

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawai'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON HOUSING
HEARING ON JANUARY 29, 2025 AT 9:15AM IN CR 430

HB 606, RELATING TO THE DEPARTMENT OF HAWAIIAN HOMELANDS

January 28, 2025

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) **strongly supports** this bill which extends the Act 279 Special Fund to 6/30/2028, 2) deposits funds into the Act 279 Special Fund and appropriates funds out of the Special Fund for DHHL to eliminate its waitlist, 3) requires DHHL to submit a strategic plan detailing the anticipated uses of the funds appropriated, and 4) requires an annual report.

DHHL continues to make progress regarding the encumbrance of funds, the expenditure of funds, and the delivery of lots pursuant to Act 279, SLH 2022. Attached is the Annual Activity Report as required under Act 125/24 (Act 279, Session Laws of Hawai'i 2022). HB606 provides sustained legislative action to fulfill the State's trust obligations under the Hawaiian Homes Commission Act, 1920, as amended, and the Hawaii State Constitution. This bill will ensure that DHHL has adequate time to encumber and expend the necessary funds and will secure additional funds that will allow DHHL to continue to address the DHHL applicant waiting list.

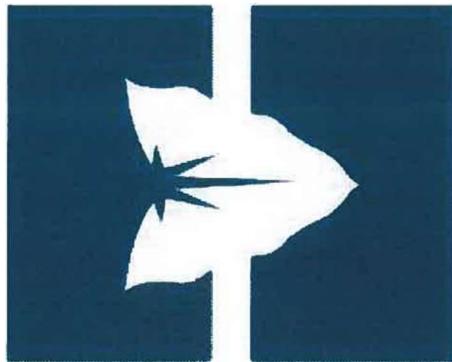
Thank you for your consideration of our testimony.

Department of Hawaiian Home Lands
Annual Activity Report

As required by:

Act 125/24

(Act 279, Session Laws of Hawai'i 2022)



HAWAIIAN HOME LANDS TRUST

Department of Hawaiian Home Lands

In 2022, the Hawai'i State Legislature appropriated \$600 million through Act 279 to the Department of Hawaiian Home Lands. The purpose of this funding is to reduce the Hawaiian Homes waitlist. To this end, the Department has been actively pursuing new lot development projects as well as awarding all available lots to beneficiaries on the waitlist.

Section 5 of the Act requires the Department to submit an annual report to the legislature on the first day of each regular session that includes:

1. An accounting of the expenditures for the purposes of this Act in the previous fiscal year; and
2. The number of applicants on the waiting list assisted.

Below please find a report of expenditures and encumbrances for fiscal year 2024 (ending June 30, 2024) as well as the projected number of applicants who will benefit from these development projects.

FY24 Encumbrances & Expenditures

| | |
|----------------------|-------------------------|
| Contracts | \$318,937,382.14 |
| Purchase Orders | \$ 7,618,283.00 |
| Expenditures | \$ 36,905,557.31 |
| Total E&E | \$363,461,222.45 |

FY24 Accounting of Expenditures

| Amount | Vendor Name |
|----------------------|---------------------------------|
| 10,000.00 | ACM Consultants |
| 139,131.83 | Austin, Tsutsumi & Assoc., Inc. |
| 239,447.34 | Bowers & Kubota |
| 1,479,887.34 | DDC2 LLC |
| 12,462,753.53 | DDC3 LLC |
| 181,126.05 | Hawaiian Dredging Construction |
| 385,705.73 | Hawaiian Electric |
| 8,672,549.28 | Maui Kupono Builders, LLC |
| 344,482.00 | NANA MUA LLC |
| 5,800.00 | Ponsar Valuation LLC |
| 12,967,391.50 | Title Guaranty of Hawaii |
| 17,282.71 | Townscape |
| 36,905,557.31 | Total |

Projected Number of Applicants on Waitlist Assisted

| Proj # of Applicants | Development Name |
|-----------------------------|-------------------------|
| 16 | Panae'wa Subsistance Ag |
| 24 | La'i 'Ōpua |
| 25 | Kahikinui |
| 52 | Pu'uhona Phase 1 |
| 68 | Honomū/Maku'u |
| 185 | Total |



