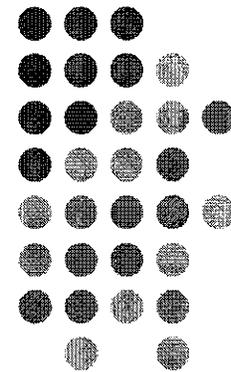
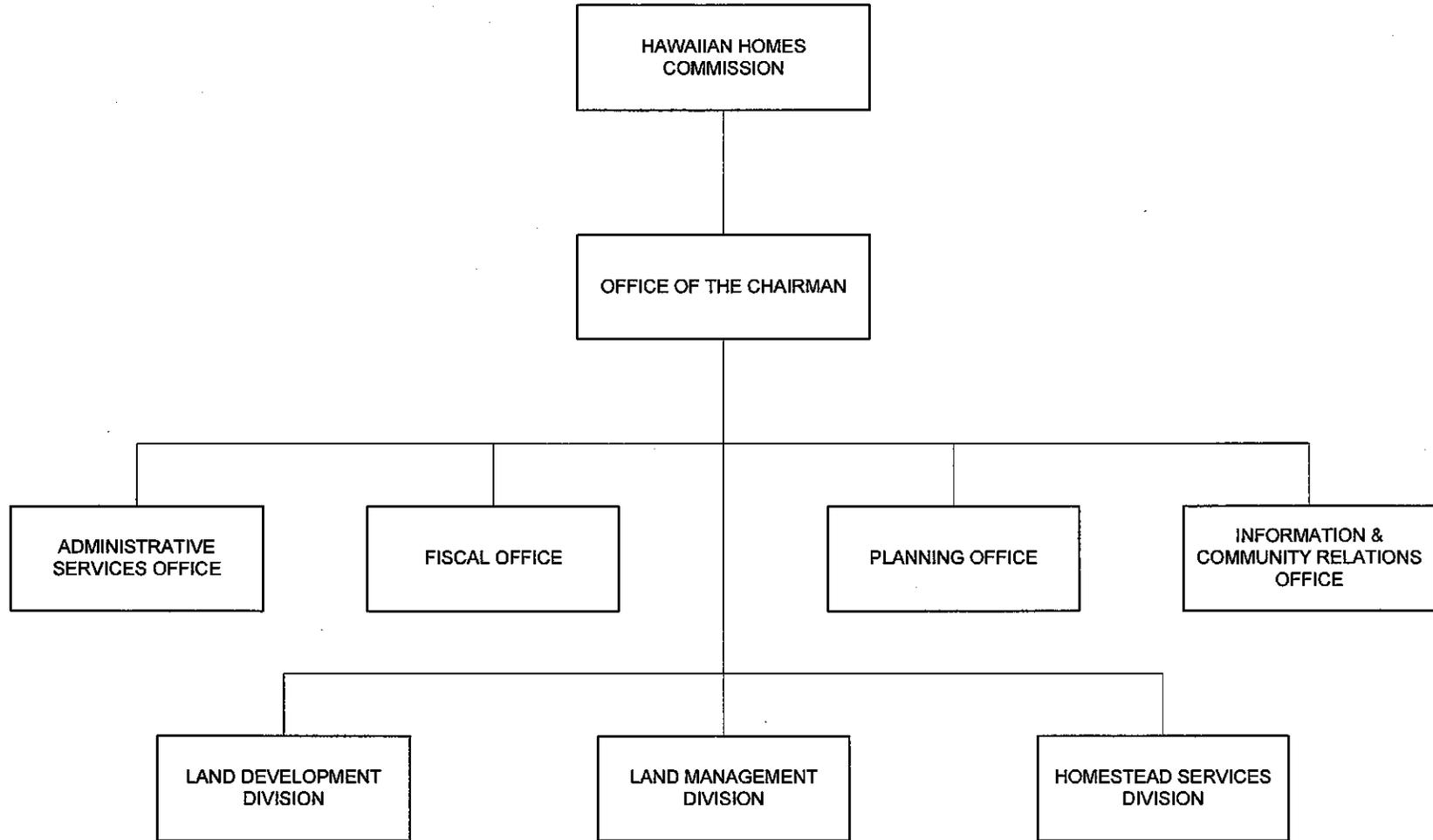

Department of Hawaiian Home Lands



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
ORGANIZATION CHART



DEPARTMENT OF HAWAIIAN HOME LANDS

Department Summary

Mission Statement

To manage the Hawaiian Home Lands Trust effectively and to develop and deliver Hawaiian home lands to native Hawaiians. We will partner with others toward developing self-sufficient and healthy communities.

