Planning Office
Department of Hawaiian Home Lands

Native Hawaiian Development Program Plan
Biennium Fiscal Years July 1, 2009- June 30, 2011

PROPOSED FINAL SEPTEMBER 14, 2009

ITEM E-1, EXHIBIT A

Planning Office
Department of Hawaiian Home Lands

Native Hawaiian Development Program Plan
Biennium Fiscal Years July 1, 2009- June 30, 2011
Proposed Final September 14, 2009

CONTENTS

Purpose and Approach		3
Goal 1 - Individual Development		
1.1	Education	6
1.2	Agriculture	8
1.3	Homeownership	11
Goal 2 - ***Kūlia i ka Nu'u***		
2.1	Homestead Capacity Building	15
2.2	Grants	16
2.3	Training & Technical Assistance	19
2.4	Land Parcels for Community Use And Revenue-Generation	22
2.5	Certification Program	23
2.6	Staff Training	24
Goal 3 - Beneficiary Consultation		
3.1	Statewide Consultation on Policy	27
3.2	Homestead Leadership Meetings	28
3.3	Beneficiary Groups	30
Goal 4 - Planning		
4.1	Regional Plans	32
4.2	Island Plans	35
Goal 5 - Governance		
5.1	Legal Defense	36
5.2	Transfer of Selected Functions	36
5.3	Examine Act 302 Provisions	37
5.4	Support Federal Recognition	37
5.5	Understanding Federal Native Policy	38
Proposed Budget (To Be Developed)		39
Title 10. HAR, Chapter 6.1 Native Hawaiian Development Program		

EXHIBIT "A"

*

Native Hawaiian Development Program Plan
Biennium Fiscal Years July 1, 2009- June 30, 2011

"Empower"
To provide individuals and or groups with skills, information, authority and resources in order to carry out their responsibilities.

PURPOSE

The purpose of the Native Hawaiian Development Program is to "improve the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs." [Title 10 Administrative Rules, Chapter 6.1]

NATIVE HAWAIIAN DEVELOPMENT PROGRAM PLAN

The Native Hawaiian Development Program Plan (NHDPP) is designed to achieve this purpose by "increasing the self-sufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities". [Title 10]

Guiding Principles

- Beneficiaries define their own vision for their community.
- The homestead association, through its democratically-elected leaders, is the primary conduit for the relationship between the department and homestead residents with regard to community development. Each homestead lessee is eligible to vote for their leaders.
- The interests of applicants, the future residents of homestead communities, must not be overlooked in community planning.
- The skills and talents of individuals need to be strengthened and nurtured to ensure strong, prepared leadership for the future.
- Each homestead association defines what it wants to be responsible for within the areas of authority the commission is willing or able to delegate.

EXHIBIT "A"

- Successful participation of beneficiaries in planning for the use and management of homestead lands and assets is tied to being adequately prepared and supported.

- Homestead leaders can best learn governance and management skills through hands-on training that applies to the assets in their own community.

- Each homestead is unique and each homestead association will have its own way of working toward self-sufficiency. Not every homestead association will be interested or ready to take the steps toward self-sufficiency at the same time or in the same way.

- Beneficiary organizations[1] will assume more responsibilities as their capacity increases.

- Beneficiary organizations are under no obligation to participate in this initiative.

The policies and practices of DHHL must support increased self-governance by homestead associations and beneficiary organizations

APPROACH

This plan has three goals: one focusing on individual development; one focusing on beneficiary organizations; and one focusing on the department. The individual and organizational goals work toward building capacity at the community level. The goal focusing on DHHL sets the foundation and structure for transferring more powers and additional controls to democratically-elected homestead organizations as authorized in the Hawaiian Homes Commission Act of 1920. Similar directions toward increased self-determination are described in Act 302, however, Act 302 has not yet been consented to by Congress.

[1] Throughout this document the term "beneficiary organization" refers to organizations that represent either homesteaders or DHHL applicants.

EXHIBIT "A"

INDIVIDUAL DEVELOPMENT

Self-sufficiency

Provision by one's self
of all of one's own needs

GOAL 1

Provide opportunities for native Hawaiians to obtain the knowledge and skills that will increase their ability to earn a living, become self-sufficient, or secure and make better use of their homestead award.

STRATEGY

A strong education and the development of job skills are essential for creating self-sufficient, independent individuals. In turn, increasing the knowledge and abilities of individuals strengthens the community as a whole.

