be expended by the 15 department of business, economic development and tourism. 16 SECTION 15. There is appropriated out of the general 17 support for health care payments special fund the sum of \$14,355 18 or so much thereof as may be necessary for fiscal year 2021-2022 19 to be deposited into the general fund. The sum appropriated 20 shall be expended by the department of human services. 21 SECTION 16. There is appropriated out of the dietitian 22 licensure special fund the sum of \$56,000 or so much thereof as

- 1 may be necessary for fiscal year 2021-2022 to be deposited into
- 2 the general fund. The sum appropriated shall be expended by the
- 3 department of health.
- 4 SECTION 17. There is appropriated out of the human
- 5 trafficking victim special fund the sum of \$1,350 or so much
- 6 thereof as may be necessary for fiscal year 2021-2022 to be
- 7 deposited into the general fund. The sum appropriated shall be
- 8 expended by the department of labor and industrial relations.
- 9 SECTION 18. There is appropriated out of the bureau of
- 10 conveyances special fund the sum of \$420,257 or so much thereof
- 11 as may be necessary for fiscal year 2021-2022 to be deposited
- 12 into the general fund. The sum appropriated shall be expended
- 13 by the department of land and natural resources.
- 14 SECTION 19. There is appropriated out of the water and
- 15 land development special fund the sum of \$590,000 or so much
- 16 thereof as may be necessary for fiscal year 2021-2022 to be
- 17 deposited into the general fund. The sum appropriated shall be
- 18 expended by the department of land and natural resources.
- 19 SECTION 20. There is appropriated out of the special land
- 20 and development fund the sum of \$236,011 or so much thereof as
- 21 may be necessary for fiscal year 2021-2022 to be deposited into

- 1 the general fund. The sum appropriated shall be expended by the
- 2 department of land and natural resources.
- 3 SECTION 21. There is appropriated out of the Hawaii
- 4 historic preservation special fund the sum of \$68,165 or so much
- 5 thereof as may be necessary for fiscal year 2021-2022 to be
- 6 deposited into the general fund. The sum appropriated shall be
- 7 expended by the department of land and natural resources.
- 8 SECTION 22. There is appropriated out of the automated
- 9 victim information and notification system special fund the sum
- 10 of \$500,000 or so much thereof as may be necessary for fiscal
- 11 year 2021-2022 to be deposited into the general fund. The sum
- 12 appropriated shall be expended by the department of land and
- 13 natural resources.
- 14 SECTION 23. There is appropriated out of the tax
- 15 administration special fund the sum of \$2,617,063 or so much
- 16 thereof as may be necessary for fiscal year 2021-2022 to be
- 17 deposited into the general fund. The sum appropriated shall be
- 18 expended by the department of taxation.
- 19 SECTION 24. This Act, upon its approval, shall take effect
- 20 on July 1, 2021.

Report Title:

Relating to State Funds

Description:

Authorizes the transfer of special funds to the general fund, replaces special fund appropriations with general obligation bond funds, and authorizes the transfer of excess moneys from other sources into the dwelling unit revolving fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



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

SENATE COMMITTEE ON WAYS AND MEANS

February 10, 2021 at 10:00 a.m. State Capitol, Room 211

In consideration of S.B. 1091
RELATING TO STATE FUNDS.

The HHFDC <u>supports</u> Section 6 of S.B. 1091, which authorizes the Director of Finance to transfer tax-exempt general obligation bond proceeds of up to \$45,000,000 from the Rental Housing Revolving Fund (RHRF) to the Dwelling Unit Revolving Fund (DURF). We take no position on the remainder of this bill.

The RHRF has nearly \$45 million in tax-exempt bond proceeds and interest earnings as a portion of its cash balance. Tax-exempt bond proceeds have specific limits established by the Internal Revenue Service on how they may be used. These tax-exempt bond proceeds can only be used for the purposes of the RHRF if a potential rental housing project does not plan to use other tax-exempt or tax-advantaged financing sources, such as Low-Income Housing Tax Credits or Hula Mae Multifamily revenue bonds in its financing package. Because the vast majority of affordable rental housing projects require tax credits to be feasible to develop, the majority of this tax-exempt RHRF balance cannot be used for the purposes of the RHRF.

If this tax-exempt fund balance were transferred to the DURF, they could be used by the Hawaii housing finance and development corporation to make needed infrastructure improvements in the corporation's Kapolei and Waiahole Valley subdivisions, because public infrastructure projects <u>are</u> allowable uses of tax-exempt bond funds. HHFDC therefore supports Section 6 of this bill.

Thank you for the opportunity to testify.

DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the Senate Committee on WAYS AND MEANS

Wednesday, February 10, 2021 10:00 AM State Capitol, Conference Room 211

In consideration of SENATE BILL 1091 RELATING TO STATE FUNDS

Senate Bill 1091 proposes to (1) appropriate out of the Land Conservation Fund the sum of \$26,300,000 or so much thereof as may be necessary for Fiscal Year (FY) 2021-2022 to be deposited into the general fund; the sum appropriated shall be expended by the Department of Land and Natural Resources; and (2) authorize the director of finance to issue taxable general obligation bonds in the sum of \$26,300,000 or so much thereof as may be necessary for FY 2021-2022 for deposit into the Land Conservation und. The Department of Land and Natural Resources (Department) acknowledges that this bill supports our Legacy Land Conservation Program, and offers the following comments.