Department Goals

To effectively manage the Hawaiian Home Lands Trust (HHLT) lands, water, and related resources; to develop and deliver lands for award to beneficiaries on an on-going basis; to develop and deliver program services that meet the housing needs of native Hawaiians; to effectively manage the HHLT financial resources; to effectively manage the department's human resources and to establish better relationships with the native Hawaiian community, governmental agencies, homestead communities, and the community at large.

Significant Measures of Effectiveness

1. # of new residential homesteads awarded as % of planned homesteads
2. # of residential loans granted as a % of the # of residential loans planned
3. # of delinquent loans as a percentage of the total # of outstanding loans

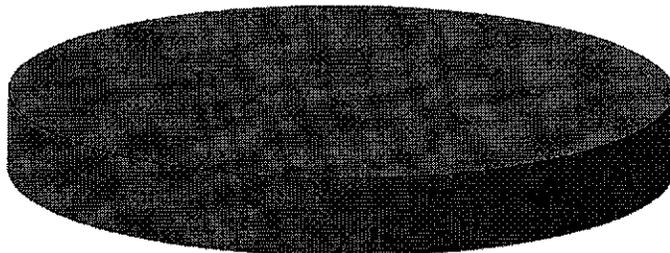
FY 2014

FY 2015

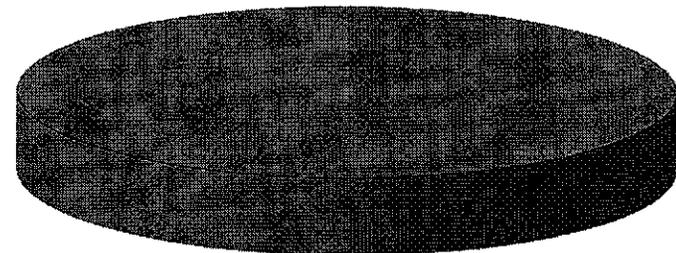
FB 2013-2015 Operating Budget by Major Program Area

FY 2014

FY 2015



Plan & Dev for Hwn
Homesteads,
\$45,677,978 , 100%



Plan & Dev for Hwn
Homesteads,
\$45,677,978 , 100%

DEPARTMENT OF HAWAIIAN HOME LANDS MAJOR FUNCTIONS

- Identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HHCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Homes Trust; identifying Hawaiian home lands by physical characteristics, lands use, and planned use of the lands; and developing and updating regional master plans for designated areas.
- Developing, marketing, disposing of, and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases, revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities.
- Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements.
- Developing waiting lists of applicants for homestead leases; awarding homestead leases; providing loans for home building, repair, and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui, Molokai, Kauai and Lanai; and providing for the maintenance, repair, and operation of water systems, roads, and facilities.

MAJOR PROGRAM AREAS

The Department of Hawaiian Home Lands has a program in the following major program area:

Social Services

HHL 602 Planning and Development for Hawaiian
 Homesteads

**Department of Hawaiian Home Lands
(Operating Budget)**

| | | Budget Base | | |
|---------------------------|-----------|--------------------|-------------------|-------------------|
| | | FY 2014 | FY 2014 | FY 2015 |
| Funding Sources: | Positions | 0.00 | 130.00 | 130.00 |
| General Funds | \$ | 0 | 14,688,526 | 14,688,526 |
| | | 115.00 | 66.00 | 66.00 |
| Special Funds | | 13,030,827 | 7,671,851 | 7,671,851 |
| | | 3.00 | 4.00 | 4.00 |
| Federal Funds | | 15,341,820 | 23,317,601 | 23,317,601 |
| | | 82.00 | 0.00 | 0.00 |
| Trust Funds | | 157,091,393 | 0 | 0 |
| | | 200.00 | 200.00 | 200.00 |
| Total Requirements | | 185,464,040 | 45,677,978 | 45,677,978 |

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds 4.00 temporary and 130.00 positions and \$14,688,526 for both FY 14 and FY 15 to support the administrative and operating requirements in conformance with the Supreme Court ruling on the Nelson vs. Hawaiian Homes Commission lawsuit.
2. Reduces 4.00 temporary and 131.00 positions and \$5,358,976 in special and \$1,286,359 in trust funds in both FY 14 and FY 15 for administrative and operating requirements.
3. Reduces \$144,227,808 in trust funds for both FY 14 and FY 15 to eliminate the trust fund appropriations for the development of Hawaiian Homestead projects.
4. Adds \$7,900,000 in federal funds for loans to low-income Hawaiian families pursuant the Native American Housing Assistance and Self-Determination Act (NAHASDA) grant.

