

1481 South King St #448
Honolulu, HI 96814
151 North Carolina Ave SE
Washington DC 20020
info@hawaiianhomesteads.org



Robin Puanani Danner, Chairwoman, Kauai
Sybil Lopez, Vice Chairwoman, Molokai
Kekoa Enomoto, Councilwoman, Maui/Lanai
Richard Soo, Councilman, Oahu
Ron Kodani, Councilman, Hawaii Island
Faisha Solomon, Administrator

Date: March 22, 2021
To: Honorable Chairs & Members of the Committees (AEN/HWN)
Fr: Robin Puanani Danner, SCHHA Chair
Sybil Lopez, SCHHA Vice Chair
Re: Support of SR206/SCR247 –Homestead Demonstration Projects

Mahalo to Senator Delacruz for the introduction of the above referenced resolutions focusing needed attention on the agriculture economy, by highlighting demonstration projects on our Hawaiian Home Lands on the islands of Molokai and Kauai, to build the groundwork for replication.

Policy making is as much about advancing the well-being of constituents and families through law-making, as it is about policy makers giving powerful energy and encouragement to community-based ideas and efforts that align with our State Government agencies, educational institutions and not-for-profit organizations.

The Homestead Agricultural Demonstration Project described in SR206/SCR27 is focused on the island of Molokai and Kauai, to bring existing private organizations together with public agencies to advance the following:

- 1. Small Family Farm Capacity (Molokai)** – To address head on, the task of identifying and building the relevant components to empower small family farms from planting to harvest to market of products. Components include the documentation of the production chain faced by small family farms in the demonstration project, a learning cohort of homestead farmers, with expert technical support in farming technologies, finance, and markets, and the design of a capital pool to mitigate front end risk and increase economic opportunity on the back end of product sale for small family farmers.

For the SCHHA elements of this demonstration project, the homestead dedicated Community Development Financial Institution (CDFI) as defined by the U.S. Treasury Department, Hawaiian Lending & Investments (HLI) has been awarded equity capital to seed a Food Sovereignty program for Hawaiian Home Land areas of the State. With the talent and knowledge of collaborating partners and agencies in the resolution, HLI is strengthened to deploy capital based on the best design approach under the demonstration project.

We appreciate the focus of this demonstration project on the potential of small family farms that have a place in the growth of Hawaii's agricultural economy, while strengthening farming families.

- 2. Homestead Community Ranching Capacity (Kauai)** – To achieve the dedication of 100 acres of trust lands under a Homestead Beneficiary Association short term land license to conduct a feasibility analysis, the coordination of funding resources from local and national intermediaries making investments in livestock related projects, and piloting a livestock stabling and paddocks operation.

For the SCHHA elements of this demonstration project, the homestead dedicated Homestead Community Development Corporation (HCDC) has 12 years of experience in building and operating community facilities, including a certified kitchen, an enterprise center, and an open-air marketplace, all on Hawaiian Home Lands, and in partnership with Homestead Beneficiary Associations in different geographical locations. With a strong balance sheet, and strong organizational infrastructure, HCDC is well positioned to finance and deliver on the goals of this demonstration project.

Founded in 1987, the Sovereign Council of Hawaiian Homestead Associations (SCHHA) is the oldest and largest governing homestead association registered with the Department of Interior, exercising sovereignty on the trust lands established under the Hawaiian Homes Commission Act of 1920.

We appreciate the potential of this demonstration project to capture the passion and talent of paniolo families, to bring to economic scale and financial sustainability of the stabling facility.

- 3. Farming & Ranching Supportive Affordable Housing (Kauai)** – To advance an often-overlooked component of supportive rental housing units needed for successful small family farming communities, particularly in rural areas of the state. This demonstration project goal is to achieve the planning and design of 4-plex structures, to attract private conventional long term debt capital and national intermediary equity capital to rural rental housing, and to demonstrate compliance under the Hawaiian Homes Commission Act of 1920 (HHCA).

For the SCHHA elements of this demonstration project, HCDC is partnered with the Anahola Hawaiian Homestead Association (AHHA) on a 10-acre parcel of Hawaiian Home Lands under a 35-year license to operate an open-air marketplace, certified kitchen and workforce development program that prior to the pandemic, supported 20 different micro enterprise businesses and over 50 jobs in the Anahola region. The resolution supports the pursuit of HCDC and AHHA to designate 3 acres of its 10-acre license to affordable housing rentals designed to support young adults working in or indirectly engaged in the paniolo and livestock industries in the region. As previously stated HCDC is a strong homestead nonprofit with the financial and organizational capacity to pursue the financing and feasibility of piloting right-sized rental units in 4-plex designs to serve rural agricultural areas of the State.

We appreciate this demonstration project as it directly connects the reality of the affordable housing nexus to any economic engine, small or large.

Each of the demonstration projects are in various phases of development, with a variety of relevant sources of capital to support each concept. And each of the demonstration projects while piloted on Molokai and Kauai, are exciting to pursue for the replication value on other islands and counties.

The resolutions highlight the talent of the College of Agriculture and Human Resources at the University of Hawaii, the focus of Kamehameha Schools in supporting agriculture, the knowledge of Homestead Association leaders on Molokai and Kauai, and dedicated homestead governed nonprofits in the community development space and community development financial institution space, each working on important components of strengthening rural family-based agriculture.

Mahalo for these resolutions to encourage the work of each of the organizations and agencies in their fields of expertise, and to strengthen collaborative efforts and solutions. We agree that the issues of agriculture, especially in rural areas of the state, especially on Hawaiian Home Lands where farming, ranching and housing are all specific priorities of the HHCA, can greatly benefit through deliberate engagement among organizations and agencies.

About SCHHA. The *Sovereign Council of Hawaiian Homestead Associations* (SCHHA), founded in 1987, is the oldest and largest HHCA Beneficiary Organization, representing the interests of nearly 10,000 native Hawaiian lessees and 28,000 families on the waitlist. SCHHA is governed by a council elected to 4-year terms serving homestead areas in the Moku-puni of Kauai, Oahu, Molokai, Maui/Lanai and Hawaii Island. SCHHA leaders are experts on the HHCA, federal and state land trust management, finance, affordable housing, economic development and job creation.

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