- 1) The Department operates the Legacy Land Conservation Program (LLCP) under a current annual Land Conservation Fund spending ceiling of about \$5.1 million.
- 2) The LLCP has an obligation to assure that the forty properties already procured and ten pending are managed for the purpose for which the State awarded the grant funds. LLCP staff supports this work, as well as administers the work of the Legacy Land Conservation Commission, the completion of Capital Improvement Projects (CIP) for land acquisition by the Department, and manages the program budget and finances.
- 3) For this work, the Department requires at least \$284,248 annually to perform essential LLCP functions, plus another \$1.5 million per year for required debt service payment on the Turtle Bay reimbursable general obligation bonds. Whatever additional funds are available are applied to the competitive grant process, which would be approximately \$3,315,000 per year under the current ceiling authorization.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA

M. KALEO MANUEL DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION

The Department supports the proposed deposit of bond proceeds into the FY 2022 Land Conservation Fund, and respectfully requests authorization to use bond proceeds to fund CIP for our priority land acquisitions, as indicated in the Executive Budget CIP request and as prioritized by the LLCP.

The Department estimates that at the start of FY 2022, the unencumbered cash balance held in the Land Conservation Fund will be \$24.8 million. The Department is concerned that there could be insufficient funds available for program operations in FY 2022 due to the transfer proposed in Senate Bill 1091 and the proposed suspension of conveyance tax distribution in Senate Bill 1092. In order to assure continuity of operations, the Department respectfully requests that sufficient cash to fund program operations in FY 2022 (\$285,000) be retained in the Land Conservation Fund or specifically appropriated out of the general fund for LLCP operations, and that the Turtle Bay debt service obligation of \$1,500,000 be accounted for in the funding allocation.

Thank you for the opportunity to comment on this measure.

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Raid on Special Funds

BILL NUMBER: SB 1091; HB 937

INTRODUCED BY: SB by KOUCHI by request; HB by SAIKI by request

EXECUTIVE SUMMARY: Authorizes transfer of special funds to general fund, replaces special fund appropriations with general obligation bond funds, authorizes transfer of excess moneys from other sources into the dwelling unit revolving fund.

SYNOPSIS: Reappropriates funds as follows:

- \$26.3 million from the land conservation fund to the general fund. General obligation bonds are authorized to make up the balance in the fund.
- \$15.0 million from the emergency medical services special fund to the general fund.
- \$1.0 million from the cigarette tax stamp administrative special fund to the general fund.
- \$45.0 million in general obligation bond proceeds from the rental housing revolving fund to the dwelling unit revolving fund.

EFFECTIVE DATE: 7/1/2021.

STAFF COMMENTS: This bill is part of the Administration package, sponsored by the Department of Budget & Finance and identified as BUF-25 (21).

The bill essentially raids the specified funds. The State's justification is that additional funds from various special funds are needed for transfer to the general fund to ensure continued funding of critical state programs.

We cannot argue with the proposition that excess balances in special funds should be repurposed first before reducing core services or increasing taxes.

Digested 2/4/2021





HAWAI'I 1003 Bishop St. Pauahi Tower, Ste. 740 Honolulu, HI 96813 T: 808.524.8694 tpl.org

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THE TRUST FOR PUBLIC LAND'S TESTIMONY REGARDING SB 1091 & SB 1092

Senate Committee on Ways & Means Wednesday, February 10, 2021, 10:00 a.m. Conf. Rm. 211

The Trust for Public Land has comments regarding SB 1091 and SB 1092. We recognize the current fiscal crisis facing the State and appreciate the Governor, this Committee, and the Legislature for its difficult work. We suggest that in regard to both these bills, 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.

SB 1091

\$B 1090 proposes to appropriate out of the Legacy Land Conservation Fund \$26,300,000 or so much thereof as may be necessary for fiscal year 2021-2022, transfer those funds to general fund, and allow the Department of Land and Natural Resources (DLNR) to expend those funds. It also authorizes the Director of Finance to issue general obligation bonds in the same amount, and deposit those GO bond funds back into the Legacy Land Conservation Fund. Unspent monies in the fund have grown because: (1) funds for projects which do not close remain in the fund (e.g., landowner decides not to sell at appraised value, or title issues preclude a closing), and (2) for the past several years, the Legislature has set an annual spending ceiling of about \$5.1 million that was lower than the amount deposited into the fund pursuant HRS §237-7(1). In the last 2020 session, the Legislature amended HRS §237-7(1) so that the annual statutory maximum going into the fund was set at that historical \$5.1 million spending ceiling.

This intent of this bill appears to be to harness the unspent cash in the Legacy Land Conservation Fund to fund DLNR's current operations and staff costs. The Trust for Public would only support a one-time transfer from the Legacy Land Conservation Fund to the general fund to support existing DLNR programs and staff positions, if necessitated by this current COVID-19 economic crisis. The Trust for Public Land would strongly oppose transferring the funds to the general fund for other non-DLNR 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.

SB 1092

SB 1092 proposes to halt all deposits into the Legacy Land Conservation Fund for two fiscal years. The Trust for Public Land strongly opposes this bill if base levels of funding for the program and staff of \$5.1 million annually would be eliminated.