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:
 PROGRAM STRUCTURE NO.
 PROGRAM TITLE: DEPARTMENT OF HAWAIIAN HOME LANDS

| PROGRAM EXPENDITURES | IN DOLLARS | | | | IN THOUSANDS | | | |
|-----------------------------------|-------------|-------------|------------|------------|--------------|-----------|-----------|-----------|
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 | FY2017-18 | FY2018-19 |
| CURRENT LEASE PAYMENTS | | | | | | | | |
| OTHER CURRENT EXPENSES | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| TOTAL CURRENT LEASE PAYMENTS C | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| BY MEANS OF FINANCING | | | | | | | | |
| SPECIAL FUND | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| OPERATING COST | 168.00* | 168.00* | 200.00* | 200.00* | 200.0* | 200.0* | 200.0* | 200.0* |
| PERSONAL SERVICES | 15,637,940 | 15,166,004 | 12,128,904 | 12,128,904 | 12,128 | 12,128 | 12,128 | 12,128 |
| OTHER CURRENT EXPENSES | 168,106,100 | 168,106,100 | 31,829,074 | 31,829,074 | 31,829 | 31,829 | 31,829 | 31,829 |
| TOTAL OPERATING COST | 183,744,040 | 183,272,104 | 43,957,978 | 43,957,978 | 43,957 | 43,957 | 43,957 | 43,957 |
| BY MEANS OF FINANCING | | | | | | | | |
| GENERAL FUND | * | * | 130.00* | 130.00* | 130.0* | 130.0* | 130.0* | 130.0* |
| SPECIAL FUND | 115.00* | 115.00* | 66.00* | 66.00* | 66.0* | 66.0* | 66.0* | 66.0* |
| FEDERAL FUNDS | 11,310,827 | 11,064,660 | 5,951,851 | 5,951,851 | 5,952 | 5,952 | 5,952 | 5,952 |
| TRUST FUNDS | 3.00* | 3.00* | 4.00* | 4.00* | 4.0* | 4.0* | 4.0* | 4.0* |
| | 15,341,820 | 15,341,820 | 23,317,601 | 23,317,601 | 23,317 | 23,317 | 23,317 | 23,317 |
| | 50.00* | 50.00* | * | * | * | * | * | * |
| | 157,091,393 | 156,865,624 | | | | | | |
| CAPITAL INVESTMENT APPROPRIATIONS | | | | | | | | |
| PLANS | 1,000 | 1,000 | 1,000 | 1,000 | | | | |
| DESIGN | 1,000 | 61,000 | 2,000 | 1,000 | | | | |
| CONSTRUCTION | 19,998,000 | 20,598,000 | 20,747,000 | 19,998,000 | | | | |
| TOTAL CAPITAL APPROPRIATIONS | 20,000,000 | 20,660,000 | 20,750,000 | 20,000,000 | | | | |
| BY MEANS OF FINANCING | | | | | | | | |
| G.O. BONDS | | 660,000 | 750,000 | | | | | |
| FEDERAL FUNDS | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | | | | |

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO.
PROGRAM TITLE:

DEPARTMENT OF HAWAIIAN HOME LANDS

| PROGRAM EXPENDITURES | IN DOLLARS | | | | IN THOUSANDS | | | |
|----------------------|-------------|-------------|------------|------------|--------------|-----------|-----------|-----------|
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 | FY2017-18 | FY2018-19 |
| TOTAL POSITIONS | 168.00* | 168.00* | 200.00* | 200.00* | 200.00* | 200.00* | 200.00* | 200.00* |
| TOTAL PROGRAM COST | 203,744,040 | 203,932,104 | 66,427,978 | 65,677,978 | 45,677 | 45,677 | 45,677 | 45,677 |