Historically, native Hawaiians have been underrepresented in post-high school educational institutions and over represented in the lower-paying, lower-skill jobs. These factors contribute to a lower income and standard of living among native Hawaiians. With traditionally lower family incomes, it is often difficult for native Hawaiian families to support their children through college and vocational trade schools. Yet numerous studies have found that native Hawaiians rank education as a high priority.

Providing scholarships makes an education attainable for many more native Hawaiians. By coordinating our scholarship programs with others, we enhance programs that already exist and extend the opportunities for an advanced education to more people.

The barrier to success due to lack of education is not limited to the academic fields. Economic opportunities and homeownership are also affected by educational achievement. As the DHHL agricultural task force found, the lack of appropriate skills and experience make it difficult for lessees with agricultural and pastoral awards to make full use of their

EXHIBIT "A"

homesteads. DHHL staff estimates that only 5% of agricultural awards are in productive farming at this time. Access to the appropriate resources, training and technical assistance are needed to help lessees get started and expand their production.

Education affects homeownership in two major ways - earning power and financial security. Numerous studies document the relationship between educational achievement and income. Higher and more stable incomes allow people to qualify for a mortgage. Similarly, knowledge about handling money wisely (like budgeting, managing debt, and saving) help people prepare for homeownership and paying a mortgage.

Settlement of native Hawaiians on the land is DHHL's primary mission. With homes costing more than $500,000 in the private sector, many more native Hawaiians are seeking homestead awards. The large average native Hawaiian family size, combined with lower per capita income, lack of savings, credit or debt problems makes it a challenge to achieve homeownership. The lack of experience in buying real estate means that training and assistance is critical to make native Hawaiian homeownership a reality.

OBJECTIVE 1.1: **EDUCATION**

Provide scholarships, community service opportunities, and career and educational assessments to native Hawaiians.

Implementing Action 1.1.1: **HHC SCHOLARSHIPS**

Maintain and administer two post-high scholarship programs that provide financial assistance to native Hawaiians with demonstrated financial need or academic excellence (Kuhio Scholars) enrolled in post-high school educational institutions.

General Eligibility Requirements:

- Be native Hawaiian (50% or more Hawaiian ancestry) or Homestead Lessee (25% or more Hawaiian ancestry);
- Be enrolled as a full-time classified student in an accredited two-year, four-year or graduate degree program;
- Minimum GPA of 2.0 for undergraduates, 3.0 for graduate students.

EXHIBIT "A"

- Agree to participate in community service projects.
- Applications due March 1 each year.

Scope: 300 - 400 applications/year; 200 awards/year.

Applications are available at: www.hawaiicommunityfoundation.org

Estimated Cost: Over the two year biennium period, $300,000 for the Hawaiian Homes Commission Scholarships, $100,000 for the Career and Technical Education Scholarships, $40,000 for program administration, and $20,000 for outreach/supplemental awards. Staff time for application review, determination of native Hawaiian status, and coordination with other agencies.

Implementing Action 1.1.2: **CHAMINADE UNIVERSITY**

Representatives of Chaminade University of Honolulu appeared before the Hawaiian Homes Commission on April 21, 2009, to announce the expansion of its Department of Hawaiian Home Lands Scholarship. Valued at up to $8,500 per year, the scholarship is a four year renewable scholarship to attend Chaminade.

Chaminade University is committed to support up to 40 scholarships each year for qualified homestead students. This commitment will be for four years per student as long as they maintain their commitment to education. This program offers opportunities to coordinate HHCS and Chaminade financial assistance for the benefit of homestead students.

General Eligibility Requirements:

- Be a dependent of a current resident who holds a lease to a Hawaiian homestead property;
- Have a high school GPA of 2.5 or higher;
- Have a SAT of 900 or an ACT of 18; and
- Be a full-time day undergraduate student.

EXHIBIT "A"

Implementing Action 1.1.3: **VOLUNTEER SERVICE**

Provide opportunities through volunteer service that enable native Hawaiian students to gain on-the-job experience working on Hawaiian issues.

Timeframe: On-going.

Scope: 150-175 volunteer positions per year.

Estimated Cost: Incorporated into the HHCS/CTES budget. Staff time for development of positions, placement, or supervision.