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,

State Director

Edmund C. Olson Trust Fellow

The State of Hawai'i Legacy Land Conservation Program: Over 15 Years of Aloha 'Āina

2020 marked the the 15th anniversary of the State Legacy Land Conservation Program ("the Legacy Program"), which conserves lands with important cultural, natural, and agricultural resources. Despite land use and zoning laws, important lands are often threatened with development, destruction, or made inaccessible to the public. The Legacy Program is a win-win approach to these conflicts.

The Legacy Program is a completely voluntary program where private landowners voluntarily consent to the purchase of or conservation of their lands. The Legacy Program provides grants to public agencies and non-profit community organizations to purchase and voluntarily conserve land to protect unique and threatened natural and cultural resources: e.g., historic sites, coastlines, native forest, watersheds, scenic open space, agricultural and ranch land, and recreational, fishing, and hunting areas.

In 2005, the Legislature enacted the program with nearly unanimous bipartisan support by its members and by an enthusiastic cross section of community, conservation, and affordable housing groups.

The Legislature prophetically recognized that an "alarmingly small amount of money is invested each year to protect our natural capital base" and that the "preservation, protection, and enhancement of the State's land, coastal areas, and natural resources are of central importance for current and future residents and for the state economy."

The Legacy Program has since protected 36 special places and over 21,000 acres throughout Hawai'i nei and leveraged two-thirds of funding from county, federal, or private sources.



Nearly an acre added to the Hanalei Black Pot Beach Park in 2010, with funds from the Legacy Program and Kaua'i Open Space Fund.



Ka Iwi Coast, O'ahu: 182 acres of scenic coastline protected in 2017 with funds from the Legacy Program and the City and County of Honolulu Clean Water & Natural Lands Program after 40 years of grassroots advocacy.

How The Legacy Program Works

For over 15 years, the State's Legacy Program has protected treasured lands across Hawai'i in a fiscally responsible, transparent, and community-supported manner.

Applicants to the Legacy Program go through a rigorous vetting process administered by the Legacy Land Conservation Commission ("the Commission") made up of nine volunteer Governor-appointed commissioners with subject matter expertise (e.g., Hawaiian culture, native plants and animals, agriculture) and geographical representation from all the islands. The Commission analyzes detailed applications, conducts site visits, consults with the House Speaker and Senate President, ranks projects, and makes funding recommendations to the State Board of Land and Natural Resources.

Once an applicant is awarded funding, Legacy Program staff then work with the State Attorney General's department and the Land Division to ensure that the State's investment of funding is protected and documented via appraisals, deed restrictions, conservation easement restrictions, title review, and contractual grant agreement requirements.

A Legacy of Aloha 'Āina

These 43 special places have benefited from the Legacy Program:

HAWAI'I ISLAND

- ♦ Amy B.H. Greenwell Ethnobotanical Garden, Kona
- ♦ Hilo Forest Reserve
- ♦ Kahuku Coastal Property, Ka'ū
- ♦ Kaiholena, North Kohala
- ♦ Kaiholena South, North Kohala
- ♦ Kalukalu Ranch, Kealakekua
- ♦ Kapanaia, Kohala*
- ♦ Kauhola Point, North Kohala
- ♦ Kawā I & 2, Ka'ū
- ♦ Kīpuka Kanohina, Ka'ū
- ♦ Kuamo'o Battlefield & Burial Grounds, Kona
- ♦ Lapakahi State Historical Park, North Kohala
- ♦ Pāo'o, North Kohala
- ♦ Uchida Farm, Kealakekua
- ♦ Waikapuna, Ka'ū

MAUI

- ♦ Kahanu, Hāna
- ♦ Mokae to Maka'alae Lands, Hāna, Maui*
- Nu'u, Southeast Maui

MOLOKA'I

- ♦ Kainalu Ranch, East Moloka'i
- ♦ Kawaikapu, East Moloka'i
- ♦ Pua'ahala Watershed, Kamalō

KAUA'I

- ♦ Black Pot Beach Expansion, Hanalei
- ♦ Halulu Fishpond Access, Waipā*
- ♦ Kaluanono, Waipā*

O'AHU

- ♦ Hakipu'u Lo'i Kalo
- ◆ Hāwea Heiau & Keawāwa Wetlands, East Honolulu
- ♦ Helemano Wilderness Recreation Area, Central O'ahu
- ♦ Honouliuli Forest Reserve, West O'ahu
- ♦ Kalauao Valley, 'Ewa
- ♦ Kānewai Spring, East Honolulu
- ♦ Kunia Hawai'i Agricultural Research Center
- ◆ MA'O Organic Farm Palikea Expansion, Wai'anae
- ◆ MA'O Organic Farm Takahashi Farm Expansion, Wai'anae
- ♦ Maunawila Heiau, Hau'ula
- ♦ Pia Valley, East Honolulu
- Pu'ukua, Waimea Valley
- ◆ Pu'u o Ehu Hāmākua Marsh
- ♦ Ulupō Heiau Buffer, Kailua*
- ♦ Sunset Ranch, North Shore
- ◆ Turtle Bay Makai Kahuku Kawela Forever, North Shore
- Turtle Bay Mauka Agricultural Lands, North Shore
- ♦ Waimea Native Forest, North Shore

^{*}Pending projects that have not yet closed or been completed.