**Department of Hawaiian Home Lands
(Capital Improvements Budget)**

| | <u>FY 2014</u> | <u>FY 2015</u> |
|---------------------------|----------------|----------------|
| Funding Sources: | | |
| General Obligation Bonds | 750,000 | 0 |
| Federal Funds | 20,000,000 | 20,000,000 |
| Total Requirements | 20,750,000 | 20,000,000 |

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)

1. Adds a federal fund ceiling of \$20,000,000 in both FY 14 and FY 15 for the Native American Housing Assistance and Self-Determination Act (NAHASDA), Development Projects, Statewide.
2. Adds \$750,000 in FY 14 for design and construction of the Economic and Technology Zone facility in Waimanalo, Oahu.

STATE OF HAWAII
PROGRAM ID
PROGRAM STRUCTURE NO.
PROGRAM TITLE

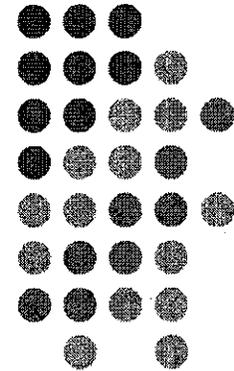
REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT 878
PAGE 288

DEPARTMENT OF HAWAIIAN HOME LANDS

| PROJECT NUMBER | PRIORITY NUMBER | LOC | SCOPE | PROJECT TITLE | BUDGET PERIOD | | | | | | | | SUCCEED YEARS | |
|----------------|-----------------|-----|------------------|---------------|---------------|-----------|----------|----------|----------|----------|----------|----------|---------------|----------|
| | | | | | PROJECT TOTAL | PRIOR YRS | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | | FY 17-18 |
| | | | COST ELEMENT/MOF | | | | | | | | | | | |
| | | | PLANS | 37 | 33 | 1 | 1 | 1 | 1 | | | | | |
| | | | LAND | 1 | 1 | | | | | | | | | |
| | | | DESIGN | 4,500 | 4,435 | 1 | 61 | 2 | 1 | | | | | |
| | | | CONSTRUCTION | 226,422 | 145,081 | 19,998 | 20,598 | 20,747 | 19,998 | | | | | |
| | | | EQUIPMENT | 201 | 201 | | | | | | | | | |
| | | | TOTAL | 231,161 | 149,751 | 20,000 | 20,660 | 20,750 | 20,000 | | | | | |
| | | | G.O. BONDS | 21,161 | 19,751 | | 660 | 750 | | | | | | |
| | | | REVENUE BONDS | 100,000 | 100,000 | | | | | | | | | |
| | | | FEDERAL FUNDS | 110,000 | 30,000 | 20,000 | 20,000 | 20,000 | 20,000 | | | | | |

Operating Budget Details



OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:
 PROGRAM STRUCTURE NO. 06
 PROGRAM TITLE: SOCIAL SERVICES

| PROGRAM EXPENDITURES | IN DOLLARS | | | | IN THOUSANDS | | | |
|-----------------------------------|-------------|-------------|------------|------------|--------------|-----------|-----------|-----------|
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 | FY2017-18 | FY2018-19 |
| CURRENT LEASE PAYMENTS | | | | | | | | |
| OTHER CURRENT EXPENSES | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| TOTAL CURRENT LEASE PAYMENTS C | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| BY MEANS OF FINANCING | | | | | | | | |
| SPECIAL FUND | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| OPERATING COST | 168.00* | 168.00* | 200.00* | 200.00* | 200.0* | 200.0* | 200.0* | 200.0* |
| PERSONAL SERVICES | 15,637,940 | 15,166,004 | 12,128,904 | 12,128,904 | 12,128 | 12,128 | 12,128 | 12,128 |
| OTHER CURRENT EXPENSES | 168,106,100 | 168,106,100 | 31,829,074 | 31,829,074 | 31,829 | 31,829 | 31,829 | 31,829 |
| TOTAL OPERATING COST | 183,744,040 | 183,272,104 | 43,957,978 | 43,957,978 | 43,957 | 43,957 | 43,957 | 43,957 |
| BY MEANS OF FINANCING | | | | | | | | |
| GENERAL FUND | * | * | 130.00* | 130.00* | 130.0* | 130.0* | 130.0* | 130.0* |
| SPECIAL FUND | 115.00* | 115.00* | 66.00* | 66.00* | 66.0* | 66.0* | 66.0* | 66.0* |
| FEDERAL FUNDS | 11,310,827 | 11,064,660 | 5,951,851 | 5,951,851 | 5,952 | 5,952 | 5,952 | 5,952 |
| TRUST FUNDS | 3.00* | 3.00* | 4.00* | 4.00* | 4.0* | 4.0* | 4.0* | 4.0* |
| | 15,341,820 | 15,341,820 | 23,317,601 | 23,317,601 | 23,317 | 23,317 | 23,317 | 23,317 |
| | 50.00* | 50.00* | * | * | * | * | * | * |
| | 157,091,393 | 156,865,624 | | | | | | |
| CAPITAL INVESTMENT APPROPRIATIONS | | | | | | | | |
| PLANS | 1,000 | 1,000 | 1,000 | 1,000 | | | | |
| DESIGN | 1,000 | 61,000 | 2,000 | 1,000 | | | | |
| CONSTRUCTION | 19,998,000 | 20,598,000 | 20,747,000 | 19,998,000 | | | | |
| TOTAL CAPITAL APPROPRIATIONS | 20,000,000 | 20,660,000 | 20,750,000 | 20,000,000 | | | | |
| BY MEANS OF FINANCING | | | | | | | | |
| G.O. BONDS | | 660,000 | 750,000 | | | | | |
| FEDERAL FUNDS | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | | | | |

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID:
 PROGRAM STRUCTURE NO. **06**
 PROGRAM TITLE: **SOCIAL SERVICES**

| PROGRAM EXPENDITURES | IN DOLLARS | | | | IN THOUSANDS | | | |
|----------------------|-------------|-------------|------------|------------|--------------|-----------|-----------|-----------|
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 | FY2017-18 | FY2018-19 |
| TOTAL POSITIONS | 168.00* | 168.00* | 200.00* | 200.00* | 200.00* | 200.00* | 200.00* | 200.00* |
| TOTAL PROGRAM COST | 203,744,040 | 203,932,104 | 66,427,978 | 65,677,978 | 45,677 | 45,677 | 45,677 | 45,677 |

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: HHL602
 PROGRAM STRUCTURE NO. 0603
 PROGRAM TITLE: PLANNING & DEV FOR HAWAIIAN HOMESTEADS

| PROGRAM EXPENDITURES | IN DOLLARS | | | | IN THOUSANDS | | | |
|-----------------------------------|-------------|-------------|------------|------------|--------------|-----------|-----------|-----------|
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 | FY2017-18 | FY2018-19 |
| CURRENT LEASE PAYMENTS | | | | | | | | |
| OTHER CURRENT EXPENSES | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| TOTAL CURRENT LEASE PAYMENTS C | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| BY MEANS OF FINANCING | | | | | | | | |
| SPECIAL FUND | | | 1,720,000 | 1,720,000 | 1,720 | 1,720 | 1,720 | 1,720 |
| OPERATING COST | 168.00* | 168.00* | 200.00* | 200.00* | 200.0* | 200.0* | 200.0* | 200.0* |
| PERSONAL SERVICES | 15,637,940 | 15,166,004 | 12,128,904 | 12,128,904 | 12,128 | 12,128 | 12,128 | 12,128 |
| OTHER CURRENT EXPENSES | 168,106,100 | 168,106,100 | 31,829,074 | 31,829,074 | 31,829 | 31,829 | 31,829 | 31,829 |
| TOTAL OPERATING COST | 183,744,040 | 183,272,104 | 43,957,978 | 43,957,978 | 43,957 | 43,957 | 43,957 | 43,957 |
| BY MEANS OF FINANCING | | | | | | | | |
| GENERAL FUND | * | * | 130.00* | 130.00* | 130.0* | 130.0* | 130.0* | 130.0* |
| SPECIAL FUND | 115.00* | 115.00* | 66.00* | 66.00* | 66.0* | 66.0* | 66.0* | 66.0* |
| FEDERAL FUNDS | 11,310,827 | 11,064,660 | 5,951,851 | 5,951,851 | 5,952 | 5,952 | 5,952 | 5,952 |
| TRUST FUNDS | 3.00* | 3.00* | 4.00* | 4.00* | 4.0* | 4.0* | 4.0* | 4.0* |
| | 15,341,820 | 15,341,820 | 23,317,601 | 23,317,601 | 23,317 | 23,317 | 23,317 | 23,317 |
| | 50.00* | 50.00* | * | * | * | * | * | * |
| | 157,091,393 | 156,865,624 | | | | | | |
| CAPITAL INVESTMENT APPROPRIATIONS | | | | | | | | |
| PLANS | 1,000 | 1,000 | 1,000 | 1,000 | | | | |
| DESIGN | 1,000 | 61,000 | 2,000 | 1,000 | | | | |
| CONSTRUCTION | 19,998,000 | 20,598,000 | 20,747,000 | 19,998,000 | | | | |
| TOTAL CAPITAL APPROPRIATIONS | 20,000,000 | 20,660,000 | 20,750,000 | 20,000,000 | | | | |
| BY MEANS OF FINANCING | | | | | | | | |
| G.O. BONDS | | 660,000 | 750,000 | | | | | |
| FEDERAL FUNDS | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | | | | |

OPERATING AND CAPITAL APPROPRIATIONS

REPORT P61-A

PROGRAM ID: **HHL602**
 PROGRAM STRUCTURE NO. **0603**
 PROGRAM TITLE: **PLANNING & DEV FOR HAWAIIAN HOMESTEADS**

| PROGRAM EXPENDITURES | IN DOLLARS | | | | IN THOUSANDS | | | |
|----------------------|-------------|-------------|------------|------------|--------------|-----------|-----------|-----------|
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 | FY2017-18 | FY2018-19 |
| TOTAL POSITIONS | 168.00* | 168.00* | 200.00* | 200.00* | 200.00* | 200.00* | 200.00* | 200.00* |
| TOTAL PROGRAM COST | 203,744,040 | 203,932,104 | 66,427,978 | 65,677,978 | 45,677 | 45,677 | 45,677 | 45,677 |

PROGRAM ID: HHL602
 PROGRAM STRUCTURE: 0603
 PROGRAM TITLE: PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS

| | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MEASURES OF EFFECTIVENESS | | | | | | | | |
| 1. # OF LOTS DEVELOPED AS PERCENT OF LOTS PLANNED | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS) | | | | | | | | |
| REVENUE FROM OTHER AGENCIES: FEDERAL NON-REVENUE RECEIPTS | 1,605 3,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| TOTAL PROGRAM REVENUES | 4,605 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS) | | | | | | | | |
| SPECIAL FUNDS | 500 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| ALL OTHER FUNDS | 4,105 | | | | | | | |
| TOTAL PROGRAM REVENUES | 4,605 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEMS ERROR.

A. Statement of Program Objectives

To develop and manage the designated Hawaiian Home Lands to create more homesteads for native Hawaiians (as defined by the Hawaiian Homes Commission Act, 1920, as amended) and generate the revenues needed to administer the program. Through the use of these revenues, leased lands, loan funds and technical assistance will be provided to native Hawaiians.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

The request includes general funds to increase Department staff and resources. This request supports the ruling of the Nelson Lawsuit against the state to provide sufficient funding for the administration and operating expenses.

The request consists of general fund positions in the divisions and staff offices to ensure that the Department can meet the needs of its beneficiaries by providing even more valuable and efficient service

C. Description of Activities Performed

Major activities include: identifying and assessing the needs of beneficiaries of the Hawaiian Homes Commission Act (HHCA) through research and planning; compiling data needed for the development and utilization of Hawaiian home lands and other physical resources of the Hawaiian Homes Trust; identifying Hawaiian home lands by physical characteristics, land uses, and planned use of the lands; and developing and updating regional master plans for designated areas;

Developing Hawaiian home lands for homesteading and income-producing purposes by designing and constructing off-site and on-site improvements of subdivisions; developing waiting lists of applicants for homestead leases;

awarding homestead leases; providing loans for home building, repair and replacement and for development of farms and ranches; managing homestead areas on the islands of Oahu, Hawaii, Maui, Molokai and Kauai; and providing for maintenance, repair, and operation of water systems, roads and facilities; developing, marketing, disposing of and managing Hawaiian home lands not immediately needed or not suitable for homestead purposes by issuing general leases, revocable permits, licenses, and rights-of-entry to generate income to finance homestead lot development activities.