EXPECTED OUTCOMES:

- Increase the education and self-sufficiency of Hawaiian youths and adults.
- Provide education and career planning services for Hawaiian homestead communities.
- Increased numbers of native Hawaiians obtaining college degrees.
- Increased earning power for native Hawaiians in the long term.
- Increased job readiness.
- Increased number of native Hawaiians with work experience.

OBJECTIVE 1.2: **AGRICULTURE**

Effective use of limited resources (technical assistance, land, loans, project support) in accordance with intent (farm and ranch plan) and capabilities (experience, financing).

Implementing Action 1.2.1: **TECHNICAL ASSISTANCE**

Scope: DHHL contracts with CTAHR to provide educational and technical assistance programs to Hawaiian Home Lands agricultural and pastoral homestead lessees. The objective of the program is to increase the number of successful homesteaders in agricultural enterprises by increasing their knowledge and training in commercial and subsistence agricultural production, best management practices, marketing, financial and business skills. Services are provided to DHHL Homesteaders on Kauai, Molokai, and Hawaii islands.

EXHIBIT "A"

Timeframe: On-going.

Estimated Cost: Over the two year biennium period, $550,000 including $50,000 designated for the Honokaia Ranch Plans. Staff time for contract oversight and referral to services.

Implementing Action 1.2.2: **PRIMARY (RURAL) & ADDITIONAL ACREAGE HOMESTEADS**

Background

The DHHL Agricultural Task Force recognized that limited resources (land, loan funds, technical assistance) should be allocated appropriately among homestead farm (and ranch) lessees in accordance with their farm (and ranch) plans and ability to perform. Island Plan surveys confirm that the majority of farm and ranch homestead applicants seek a subsistence lot of sufficient size to build a home and raise food for home use. A smaller group, about 25%, seek a commercial lot to raise products for sale and profit.

The Aged Hawaiians settlement, being implemented at Honokaia, is an approach whereby: (1) primary ranch lots were awarded allowing for residences and subdivision of lots and (2) additional acreage lots were awarded based on ability to perform (experience, finances, and ranch plans). This approach recognizes the need to allocate our limited resources to those who can best make use.

Concept

The Task Force, Island Plans, and Honokaia experience provide the basis to develop a rural (subsistence agriculture) homesteading program. This concept consists of primary homesteads (subsistence-sized lots) combined with additional acreage award opportunities for homesteaders who wish to use more land to expand their homesteading activities.

Implementing Action

This will require DHHL to review current agricultural and pastoral homestead regulations and formulate necessary rule changes. Lot sizes, the parameters for subdividing individual farm and ranch lots, and access to appropriate

EXHIBIT "A"

resources are major concerns. The concept may be extended to include the matter of integrating agricultural and pastoral leases into a single rural homesteading award to expand the homesteader's ability to operate under an agricultural zone where both pasture and agricultural types of activities may be enjoyed. This rule making effort will involve focus group discussions and legal rule drafting of a Rural Homesteading Policy.

Timeframe: Spring 2010.

Scope: Statewide.

Estimated Cost: $50,000 and staff time for contract oversight, community discussions, and public hearings.

EXPECTED OUTCOMES

- Offer Pastoral and Agricultural applicants an opportunity for Rural homestead leases (subsistence level).
- New rules that provide clear policies on the allocation of limited resources (land, loans, technical assistance) proportionate with intent (farm and ranch plan) and capabilities.
- Increased use of agricultural and pastoral lands more in line with current private industry practices.
- More flexibility for beneficiaries by allowing both farm and pastoral type activities on rural lots.
- Increased beneficiary income from farm and ranch activities.

Implementing Action 1.2.3: **AGRICULTURAL REGIONAL PRIORITY PROJECTS**

Through the regional planning process, revisit the HHL Agricultural Task Force's recommendations and identify priority projects to support agricultural (farming and ranching) activities on REGIONAL specific basis.

Timeframe: Updates in FY 2009-10.

Scope: Regional Plans for Molokai, Waimea, Makuu, and Panaewa, Hawaii, Anahola, Kauai.

EXHIBIT "A"

Estimated Cost: Funds available in Regional Plan - Community Grants (Implementing Action 2.1.2). Staff time for contract oversight and referral to services.

EXPECTED OUTCOMES

- Increased farming and ranching activities on Hawaiian Home Lands.
- Implement Agricultural Task Force recommendations.
- Integrate activities with the Regional planning process, tailored to local needs, and link to support provided by the grant program and UH-CTAHR extension agents on Hawaiian home lands.

