

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
ON
SENATE BILL NO. 715, S.D. 2

March 12, 2021
2:00 P.M.
Via Videoconference

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

The Department of Budget and Finance offers the following comments on Senate Bill No. 715, S.D.2, which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Pueo Development, LLC, a Hawaii limited liability company, with the proposed master planned development that will include low- and moderate-income homes; rental housing units; elderly care units; alternative energy development; and infrastructure development, including roads and utilities pursuant to Part IX, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HEARING ON MARCH 12, 2021 AT 2:00PM VIA VIDEOCONFERENCE

IN SUPPORT OF

**SB 715, SD2, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE
BONDS TO ASSIST PUEO DEVELOPMENT, LLC**

March 12, 2021

Aloha Chair Nakashima, Vice-Chair Matayoshi and Members of the Committee:

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

The Hawaiian Homes Commission (HHC) voted in August 2019 to approve the issuance of a Right of Entry permit to Waiohuli Hawaiian Homesteaders Association, Inc. (WHHA) for approximately 150 acres of Hawaiian home lands for the purpose of conducting due diligence studies including but not limited to project master plan, business plan, and related Chapter 343, HRS compliance requirements and Chapter 6E, HRS compliance requirements.

WHHA submitted a land use request to DHHL on December 3, 2018 with a proposed plan including development of residential and agricultural lots, economic and educational opportunities, energy projects, and water source development through collaboration and partnerships which would result in career development and employment opportunities. A beneficiary consultation meeting was conducted on May 30, 2019 to collect beneficiary input and feedback on WHHA's land use request. A beneficiary consultation report was submitted to the HHC in July 2019 for acceptance.

Thank you for your consideration of our testimony.

DATE: March 10, 2021

TO: Chair Mark M. Nakashima, Vice-Chair Scot Z. Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs

MEASURE: SB 715 SD2
Friday, March 12, 2021
2:00 PM
Via Videoconference

SUBJ: Testimony in Support of SB 715 SD2 with Amendments

Aloha Chair Nakashima, Vice-Chair Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs. My name is Bob Hall, partner with Pueo Development, LLC, and I submit testimony in support of SB 715 SD2 with Amendments

Waiohuli Hawaiian Homestead Association, Inc. (WHHA) is a non-profit, 501(c)3 organization, who has partnered with Pueo Development, LLC, a Hawaii-based company to seek Hawaii State Legislature's authorization for a \$80M Special Purpose Revenue Bond (SPRB) to support WHHA's "Project: WE-DO" (Waiohuli Economic Development Opportunities).

The goal of Project: WE-DO is to create long-term, economic development opportunities for WHHA's community THROUGH development. WE-DO's intended outcomes are:

- To create career mentoring and economic opportunities in multiple fields of expertise and services associated with development
- To collaborate with the Department of Hawaiian Home Lands (DHHL) in creating an array of homestead opportunities and services, including new housing as an end-product of this initiative
- To leverage private financing, expertise and services that secure deliberate and sustainable public commitments in order to deliver the best, affordable and timely homesteading opportunities.

WHHA's initial conceptual vision for a master-planned community includes agriculture as an economic opportunity. The effects of COVID-19 have heightened the need for a more diversified economy lending focus to the State's goal of 30% food sustainability by 2030. Pueo Development and Waiohuli seeks to broaden investment interests in ag production and distribution to support economic development.

WHHA, in partnership with Pueo Development, LLC, respectfully requests that SB 715 SD2 be amended to include "agriculture", addition of Part IV of chapter 39A "Processing Enterprises" and restoring the bond amount to \$80 million. These amendments would make the language consistent with HB 776 HD1, which is our preferred language. As information, HB 776 HD1 was recently approved and advanced by the House Committee on Finance (FIN).

Special Purpose Revenue Bonds provide loan financing to assist qualifying private capital improvement projects in the public interest. The bonds do not constitute a general obligation of the State and are not State monies.

Mahalo for the opportunity to provide testimony



Bob Hall, Partner
Pueo Development, LLC



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

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

March 10, 2021

TO: Chair Mark M. Nakashima, Vice-Chair Scot Z. Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs

MEASURE: SB 715 SD2
Friday, March 12, 2021
2:00 PM
Via Videoconference

SUBJ: Testimony in Support of SB 715 SD2 with Amendments

Aloha Chair Nakashima, Vice-Chair Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs. My name is Perry Artates, President of the Waiohuli Hawaiian Homestead Association, Inc (WHHA), and I submit the following testimony in support of SB 715 SD2 with amendments.

WHHA is a non-profit, 501(c)3 organization, who has partnered with Pueo Development, LLC, a Hawaii-based company to seek Hawaii State Legislature's authorization for a \$80M Special Purpose Revenue Bond (SPRB) to support WHHA's "Project: WE-DO" (Waiohuli Economic Development Opportunities).

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Special Purpose Revenue Bonds provide loan financing to assist qualifying private capital improvement projects in the public interest. The bonds do not constitute a general obligation of the State and are not State monies.

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

Perry Artates
President, Waiohuli Hawaiian Homesteaders Association, Inc.

SB-715-SD-2

Submitted on: 3/11/2021 7:17:27 AM

Testimony for JHA on 3/12/2021 2:00:00 PM

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

Comments:

Aloha Chair Nakashima and Committee Members.

I am Alani Artates, a Lessee in Waiohuli Homesteads since 2002 as well as a Board Member. I have witnessed the Vision, Dreams and Reality which our Waiohuli Homestead Community persevered towards Self Sustainability. I humbly ask for your continued support towards securing the Future of Generations to come.

Mahalo for allowing me to Testify,

Alani Artates

SB-715-SD-2

Submitted on: 3/11/2021 5:40:29 AM

Testimony for JHA on 3/12/2021 2:00:00 PM

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

Comments:

Aloha Chair,

We continue to support WHHA and Pueo Development being sensitive to the visions of our kupuna, children and 'aina.

Mahalo a nui loa for all your time upon this consideration!

Jo-Addie Brown

SB-715-SD-2

Submitted on: 3/11/2021 6:23:42 AM

Testimony for JHA on 3/12/2021 2:00:00 PM

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

Comments:

Aloha committee members,

I am testifying today in support of SB715. As a leasee in the Waiohuli Hawaiian Homestead since 2006, I am hopeful for the opportunities this bill will provide not only for the Waiohuli community but for Maui County as well.

Mahalo for your consideration of SB715,

Simeon Alo