In Support of HB606 – \$600M Appropriation to the Department of Hawaiian Home Lands (DHHL)

Hearing Date: Wednesday, January 29, 2025

To: Chair Luke Evslin, Vice Chair Tyson Miyake, and Members of the Committee on Housing

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee,

Mahalo for the opportunity to submit testimony in strong support of HB606. This measure, which appropriates \$600 million to the Department of Hawaiian Home Lands (DHHL), is not just about housing—it’s about dignity, opportunity, and fulfilling the promises made to Native Hawaiians nearly a century ago.

When we talk about the 29,000 individuals on the DHHL waitlist, we’re not just talking about numbers. These are our neighbors, our friends, our family. They are kūpuna who have waited decades for a home they were promised. They are parents trying to build a future for their keiki. And they are young people hoping for a chance to stay connected to the land and the culture that sustains them.

But this isn’t just about the individuals on the list. Their ‘ohana—tens of thousands of Hawaiians—are impacted, too. These families represent a broad cross-section of Hawai‘i’s population. They are teachers, healthcare workers, first responders, and small business owners. By supporting this bill, we are helping the entire state by addressing one of Hawai‘i’s most pressing crises: the lack of affordable housing.

Why HB606 Matters to All of Hawai‘i

- **Strengthening Communities:** Stable housing doesn’t just change lives—it transforms neighborhoods. When families have secure homes, children do better in school, communities thrive, and homelessness decreases.
- **Easing the Housing Market:** By creating affordable homes for Native Hawaiians, HB606 will alleviate pressure on the broader housing market, making more units available for others in need.
- **Boosting the Economy:** Construction creates jobs, supports local businesses, and spurs economic growth that benefits everyone.

Hawai‘i has one of the highest costs of living in the nation, and too many Native Hawaiians are being forced to leave their homeland to survive. Supporting HB606 isn’t just about righting a historic wrong. It’s about keeping families connected to their ‘āina, strengthening our lāhui, and ensuring a future where Hawaiian cultural practices, perspectives, and values can thrive—preserving and advancing what makes Hawai‘i a truly unique and special place.

This funding is an essential step forward, but it’s only the beginning. Passing HB606 will create a pathway to meaningful, lasting solutions to Hawai‘i’s housing crisis. The time to act is now. We can no longer wait, and neither can the thousands of families who have waited far too long.

We urge you to pass HB606 and ensure it moves through this legislative session. Mahalo nui loa for your leadership, for prioritizing the future of Hawai‘i, and for taking bold action to address this critical issue. Together, we can build a thriving future for Native Hawaiians and for all of Hawai‘i.

Me ke aloha,

Shane Pale
Lead Advocate
Kupa‘a Lāhui Alliance
Email: kupaalahuialliance@gmail.com
Phone: 808-457-2350

HB-606

Submitted on: 1/28/2025 3:02:39 PM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|-----------------------|---------------------|---------------------------|----------------|
| De MONT Kalai Manaole | Hoomana Pono, LLC | Support | In Person |

Comments:

We **STRONGLY SUPPORT** this bill. We still have several **THOUSAND** Trust Beneficiaries waiting on the DHHL Wait List. After 104 years, and only 10,500 Homesteaders on the 'Aina, yet nearly 30,000 Trust Beneficiaries still waiting on the wait list, with thousands more who have already passed away waiting on the wait list.

This is a Blackeye to the State of Hawaii who **PROMISED**, as a condition for Statehood, that the State of Hawaii would assume the fiduciary duties of the HHCA.

The State of Hawaii's abject **FAILURE** to Live up to its promise is the biggest **BREACH** of Trust. The time for continued excuses is over. The time to **ACT** is **NOW**. **PLEASE PASS THIS BUDGET REQUEST!!!**



Support HB606

Aloha e Representatives, Chair, Vice Chair:

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai'i. LIMBY Hawai'i is a hui of concerned kama'āina and kānaka working to help develop solutions to our state's housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible so instead they promote building housing that gets bought by overseas investors. ***We know we won't solve our housing woes without building more, but we won't solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama'āina and kānaka will be LIMBY or Las Vegas. This bill tips the balance in favor of kānaka staying in Hawaii. For that reason we urge you to pass it.