OBJECTIVE 1.3: **HOMEOWNERSHIP**

Settlement of native Hawaiians on Hawaiian home lands is the trust's primary mission. To support this objective, DHHL provides homebuyer education, financial literacy training, credit counseling, and other tools for successful home ownership through the DHHL Home Ownership Assistance Program (HOAP). These services are available to both DHHL's beneficiaries on the wait list as well as existing homesteaders on Hawaiian home lands.

Implementing Action 1.3.1: **HOMEOWNERSHIP EDUCATION**

The homeownership process can be frustrating and complicated. The Home Ownership Assistance Program was designed to ease the transition into home ownership and provide the support and resources to help lessees maintain their home.

This program supports DHHL's development plans and homestead communities across the state by partnering with various non-profit organizations. HOAP provides homebuyer education, financial literacy training, and one-on-one credit counseling – financially preparing our beneficiaries for home ownership. The program's comprehensive training sessions offer valuable information that will aid in every aspect of becoming a homeowner on Hawaiian home lands.

Timeframe: Start Date: July 1, 2007

Scope: HOAP Clients (2,000 clients)

EXHIBIT "A"

Estimated Cost: $500,000 and staff costs to manage program, call center, and database.

EXPECTED OUTCOMES

- Native Hawaiian families of every size and income category achieve home ownership and maintain their homes for generations to come.

EXHIBIT "A"

COMMUNITY DEVELOPMENT
And
SUSTAINABILITY

"Community Development"
A process involving the conception, planning, and implementation of projects or activities which create improvements in (or reduce the extent of declines in) the living standards of people in a particular community.

"Sustainability"
A strategy by which communities seek economic development approaches that also benefit the local environment and quality of life.

Kūlia i ka Nu'u
Strive for Excellence

GOALS

To support democratically-elected homestead associations which are responsive to and represent the interests of their constituents.

An elected leadership ensures transparency and accountability in conducting homestead association business.

To strengthen the organizational capacity (leadership, governance, management, financial, administrative systems) of homestead associations to better manage resources and assets.

By increasing the capacity of homestead associations, the DHHL can make sound investments in its beneficiary groups.

To enhance effectiveness of homestead association programs and services serving DHHL beneficiaries.

By increasing the capability of homestead associations, the DHHL can help the associations to better serve their clients and communities.

EXHIBIT "A"

To increase association and community sustainability.

Capacity building is needed to help homestead associations constantly scan their environment; stay on top of changing social, economic, and industry trends; and keep their organizations healthy and viable.

To leverage strategic partnerships, resources, and funding.

Investing in capacity building is an effective way to leverage and ultimately multiply - the impact of DHHL's resources.

STRATEGY

Beneficiary organizations provide an avenue for homestead applicants and lessees to take part in the planning of new homestead developments, the various uses of homestead land, and the management of homestead assets. These organizations need to have certain skills and resources in order to enable them to participate in these activities.

It is important to build the leadership, organizational, and management capacity within beneficiary groups. Most homestead associations currently secure resources in order to undertake projects to benefit their communities. The types and sizes of projects are very diverse, ranging from annual community gatherings to moderate-sized recreation, education, cultural, and community center activities.

More recently, homestead leaders have expressed the need to work toward financial self-sufficiency, that is, the ability to generate their own revenues for homestead community benefit. They view the allocation of strategically-located Hawaiian home lands, coupled with land use exemptions and access to funding, as a way to create a long-term, reliable, steady stream of resources to support their non-profit community projects.

"Community Development" and "Sustainability" are consistent with the intent of the Hawaiian Homes Commission Act which authorizes the transfer of certain department authority to democratically-elected homestead associations that demonstrate a capacity to provide these services at a level and quality comparable to services provided by the department.

DHHL's Grants Program has been expanded to include a new segment, the "Regional Plan Priority Project Grants". A specific allocation of funds will be available for community-driven priority projects identified in HHC-approved Regional

EXHIBIT "A"

Plans. Priority Projects may include the development of land parcels for community development and/or community economic development purposes.

The Regional Plan process will be used to identify land parcels which may be designated for community development and/or community economic development purposes. This process includes basic research on regional factors, priority-setting discussions with homestead leaders, consensus-building with regional stakeholders and homestead community. Currently, fourteen Regional Plans have been approved with six more underway.

Through an historic grant contribution from the Office of Hawaiian Affairs, a total of $5 million will be made available from FY 2010 on for sustainable economic development projects on Hawaiian home lands on a regional basis. With 20 Regional Plans, this amounts to $250,000 per region for planning and design work.