21,000+

acres protected across five islands

39

properties conserved in perpetuity, and another 7 properties awaiting completion

42

participating community partners, including counties, state agencies, and nonprofit organizations

\$1=\$3

every state dollar is matched by \$2 of other federal, county, or private funding

15+

years in operation, the Legacy Program has protected some of Hawai'i's most treasured places

What Is The Legacy Program's Spending Ceiling?

The State of Hawai'i dedicates a portion of revenue from the real estate conveyance tax (a tax paid by the seller whenever land is sold) to the Legacy Land Conservation Fund ("the Legacy Fund"). Until 2020, ten percent or \$6.8 million, whichever is less, of the real estate conveyance tax went into the Legacy Fund. Prior to 2020, the Legislature had imposed a \$5.1M "spending ceiling" that was lower than the \$6.8M that went into the Legacy Fund annually. In 2020, the Legislature amended the law so that ten percent or \$5.1 million, whichever less, now goes into the Legacy Fund.

After administration/staffing costs and the \$1.5M debt service for the Turtle Bay Makai conservation project, only about \$3.2M has been available for competitive grants for land conservation projects statewide each year since 2016-2020.

This has resulted in over \$20M building up in the Legacy Fund "above the spending ceiling," as the historical amounts flowing into the fund (\$6.8M) exceeded the annual pending ceiling (\$5.1M) or projects are discontinued.



Over 2,300-acres known as Waikapuna located in Kaʻū, Hawaiʻi Island was recently acquired by the Ala Kahakai Trail Association, funded by the County of Hawaiʻi's Open Space Program and the State's Legacy Program, conserving over 2.3 miles of the Ala Kahakai National Historic Trail, an ancient fishing village, and hundreds of cultural sites. The Kaʻū community has been working for decades to protect their beloved 80-mile coast to honor their kūpuna and perpetuate their rural lifestyle.





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February 9, 2021

MOLOKAI LAND TRUST TESTIMONY REGARDING SB 1091 & SB 1092

Molokai Land Trust is providing comments regarding SB 1091 and SB 1092. MLT has had to deal with the financial challenges and difficulties associated with the current pandemic, and we understand the unique challenges that the State is currently facing and appreciate the efforts being taken to meet these challenges. In light of these proposed bills, we ask that the State continue providing the base \$5.1 million annually to capitalize on, and leverage the \$900 million of federal conservation funds made available by the 2020 Great American Outdoors Act. Losing out on these federal funds will potentially kill important State land purchases such as Nā Wai 'Eha on the island of Maui.

SB 1091

SB 1090 proposes to appropriate out of the Legacy Land Conservation Fund \$26,300,000 or so much thereof as may be necessary for fiscal year 2021-2022, transfer those funds to general fund, and allow the Department of Land and Natural Resources (DLNR) to expend those funds. It also authorizes the Director of Finance to issue general obligation bonds in the same amount, and deposit those GO bond funds back into the Legacy Land Conservation Fund. Unspent monies in the fund have grown because: (1) funds for projects which do not close remain in the fund (e.g., landowner decides not to sell at appraised value, or title issues preclude a closing), and (2) for the past several years, the Legislature has set an annual spending ceiling of about \$5.1 million that was lower than the amount deposited into the fund pursuant HRS §237-7(1). In the last 2020 session, the Legislature amended HRS §237-7(1) so that the annual statutory maximum going into the fund was set at that historical \$5.1 million spending ceiling.

This intent of this bill appears to be to harness the unspent cash in the Legacy Land Conservation Fund to fund DLNR's current operations and staff costs. Molokai Land Trust would only support a one-time transfer from the Legacy Land Conservation Fund to the general fund to support existing DLNR programs and staff positions, if necessitated by this current COVID-19 economic crisis. Molokai Land Trust would strongly oppose transferring the funds to the general fund for other non-DLNR purposes.

SB 1092

SB 1092 proposes to halt all deposits into the Legacy Land Conservation Fund for two fiscal years. Molokai Land Trust strongly opposes this bill if base levels of funding for the program and staff of \$5.1 million annually would be eliminated.

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.

This past Summer (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).

Molokai Land Trust urges the Legislature to continue funding the State Legacy Land Conservation Program at its current base level to pay for staff and the current program annual budget for critical land acquisition projects statewide.

Mahalo,

William 'Butch' Haase, Executive Director

Alliam Ares

Molokai Land Trust



February 9, 2021



The Honorable Senator Donovan Dela Cruz, Chair The Honorable Senator Gilbert Keith-Agaran, Vice Chair Senate Committee on Ways and Means Hawaii State Legislature

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President & CEO Laura H. E. Kaakua

ph: 808.791.0729 126 Queen St., Ste. 306 Honolulu, Hawaii 96813 www.hilt.org Re: SB 1092 & SB 1091, Hearing on Wed. Feb. 10, 2021 at 10:00am

Dear Chair Dela Cruz, Vice Chair Keith-Agaran & Committee Members,

Hawaiian Islands Land Trust, d/b/a Hawaii Land Trust ("HILT") is Hawaiis islands-wide land trust that is both a Hawaii 501(c)3 nonprofit, and a nationally accredited land trust. Our mission is to protect and steward the lands that sustain Hawaii, 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 Hawaii 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 SB 1091 and SB 1092 as both bills could negatively impact on our ability to serve our communities and State.