Makana Hicks-Goo,
Organizer on behalf of LIMBY Hawaii

HB-606

Submitted on: 1/27/2025 1:45:16 PM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|------------------------|
| Kaylene Sheldon | Individual | Support | Written Testimony Only |

Comments:

Aloha Hawaii Legislative Commitee(s):

My name is Kauwila Sheldon and I am in support of HB606. The housing needs of the first peoples of Hawai'i is crucial to our existence. The funding addresses more tgan the "six thousand seventy-five beneficiaries out of the twenty-nine thousand individuals currently on the wait list" - it addresses almost everyone on the wait list which is a very large amount of people I support this bill so that our people can finally be sheltered in a safe place and don't have to wait in line.

Mahalo nui loa,

Kaylene Kauwila Sheldon, Ka'a'awa, Hawai'i

HB-606

Submitted on: 1/27/2025 9:01:19 PM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| mary drayer | Individual | Support | Written Testimony Only |

Comments:

Full Support for HB606 - It's we;past time for the State of Hawaii to honor the promise and fund DHHL.. All the talk about lack of housing can actually be more than talk - time for action. Being 100% non kanaka,I do not qualify for a lease, but i stand in support of all those who do.

Mahalo

Mary Drayer

HB-606

Submitted on: 1/28/2025 7:06:25 AM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|--|------------------------------------|---------------------------|---------------------------|
| Master Shelby "Pikachu" Billionaire | Kingdom of The Hawaiian Islands | Comments | Written Testimony Only |

Comments:

Reevaluation of House Bill No. 606 (HB606) Considering Allegations of Misappropriation and Corruption:

Support or Oppose?

Given the new context with allegations against Director Kali Watson and concerns about the integrity of the Department of Hawaiian Home Lands (DHHL), the decision to support or oppose HB606 becomes more complex:

Support:

1. **Critical Need for Housing:** Despite the allegations, the underlying need for housing among Native Hawaiians remains urgent. If managed correctly, the funds could still serve their intended purpose.
2. **Community Advocacy:** The bill reflects community demands for action on housing, and many might see it as necessary despite distrust in leadership.
3. **Economic and Cultural Benefits:** The potential for economic stimulation and cultural preservation might still outweigh concerns, provided there are stringent oversight mechanisms.

Oppose:

1. Misappropriation Concerns: Allegations of misappropriation by Director Kali Watson, especially if linked to laundering funds through nonprofit connections, severely undermines trust in how these funds will be used.
 - Corruption Allegations: The involvement of Watson with over 20 nonprofit groups, potentially used for personal or familial gain, would raise significant red flags about the integrity of the fund management.
2. Lack of Trust in DHHL: If the public perceives DHHL as corrupt or mismanaged, there would be little confidence that these funds would reach their intended beneficiaries or be used appropriately.
3. Risk of Fund Diversion: With such connections to nonprofits, there's a perceived risk that funds could be siphoned off, not benefiting those on the waitlist but rather enriching individuals or groups connected to Watson.
4. Need for Reform Before Funding: Critics might argue that before any additional funds are appropriated, there should be a thorough investigation, reform, and possibly new leadership to ensure accountability.

Potential Recommendations if Opposing:

- Investigation: Call for an immediate, transparent investigation into the allegations of corruption and misappropriation.
- Pause on Funding: Advocate for a pause or conditional release of funds based on the outcome of an investigation and the implementation of reforms to ensure oversight.
- Independent Oversight: Suggest the establishment of an independent body or commission to oversee the use of these funds, ensuring they are used for housing and not diverted.
- Reform of DHHL: Push for structural and leadership changes at DHHL to rebuild trust, including stricter regulations on conflicts of interest and financial dealings with nonprofits.
- Public Accountability: Demand more transparent reporting mechanisms, perhaps involving community representatives in oversight roles to monitor fund use.