D. Statement of Key Policies Pursued

1. Effective management of the trust's land, water, and related resources.
2. Development and delivery of land for award to beneficiaries on an on-going basis.
3. Development and delivery of programs and services that meet the housing needs of native Hawaiians.
4. Effective development and management of financial resources.
5. Effective management of the department's human resources.
6. Establishment of better relationships with the native Hawaiian community, governmental agencies, individual homestead communities, and the community at large.

E. Identification of Important Program Relationships

The United States has oversight responsibility to ensure the HHCA is properly administered. The U.S. Department of the Interior serves as the lead agency in DHHL's interactions with the Federal Government.

DHHL maintains working relationships with Federal, State and County agencies involved in land use, land development, water resources development and utilization, housing, agricultural development and financial assistance. Federal agencies include the U.S. Department of Housing and Urban Development,

Federal Housing Administration, and U.S. Department of Agriculture. State Agencies include the Department of Transportation, the University of Hawaii Extension Service, Department of Health, and Office of the State Planning, Housing and Community Development Corporation of Hawaii. DHHL works closely with all four County governments.

DHHL maintains working relationships with other public and private organizations serving native Hawaiians, including, but not limited to, the Office of Hawaiian Affairs, Alu Like, Inc., Bishop Estate and Kamehameha Schools, the Liliuokalani Trust and various Hawaiian homestead community associations.

F. Description of Major External Trends Affecting the Program

Since the HHCA was enacted, only a relatively small proportion of native Hawaiians have been put on the land. The major obstacles have been first, the kind of lands set aside for the homesteading program, much of which are marginal lands in remote areas that are costly to develop, and secondly, the lack of sufficient funding for infrastructure development.

DHHL estimates that more than \$2.1 billion is needed to address the housing needs of the 21,366 residential applicants on the waiting list. To achieve its capital goals, the department has pursued leveraging its resources through joint ventures with other organizations servicing native Hawaiians and supporting and fostering community partnerships through programs such as the self-help housing program.

A beneficiary survey conducted in 1995 created an index of financial readiness to move to homestead land. It became apparent that there existed a large group of applicants who don't financially qualify for homeownership. Rental and rent-to-own housing, coupled with federal tax incentive and housing programs, provide a viable option in addressing applicants' housing needs and will allow native Hawaiian families to transition from being renters in to homeowners.

The lack of funding at sufficient levels requires the Department to consider alternatives such as having beneficiaries share in the cost of developing homestead lots and the use of developer agreements to build affordable housing for beneficiaries.

The American Homeownership and Economic Opportunity Act of 2000, Public Law 106-569, will enable subsidized affordable housing programs targeted to those Native Hawaiian families demonstrating the greatest need. One-half of homestead applicants fell below the 80 percent median family income level, an indicator of the need for federal intervention and support.

G. Discussion of Cost, Effectiveness, and Program Size Data

The cost of developing a residential homestead lot ranges between \$100,000 to \$200,000 per lot, depending on lot size and off-site improvements. For Fiscal Year 2012, approximately \$9.56 million in operating costs were expended to serve 36,399 clients (9,849 lessees and 26,550 applicants), averaging \$263 per client. The true costs and benefits have not been computed because they would need to take into account, not only the economic costs and benefits, but the social benefits derived from home, farm, or ranch ownership. It is very evident, however, that the program's client group has expanded.

H. Discussion of Program Revenues

The Department's revenues are earned through the trust's land and water resources, general lease payments and revocable permits. The Department also earns revenues through its loan program, with interests.

As of June 30, 2012, General Lease revenues and revocable permits amounted to over \$8 million and \$3 million, respectively.

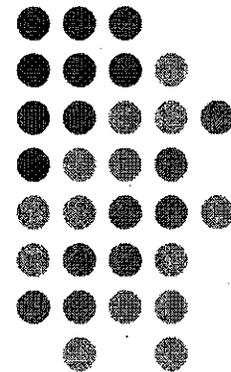
I. Summary of Analysis Performed

No analysis was performed.

J. Further Considerations

None.