SB 1092

HILT strongly opposes SB 1092 as it proposes to halt all deposits into the State's Legacy Land Conservation Fund for two fiscal years. All county and federal funding programs that feed financial support for land conservation transactions in Hawai'i do heavily rely on this source of State funding. Halting State Legacy Land Conservation Fund deposits will effectively diminish opportunities for the State to leverage its financial resources dedicated for this purpose, losing opportunities to work with willing landowners at a time when Hawai'i is experiencing an influx of mainland and foreign real estate transactions.

Two highlighted active projects under negotiations that will be at risk without FY22 and FY23 State Legacy Land Conservation Fund appropriations include the following: Mālama Mokae's coastal lands at Hāna, Maui (34 acres), a 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 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.



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ph: 808.791.0729 126 Queen St., Ste. 306 Honolulu, Hawaii 96813 www.hilt.org The second project is 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.

SB 1091

The intent of SB 1091 appears to allow the Department of Land and Natural Resources ("DLNR") to acess the unspent monies in the Legacy Land Conservation Fund to fund DLNR operations. If necessitated by this current COVID-19 economic crisis, HILT would only support the necessary funds and one-time transfer and use of these funds to support existing DLNR operations. HILT strongly opposes the transfer of the funds for any other purpose. As storied above, the Legacy Land Conservation Fund is a vital source of State funding that contributes leveraging funds for each county, federal, and private funding programs that support the permanent protection and stewardship of Hawai'i's privately owned lands.

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 <u>importance and security that the State of Hawai'i's Legacy Land Conservation Fund holds for a resilient future for Hawai'i.</u>

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

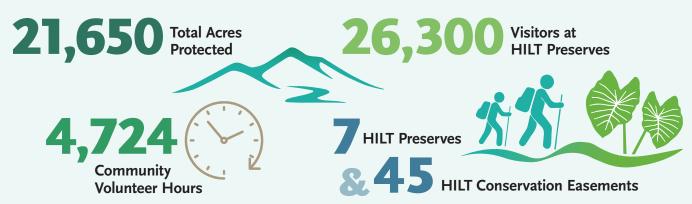
Enclosure

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



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, Mokae, Hāna Coast, Maui
- Finalized the protection of Hakipuʻu Loʻi Kalo, Koʻolaloa, Oʻahu. A project more than 10 years in the making, HILT worked with community nonprofit Hoʻāla ʻĀina 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 I 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 $\bf 950"$ 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 Kealakaʻihonua heiau on Waiheʻe Refuge
- Expanded 1/4 acre of native habitat at Waihe'e Coastal Dunes & Wetlands Refuge

$\textbf{CONNECT} \ \ \emph{(`\bar{A} in a Engagement and Education):}$

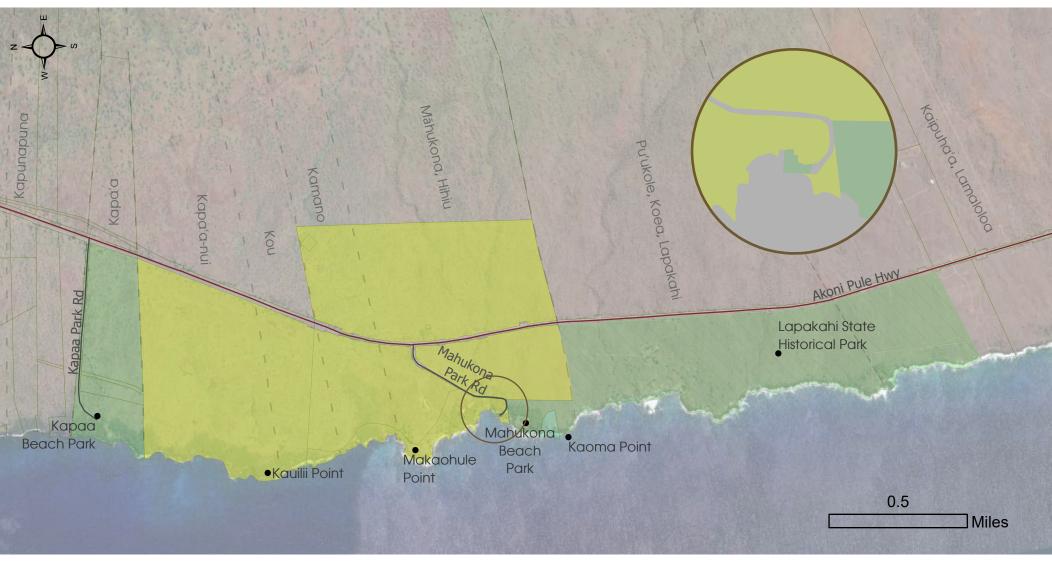
- Led **30 Talk Story on the Land Hikes** across the islands, sharing the importance of mālama 'āina with over 100 participants
- Taught 566 students in āina-based education on HILT preserves and developed 12 educational videos being used by teachers across Hawai'i
- Distributed **600** Ahu'awa seed 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 Hawaiʻi
- Hosted **966** campers at HILT preserves
- **15** 'āina & kai-based cultural practices perpetuated on HILT's preserves