Conclusion:

Worth Opposing: Given the serious allegations, it might be prudent to oppose this bill in its current form until:

- The allegations against Director Watson and the integrity of DHHL's operations are thoroughly investigated.
- Reforms are introduced to prevent potential misappropriation and ensure that the funds benefit Native Hawaiian beneficiaries directly.

However, if the bill were to include provisions for:

- Independent oversight,
- Enhanced transparency,
- A clear mechanism to prevent corruption,

then there might be a case for conditional support. The focus should be on ensuring that the noble aims of providing housing are not undermined by corruption or mismanagement.

Sincerely,

Master Shelby "Pikachu" Billionaire

Kingdom of The Hawaiian Islands

HB-606

Submitted on: 1/28/2025 8:37:50 AM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Rabbia | Individual | Support | Written Testimony Only |

Comments:

I am writing in strong support of HB606. For too long the ‘State’ of Hawaii has underfunded the DHHL and kept individuals and families in need from accessing affordable housing in their own country. In the same breath the ‘State’ has allowed foreign investors to infiltrate, build, and buy housing and land that largely sits empty while Hawaiians suffer. Eliminating the waitlist and releasing funding is the first step in ensuring that homes in Hawaii go to Hawaiians first and keeps. In one of the most expensive ‘states’ in the US it is vital that the original people of this land have somewhere to live, not just on an individual level but a communal and societal one. Ensuring that basic needs of Hawaiians are met means that they have the ability to preserve and reinvigorate their culture, a culture that was stolen and suppressed for centuries. Furthermore, requiring a strategic plan and an annual report will hold the Department accountable to the enormous amounts of funding that has not been released and prevents that funding from being ‘accidentally’ reallocated or lost. Hawaiian people deserve to live on their land and DHHL needs to take the lead in ensuring that happens.

HB-606

Submitted on: 1/28/2025 3:37:53 PM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|------------------------|
| Johnnie-Mae L. Perry | Individual | Support | Written Testimony Only |

Comments:

I, Johnnie-Mae L. Perry, SUPPORT HB606 "Relating To The Dept of Hawaiian Homelands. ACT 29 sunset changed to June 30, 2028.

DHHL Beneficiary

HB-606

Submitted on: 1/28/2025 9:06:18 PM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|------------------------|
| Jennifer Kau'i Young | Individual | Support | Written Testimony Only |

Comments:

It's time DHHL resources be used to benefit Native Hawaiians, rather than continue to be misappropriated for the benefit of private businesses and the military industrial complex. I fully support HB606

HB-606

Submitted on: 1/28/2025 9:26:43 PM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Kanani Higbee | Individual | Support | Written Testimony Only |

Comments:

Aloha,

I am in strong support of HB 606 especially since it prioritizes housing to get Native Hawaiians off the waitlist of Hawaiian Homes and onto the land. My grandpa died on the list of Hawaiian homes, my mom has been on the list since the 1980's, my siblings and I have been on the list since the early 2000's. We are three generations on the list and dying on the list. None of us have been awarded a lot!?! Now half the list are seniors at 29,000 currently waitlister. Thousands have died and about 15,000 will die on the list in the next 10-15 years. This is "Justice delayed is Justice denied!" But in this case, this is:

Justice.

FOREVER.

Denied.

To lose a chance of building generational wealth because of dying on the list is a grave injustice on top of injustice on top of injustice done to the Native Hawaiian people. It's no wonder Native Hawaiians are over represented in poverty, incarceration, and homelessness, while under represented in home ownership! It's no wonder more Hawaiians live outside the state of Hawaii, than in the state of Hawaii!