Capital Budget Details



**REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS**

PROGRAM ID **HHL-602**
PROGRAM STRUCTURE NO. **0603**
PROGRAM TITLE **PLANNING & DEV FOR HAWAIIAN HOMESTEADS**

| PROJECT NUMBER | PRIORITY NUMBER | LOC | SCOPE COST ELEMENT/MOF | PROJECT TITLE | | BUDGET PERIOD | | | | | | SUCCEED YEARS | | |
|----------------|-----------------|-----|---------------------------|--|-----------|---------------|----------|----------|----------|----------|----------|---------------|----------|----------|
| | | | | PROJECT TOTAL | PRIOR YRS | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | | FY 17-18 | FY 18-19 |
| 14002 | 2 | | NEW | NAHASDA DEVELOPMENT PROJECTS, STATEWIDE | | | | | | | | | | |
| | | | PLANS | 2 | | | | 1 | | 1 | | | | |
| | | | DESIGN | 2 | | | | 1 | | 1 | | | | |
| | | | CONSTRUCTION | 39,996 | | | | 19,998 | | 19,998 | | | | |
| | | | TOTAL | 40,000 | | | | 20,000 | | 20,000 | | | | |
| | | | FEDERAL FUNDS | 40,000 | | | | 20,000 | | 20,000 | | | | |
| P11013 | 1 | | NEW | NAHASDA DEVELOPMENT PROJECTS, STATEWIDE | | | | | | | | | | |
| | | | PLANS | 2 | | 1 | 1 | | | | | | | |
| | | | DESIGN | 2 | | 1 | 1 | | | | | | | |
| | | | CONSTRUCTION | 39,996 | | 19,998 | 19,998 | | | | | | | |
| | | | TOTAL | 40,000 | | 20,000 | 20,000 | | | | | | | |
| | | | FEDERAL FUNDS | 40,000 | | 20,000 | 20,000 | | | | | | | |
| P12032 | 2 | | NEW | MAIOHULI HAWAIIAN HOMESTEADERS ASSOCIATION INC., STATEWIDE | | | | | | | | | | |
| | | | DESIGN | 60 | | | 60 | | | | | | | |
| | | | CONSTRUCTION | 600 | | | 600 | | | | | | | |
| | | | TOTAL | 660 | | | 660 | | | | | | | |
| | | | G.O. BONDS | 660 | | | 660 | | | | | | | |
| P14001 | 1 | | NEW | WAIMANALO HAWAIIAN HOMESTEAD COMMUNITY CENTER, WAIMANALO, OAHU | | | | | | | | | | |
| | | | DESIGN | 1 | | | 1 | | | | | | | |
| | | | CONSTRUCTION | 749 | | | 749 | | | | | | | |
| | | | TOTAL | 750 | | | 750 | | | | | | | |
| | | | G.O. BONDS | 750 | | | 750 | | | | | | | |

STATE OF HAWAII

REQUIRED CAPITAL APPROPRIATIONS - BY CAPITAL PROJECT
IN THOUSANDS OF DOLLARS

REPORT B78

PROGRAM ID HHL-602

PROGRAM STRUCTURE NO. 0603

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PROGRAM TITLE PLANNING & DEV FOR HAWAIIAN HOMESTEADS

| PROJECT NUMBER | PRIORITY NUMBER | LOC | SCOPE COST ELEMENT/MOF | PROJECT TITLE | | BUDGET PERIOD | | | | | | SUCCEED YEARS |
|----------------|-----------------|-----|---------------------------|---------------|-----------|---------------|----------|----------|----------|----------|----------|---------------|
| | | | | PROJECT TOTAL | PRIOR YRS | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | |
| PROGRAM TOTALS | | | | | | | | | | | | |
| | | | PLANS | 37 | 33 | 1 | 1 | 1 | 1 | | | |
| | | | LAND | 1 | 1 | | | | | | | |
| | | | DESIGN | 4,500 | 4,435 | 1 | 61 | 2 | 1 | | | |
| | | | CONSTRUCTION | 226,422 | 145,081 | 19,998 | 20,598 | 20,747 | 19,998 | | | |
| | | | EQUIPMENT | 201 | 201 | | | | | | | |
| | | | TOTAL | 231,161 | 149,751 | 20,000 | 20,660 | 20,750 | 20,000 | | | |
| | | | G.O. BONDS | 21,161 | 19,751 | | 660 | 750 | | | | |
| | | | FEDERAL FUNDS | 110,000 | 30,000 | 20,000 | 20,000 | 20,000 | 20,000 | | | |
| | | | REVENUE BONDS | 100,000 | 100,000 | | | | | | | |