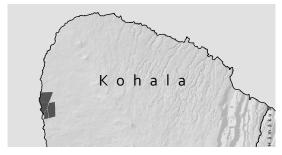
- Trained **9** teachers in conservation career pathways and 'āina-based education in partnership with KUPU
- Staff presented at **3** different local and national conferences
- Ran **2** after school youth education programs at Maunawila Heiau Complex and Kāhili Beach Preserve
- Created 2 Virtual Tours for Waihe'e and Maunawila
- Developed **2** QR Code Self-Guided Tours in English and 'Ōlelo Hawai'i at Maunawila Heiau Complex
- Created I new position to lead HILT's Connect work, Makana Reilly transitioned to HILT's Director of 'Āina Connection based on Kaua'i



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

 Ka Ua Paliloa, Pūnana Leo o Waimea (Maluhia O'Donnell)

2. The Kohala Center (Cheryl Lupenui)

3. **Hui Aloha Kīholo** (Nahaku Kalei)

4. Waikōloa Dry Forest (Jen Lawson)

5. **Kohala Institute** (Kamana'opono Crabbe)

6. **Kuamo'o Foundation** (Lehua Kaulukukui)

7. **Polynesian Voyaging Society** (Clyde Namu'o)

8. USGS, Pacific Island Ecosystems Research Center (Gordon Tribble)

9. Kohala, Hawai'i Resident (Michael Frailey)

* 10. Kohala Unupa'a & Kohala, Hawai'i Resident (Hokani K. Maria)

11. Kohala Unupua'a & Kohala, Hawai'i Resident (Johnelle "Amoo" Ching Kainoa)

12. Kohala Lihikai & Kohala, Hawai'i Resident (Joseph A. Carvalho)

13. **Nā Kālai Wa'a o Kaua'i** and **'Ohana Wa'a** (Dennis Chun)

14. Hawai'i Wildlife Fund (Megan Lamson)

15. **Huliaupa'a** (Kelley L. Uyeoka)

16. Kānehūnāmoku Voyaging Academy (Ed Enos)

17. Lonoa Honua LLC and Hālau 'Ōhi'a Hawai'i Stewardship Training Program (Kekuhi Kanahele)

18. Hawai'i Institute of Pacific Agriculture (Dash Kuhr)

 Moloka'i Resident & Navigator (Vernett "Penny" Martin)

20. Kona, Hawai'i Resident and Captain Navigator (Chad Kālepa Baybayan)

* 21. **Stanford University** (Peter Vitousek)

22. Hilo, Hawai'i Resident (Pua Kanakaole Kanahle)

* 23. **O'ahu Resident & Navigator** (Bruce Blankenfeld)

24. **Kohala, Hawai'i Resident** (Wendy Noritake)

25. **Kohala, Hawai'i Resident** (Randee Golden)

* 26. Kamehameha Schools West Hawai'i Region (Alapaki Nahale-a)

27. **Hui o Wa'a Kaulua** (Kala Tanaka)

28. **Nohopapa Hawaiʻi** (Kelley L. Uyeoka)

29. **Ulu Mau Puanui** (Kēhaulani Marshall)

30. **Nohopapa Hawai'i** (Kelley L. Uyeoka)

31. Edith Kanakaole Foundation (Kalāhoʻohie Mossman)

 Ala Kahakai Trail Association (Linda Kaleo Paik)

33. Edith Kanakaole Foundation (Kalāhoʻohie Mossman)

34. National Park Service, Ala Kahakai National Historic Trail (Aric Arakaki)

35. Edith Kanakaole Foundation (Kalāhoʻohie Mossman)

36. **E Mau Nā Ala Hele** (Kamuela Plunkett)

^{*}Support Letters Provided on Following Pages

Hawaiian Islands Land Trust <u>Māhukona Navigational & Cultural Complex, Kohala Coast, Hawai'i Island</u> 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 Hawa'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 Islanda 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.



Hokani K. Maria Kohala Unupa'a P.O. Box 763 Akoni Pule Hwy 96755

August 22, 2020

Aloha,

I Hokani Maria - Wa'a Nāhiku/Kohala Unupa'a, strongly support Hawaiian Islands Land Trust (HILT) and Nā Kālai Wa'a's initiative to raise public and private funding in order to purchase and permanently protect the lands of Māhukona, located along the Kohala, Hawai'i Island coastline, covering 642 acres and six ahupua'a (from south to north) Kaoma, Nihiu, Mahukona, Kamano, Kou, and Kapaa nui.

I have been part of Kohala Unupa'a starting as one of its first students as a youth in 5th Grade. Since then, I have recently graduated as Class of 2020 and now sit as an Alaka'i or Leader of Kohala Unupa'a and sit under our two Kumu or teachers. Its mission is to inspire youth to find and follow their path of heart, by facilitating re-connection with and stewardship of natural resources, Hawaiian culture, community, family and oneself. While being in Kohala Unupa'a, we have frequented Māhukona for historical and cultural purposes, also to mālama or take care of Māhukona by picking up rubbish while on hikes and learning of its historical purposes. We also have been fortunate to work alongside Nā Kālai Wa'a with our program at Māhukona as well. Also, our Kumu, Michelle "Hinano" Lewis, has cultural and historical ties to Māhukona and the Navigational Heiau, Ko'a Heiau Holomoana. Till today, we frequently visit Māhukona to mālama, or take care, in any way that we can. It is urgent to preserve and protect Māhukona because it holds such significant and unique aspects that are slowly decaying through time. But through the protection of Māhukona, it is the link that will connect us to the past. Its living monuments that still stand today are historical records that proves historical records as well.