The market for housing here is very high for the workforce and not working for Native Hawaiians. We can't afford to buy a market rate houses because we are discriminated in the workplace from making a liveable wage. There are hardly any Native Hawaiian white collared workers. They are mainly blue collared workers. Also, many Native Hawaiians face glass ceilings of discrimination in workplaces from rising to better paid jobs, despite being highly qualified for positions. No one knows this better than me!!! We need Hawaiian homes built because it ours only chance at affording to build generational wealth for our moopuna to have a fighting chance at living in Hawaii nei, where their koko is tied to. Our identity doesn't allow us to exist outside Hawaii because we are so closely tied to the lands, waters. Our Gods are literally the plants and wildlife that exist in Hawaii and only Hawaii!!! Our mo'olelo are unique to the places of Hawai'i. We must be living here in Hawaii for our identity to exist. At least Hawaiian homes is one way to make housing affordable for us because we don't need to pay for the land

which is highway robbery. We only pay for the house. It would be wise if we can just put our tiny homes on the land to cut costs. It would be wise if shipping was not charging so much for building supplies to be transported into Hawaii to since that makes it so much more expensive.

I am in support of prioritizing the \$600 million for Hawaiian homeland housing because it's very costly at \$375k per house to pay for the infrastructure needed for a house to be built. \$375k per house for the sewer, water, utilities, roads infrastructure. That's not including to build a house. That's because when Hawaiian Home Commission Act (HHCA) was passed in 1920, the only lands not privately owned were far from water, in arid lands. So since it's far from water and therefore infrastructure, it costs a lot to have to build access. It can't be fast tracked as easily since it's not close to existing infrastructure. Unless they were to make a deal and buy land or switch land like the private land that is closer to infrastructure in order to fast track it. At least with the Lahaina wildfire, Hawaiian Homes is able to piggyback off the infrastructure FEMA has built in order to use for Hawaiian homes after 5 years of housing fire survivors. This is smart thinking and hopefully they can build on this too. The unfortunate thing is that even though I have already waited 20 years on the list, I still need to wait another 20 years before getting an award because that's how little monies are appropriated to Hawaiian Homes.

I ask that instead of \$600 million be appropriated for housing to reduce the Hawaiian homeland list, I ask for \$1,800,000 instead. That way I can get an award for housing in the next 5 years so I can plop my tiny home on the land, instead of waiting 20 years. Why wait? There is no need for more waiting. We have waited enough. We need housing now. We need housing 50 years ago when Mayor Cravalho was exploiting our Hawaiian homeland for his own personal plantation! He doesn't even have a drop of Hawaiian blood. But he sure too our generational wealth that we feel to this day. As we pay high rents all our adult lives for generations with no hope for our hard earned money to go towards equity. Just paying rent to pay other people's mortgages on their 2nd,3rd, 4th homes because it is so much more important for a non Hawaiian from a foreign country to own a vacation home on Maui and not a kanaka maoli. Wow. Who does this system really serve? Follow the money is what.

With Aloha,

Kanani Higbee

HB-606

Submitted on: 1/29/2025 1:38:16 AM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|----------------------|---------------------|---------------------------|------------------------|
| Lorilani Keohokalole | Individual | Support | Written Testimony Only |

Comments:

I am writing to express my strong support for HB606, which seeks to enhance the operations of the Department of Hawaiian Homelands (DHHL) and address the pressing needs of beneficiaries like myself, who are currently on the waitlist for homestead opportunities.

As a kanaka on the waitlist for Anahola, Kaua'i, I have witnessed firsthand the challenges faced by our community in accessing the benefits promised to us by the Hawaiian Homes Commission Act. The waitlist continues to grow, and the urgency for effective solutions has never been more critical. HB606 represents a significant step towards providing the necessary resources and support to DHHL, enabling it to better serve its beneficiaries.

It is imperative that we invest in the infrastructure and programs that support our communities, as this will lead to economic stability and cultural revitalization. Supporting HB606 is a commitment to honoring our heritage and ensuring that our people have the opportunity to thrive on our native lands.

Thank you for considering my perspective as a kanaka on the waitlist. I hope for swift passage of HB606 to bring about the positive changes we desperately need.

Aloha Nui,

Lorilani Keohokalole

P.O BOX 675

Anahola, HI 96703

HB-606

Submitted on: 1/29/2025 7:33:36 AM

Testimony for HSG on 1/29/2025 9:15:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Jullie Aiko Manaole | Individual | Support | Written Testimony Only |

Comments:

I strongly support this as it will help native Hawaiians on the wait-list. Mahalo