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STATE OF HAWAII



WILLIAM J. AILA, JR.  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES  
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

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TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS  
HEARING ON FEBRUARY 9, 2021 AT 1:00PM VIA VIDEOCONFERENCE

**SB 1323, RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS**

February 9, 2021

Aloha Chair Shimabukuro, Vice Chair Keohokalole, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that requires DHHL to develop a strategic plan to devise and implement long-term solutions for eliminating the waiting list for a home land lease with an emphasis on leveraging its trust resources, statutory powers, and other means of state funding and support to focus on lot development and distribution.

DHHL appreciates the motivation behind this bill, but believes the measure is duplicative of the planning system as referenced in section 1 of the bill. In addition, DHHL presented to the Hawaiian Homes Commission last month the DHHL 2020 Beneficiary Study assessing the current conditions and needs of DHHL beneficiaries. The study was designed to be consistent and similar to previous studies conducted in 1995, 2003, 2008, and 2014. There were two major surveys involved in the study, one focused on lessees and one centered on applicants. Based on applicants' indicated preferences, most are looking to DHHL to provide them with a single-family dwelling that is move-in ready.

Thank you for your consideration of our testimony.

**LATE**

February 09, 2021

**Senate Committee on Hawaiian Affairs**

Senator Maile S.L. Shimabukuro, Chair

Senator Jarrett Keohokolole, Vice Chair

Re: SB 1323 Relating to the Department of Hawaiian Home Lands

Requires the department of Hawaiian home lands to develop a strategic plan to devise and implement long-term solutions for eliminating the waiting list for a home land lease with an emphasis on leveraging its trust resources, statutory powers, and other means of safe funding and support to focus on lot development and distribution. The plans shall be based on a comprehensive assessment of the needs of the waitlist and with beneficiary consultation.

Aloha Chair Shimabukuro, Vice Chair Keohokolole and members of the Committee,

My name is Homelani Schaedel, a beneficiary residing in Malu'ōhai homestead, a homestead leader in Kapolei, and an advocate for the Hawaiian Homes Commission Act (HHCA).

This bill requires the Department of Hawaiian Home Lands (DHHL) to develop a long-term Strategic Plan with the objective to eliminate the Waitlist.

Every year for the past 62 years, DHHL came before the Legislature with their plan and budget request. In 1995 passage of Act 14 provided \$600 million to be repaid to beneficiaries of the Hawaiian Homes Commission Act (HHCA) in \$30 million installments over a period of 20 years. Unfortunately, some legislators considered this debt repayment as “sufficient funds” to meet their obligation under Section XII of the State’s Constitution.

On May 1, 2019 DHHL did a (90 page) and again on August 14, 2019 a (60 page) Informational Briefing before this committee. Both were comprehensive reports on DHHL’s plan to address applicants on the Waitlist, lessees, repair/replacement of existing infrastructure, and countless other projects as identified in the plans below:

<b>General Plan</b>	<b>Island Plan –Strategic Program</b>	<b>Regional Plan</b>
Hawaiian Homes Commission (HHC)	DHHL Beneficiary Consultation	DHHL Beneficiary Planning
Long term goals, vision, and priorities for DHHL & HHC	Focus on statewide programs and policies as well as island-specific land use projections.	Beneficiaries identify and address issues and opportunities relative to existing homestead communities and their future development.

**WHO and WHERE**  
**Applicant Waitlist as of November 30, 2020**

Island	Number
O'ahu	10,881
Maui	3,859
Hawai'i	5,905
Kaua'i	1,693
Moloka'i	840
Lana'i	74
<b>TOTAL</b>	<b>23,252</b>

**WHAT TYPE OF HOME**  
**Department of Hawaiian Home Lands**  
**Beneficiaries Study – Applicant Report**  
**December 2020**

Applicants Survey – 1 <sup>st</sup> Choice	2020	Percent
Turn-Key (Lot with Single Family House)	12,496	53.9
Lot with water, sewer, electricity (No House)	5,146	22.2
Single Family House to Rent w/Option to Buy	2,070	8.9
Don't know/Refused	1,925	8.3
Apartment suited for Senior Citizens	628	2.7
Affordable Rental Unit/Retain place on Waitlist	496	2.1
Condo/Townhouse Rental w/Option to Buy	197	0.8
Townhouse in a duplex or four-plex	135	0.6
Condo Apartment/Multi-family building	106	0.5
<b>TOTAL</b>	<b>23,199</b>	<b>100</b>

**HOW DHHL TRIED TO ADDRESS THE WAITLIST**  
**Department of Hawaiian Home Lands**  
**Section XII – State Constitution Sufficient Sums Request**  
**Purpose 1 - Development of Lots**

Year	DHHL Sufficient Sums Budget Request	Legislature Approved	Difference
2018	73,425,000	20,000,000	53,425,000
2019	88,975,000	20,000,000	68,975,000
2020	74,775,000	20,000,000	54,775,000
<b>TOTAL</b>	<b>237,175,000</b>	<b>60,000,000</b>	<b>177,175,000</b>

**NOTE:** In 2018 the Legislature approved \$210 million dollars to HHFDC, 10 times more the amount approved for DHHL.

## HOW Do We Move Forward

<b>DHHL</b>	<b>HHFDC</b>
Department of Hawaiian Home Lands serves beneficiaries of the Hawaiian Homes Commission Act (HHCA)	Hawaii Housing & Finance Development Corporation (HHFDC) serves the general public
Legislature is required by State Constitution Section XII To provide sufficient funds for development of lots, loans, rehabilitation, and administrative & operations budget	No Legislative requirement
Residential Applicant Waitlist <b>As of 11-30-20: 23,252</b>	Applicant Waitlist <b>Unable to locate data</b>
Income Recovery <b>\$0</b>	Income Recovery <ul style="list-style-type: none"> <li>. <b>Rental Payments</b></li> <li>. <b>Buyback Provision</b></li> <li>. <b>Deferred Sales Program</b></li> </ul>
General Excise Tax Exemption <b>\$0</b>	General Excise Tax Exemption <b>\$30,000,000 per year</b>
Hawaiian Homes Commission Act July 1920, as amended <b>99 years</b>	Aloha Homes Act Introduced 2016 <b>4 years</b>
Top 2 Applicants Survey - 1 <sup>st</sup> Choice <b>17,642</b>	Aloha Homes Bill Initiative <b>17,000</b>
2020 Estimated Cost for Lot Development 17,642 Homes x \$150,000 <b>\$2,646,300,000</b>	2020 Estimated Cost for Lot Development 17,000 x \$150,000 <b>\$2,550,000,000</b>
Aggressive 5 Year Plan 3,528 Homes x \$150,000 (Does not account for inflation) <b>\$52,920,000</b>	Aggressive 5 Year Plan 3,400 Homes x \$150,000 (Does not account for inflation) <b>\$51,000,000</b>

I agree with the author of this bill, beneficiaries of the HHCA have not been a priority of past administrations and the legislature.

Unfortunately, COVID-19 has and will continue to impact the Needs vs. Wants of our people. We are in critical need of affordable housing, but the health and safety of our people must be our first priority.

I respectfully request your committee to please consider the above information and provide DHHL with your support, funding, and timelines to develop and implement the Strategic Plan you are requesting in this bill.

Mahalo for your consideration and the opportunity to present my mana'ō.