I, Hokani Maria, support a conservation purchase and permanent protection of Māhukona for future years and future caretakers of Māhukona. By permanently protecting Māhukona's prominent Hawaiian cultural landscape, it will further help to preserve the ancient heiaus and many cultural sites that still today are cared for by local 'ohana and practitioners of the Hawaiian Culture. This will also help protect the integrity and continuation of the area's ongoing cultural, religious, and fishing practices. Through the permanent protection of Māhukona, it will help to prohibit future development of Kohala's significant cultural lands. With the lands of Māhukona at a prize location, it could be an easy ticket for resorts and residential developers to purchase Māhukona. Described in the North Kohala Community Development Plan, it envisions a conservation corridor and protection of view places that will be achievable through the permanent protection of Māhukona.

I ka wā ma mua, ka wā ma hope... The future is found in the past. Let us hold on to our cultural historical sites while we are able to. For one day, they will change lives and the future of one's lifetime as it has to mine.

Mahalo,

Hokani K. Maria

Hokani K. Maria Haumana O Kohala Unupa'a Bruce Blankenfeld 440 Puamamane Street Honolulu, HI 96821

August 23, 2020

Aloha Mai,

My name is Bruce Blankenfeld of Niu, Oʻahu and I write this letter of commendation and support for the Hawaiian Islands Land Trust (HILT) and Nā Kālai Waʻa's initiative to raise public and private funding in order to purchase and permanently protect the lands of Mahukona, located along the Kohala, Hawaiʻi Island coastline, covering 642 acres and six ahupuaʻa (from south to north) Kaoma, Nihiu, Mahukona, Kamano, Kou, and Kapaa nui.

My family and I have ties to the ocean that connect us to the islands of the Pacific and the world. It is through these connections that we have developed a respect and kinship to Koʻa Heiau Holomoana and the ʻāina both above and below the surface of the ocean, at Mahukona, Hawaiʻi. Time and time again, the stories of this ʻāina bridge ancestral wisdom to the learning of value and skill with their descendants. Koʻa Heiau Holomoana is a beacon that calls and speaks to the the skill of non-instrument navigation, and captures the intelligence of the land mass and sea scape surrounding it, to train the mauli of a new generation of ʻaukai and hoʻokele waʻa. Indeed, it is absolutely essential that the integrity of these lands, their cultural sites, and panoramic view plains remain open and unobstructed so that these stories and practices live.

WE are in full support of the purchase of the 'āina at Mahukona and strongly advocate for its permanent conservation and protection for these reasons below:

- Effectively prohibit future subdivision and development of Hawai'i's agricultural lands, while protecting Kohala's agricultural tradition of the Kohala Field System. With its prime location and agricultural and resort land use designations, the lands of Mahukona are at risk to be sold to resort and high-scale residential developers.
- Permanently protect Mahukona's prominent Hawaiian cultural landscape and the hundreds of
 ancient heiau and cultural sites still cared for by 'ohana and practitioners, while protecting the
 integrity and continuation of the area's ongoing cultural and religious practices including but not
 limited to non-instrumental navigation and subsistence fishing practices.
- Protect and provide restoration opportunities of Mahukona's 'Iliahi (Santalum freycinetianum) habitat.
- Maintain recreational use of the area's trails and swimming areas.
- Successfully complete a portion of the conservation corridor, connecting the protection of
 Lapakahi State Historical Park to the south to the County's Kapa'a Beach Park to the north,
 effectively contributing to the Kohala community's vision for a conservation corridor and
 protection of scenic view planes as outlined in the North Kohala Community Development Plan.
- Ensure the integrity and health of Mahukona's ocean resources, including endemic and endangered marine species.
- Use of public funds for the protection of Mahukona is a proactive opportunity for the County and State to uphold their constitutional obligations to protect Native Hawaiian subsistence, cultural, and religious practices and Public Trust resources.

Allowing future development, be it resort, commercial, or residential will create adverse consequences for the cultural integerity of the area. If such development occurs, we will surely lose a unique and valuable asset for the generations to follow. This endeavor of support will be a blessing and an achievement for Mahukona, Kohala, and all people of Hawai'i. Thank you for your consideration and support of this movement. It is within our power to be the change that we envision for this world.

Mahalo nui,

Bruce Blankenfeld

PWO Navigator, Crew Training Coordinator, Polynesian Voyaging Society

Foreman, McCabe Hamilton and Renny

Buc Ba Efort

Long Distance Paddler and Coach, Hui Nalu Canoe Club



Dr. Pualani Kanakaʻole Kanahele 1110 'Auwae Road Hilo, Hawai'i

Aug. 23, 2020

Aloha mai,

I am honored to write this letter in support of Hawaiian Islands Land Trust (HILT) along with Nā Kālai Wa'a concerning their need to raise public and private funds. Their desire to purchase the lands, which they are kama'āina to and the organization they are involved with and have utilize this 'āina for many years, are commendable. Their need to perserve and protect the land and ocean along with the cultural objects which were probably constructed by some of their kūpuna comes with a deep understanding of who and where they are. These ahupua'a of Hawai'i is located at, from south to north, Kaoma, Nihiu, Māhukona, Kamano, Kou and Kapa'anui. This section of land includes 642 acres.

