

ACT 279

H.B. NO. 2511

A Bill for an Act Relating to the Department of Hawaiian Home Lands.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the mission of the department of Hawaiian home lands is to develop and deliver land to native Hawaiians. The trust, created by Congress through the Hawaiian Homes Commission Act, 1920, as amended (HHCA), set aside lands to be used for the benefit of native Hawaiians.

As required by the Admission Act and as a compact with the United States, the State of Hawaii and the people of Hawaii adopted the HHCA as a provision of the Hawaii State Constitution and agreed to faithfully carry out the spirit of the HHCA for the rehabilitation of the Hawaiian race. These trust responsibilities remain to this day.

The legislature also finds that today, the department of Hawaiian home lands is responsible for the management of 203,500 acres of trust lands, 9,959 homestead leases statewide, and 44,096 lease applications. However, over 28,700 applicants remain on the waitlist for residential, agricultural, or pastoral leases.

The challenges faced by the department of Hawaiian home lands in fulfilling its mission are multi-faceted, and include but are not limited to:

- (1) Availability of beneficiary-preferred land. The greatest demand, and subsequently, the longest waiting list, is for residential property on Oahu. However, the department of Hawaiian home lands' land holdings on Oahu represent only three per cent of its total lands;
- (2) Cost of infrastructure. Preparing the department's lands for home-steading with adequate roads, water, sewer drainage, electrical, and other necessities requires a steady source of funding to ensure that environmental compliance, planning, design, and construction phases are coordinated; and
- (3) Capital for mortgage financing. With one of the highest costs of living in the nation, department of Hawaiian home lands beneficiaries also face the challenging issue of obtaining capital for mortgages to build homes and reside on trust lands.

The legislature further finds that the revenues collected by the State as of fiscal year 2021 provide an unprecedented opportunity to ensure critical long term access to adequate funding for the department of Hawaiian home lands to meet its challenges. Accordingly, the purpose of this Act is to provide a multi-pronged approach to eliminating its waitlist.

SECTION 2. The department of Hawaiian home lands may expend the funds appropriated pursuant to section 6 of this Act to:

- (1) Develop lots or units;
- (2) Purchase available land or units;
- (3) Provide funding for an applicant on the waiting list or a qualified relative of the applicant similar to the qualified relative of a lessee as referenced in section 208(5) of the Hawaiian Home Commission Act of 1920, as amended, who does not own a principal residence to purchase;
- (4) Provide a mortgage or rental subsidy to the applicant on the waiting list for the applicant's principal residence in the State; and
- (5) Other services as necessary to address the waiting list.

SECTION 3. The department of Hawaiian home lands is authorized to prioritize and determine the amount of assistance under this Act according to the income or receipt of other funds by the applicant or qualified relative, including wages, litigation settlement proceeds, and other moneys received by the applicant or qualified relative.

SECTION 4. (a) The department of Hawaiian home lands shall develop a strategic plan to address the following applicant preferences reflected in the 2020 Beneficiaries Study Applicant Report:

- (1) Seventy-six per cent of individuals on the department of Hawaiian home lands waiting list who prefer a lot with a single-family home or a vacant lot for a house; and
- (2) Sixteen per cent of individuals on the department of Hawaiian home lands waiting list who prefer to rent or rent-to-own a single-family home, duplex, apartment, or townhouse, with the option to buy in the future.

(b) The strategic plan shall be divided by county and include recommended waiting list policies detailing when homeowner-applicants receive mortgage or down payment assistance from the department of Hawaiian home lands and renter-applicants who opt to continue to reside in their existing rental hous-

ing or future rental housing developed for the department of Hawaiian home lands.

(c) The department of Hawaiian home lands shall submit the strategic plan, including findings, recommendations, and any proposed legislation, to the legislature no later than December 10, 2022.

SECTION 5. The department of Hawaiian home lands shall 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.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000,000 or so much there of as may be necessary for fiscal year 2021-2022 for the purposes of this Act; provided that any moneys not encumbered for specific purposes shall lapse to the general fund on June 30, 2025.

The sum appropriated shall be expended by the department of Hawaiian home lands for the purposes of this Act.

SECTION 7. The expenditure of funds, and programs to expend funds, under this Act shall be exempt from any rulemaking requirements of chapter 91, Hawaii Revised Statutes.

SECTION 8. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 9. This Act shall take effect upon its approval.

(Approved July 11, 2022.)