I am of pure Hawaiian ancestry and know that my mother, Edith Kanaka'ole's, family are from that area of Kohala. I am passionate about maintaining land in their original form because of what the land has to offer. In this case it is the land combined with the ocean that is valuable. In Hawai'i it has never been what we as people can do to the land to make it valuable but what the land and the ocean has to offer. This lesson has never been learned. There seems to be a continuity of overbuilding until the environment is unrecognizable. The land developers than feel like they've done a good job!

I am a Board member of the Edith Kanaka'ole Foundation whose mission is to elevate Hawaiian intelligence in relationship to land, to sky, to ocean, to the native forest, to the mountains and to all natural life forms of these islands. I am a Kumu Hula with Hālau o Kekuhi and have danced and chanted mele oli throughout my life. The chants provide a more indepth images of Hawai'i's environment. I am also a retired professor from the University and Community Colleges of Hawai'i. I taught in the system for 35 years and my preference was teaching about this 'āina from 'Āpapalani or the top of the atmospheric mountain to moana uli or hadalpelagic depths of the ocean.

Nā Kālai Wa'a have proven their transparency with passion, sincerity and protection in land and ocean management in the areas as listed above. Therefore my full support is owed the above organizations for their efforts of conservation purchase and permanent protection of Māhukona:

-Effectively prohibit future subdivision and development of Hawai'i's agricultural land while protecting Kohala traditional Field System. The prime location of agricultural, resort and land use designations, the lands of Māhukona are at risk to be sold to resort and high-scale residential developers.

- -Permanently protect Māhukona's prominent Hawaiian landscape with the numerous ancient Hawaiian religious, cultural and sacred sites should be and will be cared for by kama'āina and 'ohana practitioners of the above areas.
- -Protect and restore Māhukona's 'Iliahi (santalum freycinetianum) habitat.
- -Maintain use of old trails and swimming areas.
- -Successfully complete a portion of the conservation corridor, connecting the protection of Lapakahi State Historial Park and along the north coast to the County's Kapa'a Beach Park, effectively contributing to Kohala's community's vision for conservation corridor and protection of scenic viewplanes as outlined in the North Kohala Comminity Development Plan.
- -Ensure the integrity and health of Māhukona's ocean resources, including endemic and endangered marine species.
- -Use of public funds for the protection of Māhukona is a proactive opportunity for the County and State to uphold their constitutional obligations to protect native Hawaiian subsistence, cultural and religious practices and Public Trust resources.

Mahalo for your sincere consideration of the request by HILT and Nā Kālai Wa'a in their pursuit of this initiative to raise public and private funds for a most worthy cause.

E hoʻōla a hoʻopalekana kēia ʻāina, Keep safe and protect this land, 'O wau nō 'o Pualani Kanaka'ole Kanahele



21 'Aukake, 2020

Aloha,

Kamehameha Schools' West Hawai'i Region strongly supports Hawaiian Islands Land Trust (HILT) and Nā Kālai Wa'a's initiative to raise public and private funding in order to purchase and permanently protect the lands of Māhukona, located along the Kohala, Hawai'i Island coastline, covering 642 acres and six ahupua'a (from south to north) Kaoma, Nihiu, Mahukona, Kamano, Kou, and Kapaa nui.

Kamehameha Schools has land holdings in nearby areas including, but not limited to the ahupua'a of Puanui, and the area of Kokoiki, the birthsite of Kamehameha I. We also support a number of community organizations, including Nā Kālai Wa'a, in cultural and educational programming for our island wide communities.

The following highlights the main reasons we support a conservation purchase and permanent protection of Māhukona:

- Effectively prohibit future subdivision and development of Hawai'i's agricultural lands, while protecting Kohala's agricultural tradition of the Kohala Field System. 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.
- Permanently protect Māhukona's prominent Hawaiian cultural landscape and the hundreds of ancient heiau and cultural sites still cared for by 'ohana and practitioners, while protecting the integrity and continuation of the area's ongoing cultural and religious practices including but not limited to non-instrumental navigation and subsistence fishing practices.
- Protect and provide restoration opportunities of Māhukona's 'Iliahi (*Santalum freycinetianum*) habitat.
- Maintain recreational use of the area's trails and swimming areas.
- Successfully complete a portion of the conservation corridor, connecting the protection of Lapakahi State Historical Park to the south to the County's Kapa'a Beach Park to the north, effectively contributing to the Kohala community's vision for a conservation corridor and protection of scenic viewplaes as outlined in the North Kohala Community Development Plan.
- Ensure the integrity and health of Māhukona's ocean resources, including endemic and endangered marine species.
- Use of public funds for the protection of Māhukona is a proactive opportunity for the County and State to uphold their constitutional obligations to protect Native Hawaiian subsistence, cultural, and religious practices and Public Trust resources.

Through our longstanding partnership with Nā Kālai Wa'a, we have witnessed the deep community connections they have created through service and education. We know that they will continue to serve and engage the community with high quality programs and projects as they collectively steward Mahukona for generations to come.

Me ka ha'aha'a,

Alapaki Nahale-a

Senior Director of Community Strategies

Kamehameha Schools, Strategy & Transformation Group

SAVE HĀNA COAST: MOKAE TO MAKA'ALAE

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