Kūlia i ka Nu'u combines technical assistance and training, land awards, and access to various grants available to democratically-elected homestead associations to support their sustainability and community development objectives. Technical assistance and training is available to beneficiary organizations. Certain grants and land awards are only available to homestead associations and regional entities. Other beneficiary organizations may participate as partners.

OBJECTIVE 2.1: HOMESTEAD ASSOCIATION CAPACITY BUILDING PROGRAM

Provide resources and tools to plan and implement projects or activities which create improvements in (or reduce the extent of declines in) the living standards of people in their distinct native communities on Hawaiian home lands.

Implementing Action 2.1.1: PROGRAM DESIGN

Restructure the current community development grants program practices in order to enhance resources and tools benefiting eligible organizations or DHHL-identified priorities impacting Hawaiian home land communities.

Timeframe: Complete by September 30, 2009.

EXHIBIT "A"

Scope: Design the community development and community economic development program to include appropriate levels of training and technical assistance, land parcels, and grant resources. Take the proposal out for beneficiary consultation statewide and to the Hawaiian Homes Commission for approval.

Cost Factors: $35,000 for printing, mail, postage, travel.

Implementing Action 2.2: **GRANTS**

Provide beneficiary organizations the opportunity to seek funds through an open and competitive grant proposal application process as follows:

Implementing Action 2.2.1: **OUTREACH GRANTS**

At $15.00 per homestead lessee annually, Outreach Grants are intended to assist the association in expanding its communications with its homestead lessees. This is needed as the homestead association moves towards nominations and voting for its new upcoming democratically-elected board within Year 1. Available at **HO'OLALA, HO'OKUMU, KUPU, HO'OMAKUA** and **KA 'OHI** stages.

Cost: $150,000 available to homestead associations for this purpose in Year 1. Maximum at $15.00 x number of homestead leases in association's geographical area.

Deadline: Make request anytime, confirming service area if needed.

Review Process: None; upon producing evidence of status as homestead association (e.g., by-laws, articles of incorporation, current tax status, names and addresses of board, last two years board minutes)

Implementing Action 2.2.2: **PROJECT IMPLEMENTATION GRANTS**

For community-driven projects to improve the living standards in distinct native communities.

EXHIBIT "A"

Eligibility: After June 30, 2010, available to homestead associations who have agreed to pursue democratic board elections and have completed **HOʻOLALA** and **HOʻOKUMU** stages. Project implementation grants available to statewide beneficiary organizations.

Cost: $200,000 annually; average grant $25,000 to $50,000 range.

Deadline: November 3, 2009, for Commission action by February 2010.

Review Process: Timely completed Applications are distributed to a Grants Review Advisory Committee (GRAC) and department staff (Planning, Land Management, Land Development, Homestead District Offices) for review and ranking. Reviews solely based on application. Project Descriptions and funding recommendations are sent to the Hawaiian Homes Commission for action.

Implementing Action 2.2.3: **REGIONAL PLAN PRIORITY PROJECT GRANTS**

For community-driven priority projects identified in HHC-approved Regional Plans.

Eligibility: Before July 1, 2010, current rules apply.

After June 30, 2010, these grants are available to homestead associations who have conducted democratic board elections, have completed **HOʻOLALA, HOʻOKUMU,** and **KUPU**, stages, and are in good standing with DHHL Grants and DCCA.

Cost: $250,000 annually.

Deadlines:

February 2, 2010, for Commission action July 2010.
August 2, 2010, for Commission action December 2010.

Review Process: As a project that has been vetted through a rigorous Regional Plan prioritizing process, approved Regional Plan Priority Projects are recognized as having stakeholder support in the

EXHIBIT "A"

region. Completed timely applications are reviewed by a committee composed of DHHL staff. Considerations include project goals, work plan, and potential benefits to native Hawaiians, technical aspects, and relevance to DHHL goals. Recommendations are sent to the Hawaiian Homes Commission for acion.

Implementing Action 2.2.4: **COMMUNITY ECONOMIC DEVELOPMENT GRANTS**

For planning and design of community-driven projects on Hawaiian home lands identified in HHC-approved Regional Plans that lead to financial sustainability for the organization.

Eligibility: Available to homestead associations who have conducted democratic board elections, have completed **HOʻOLALA, HOʻOKUMU,** and **KUPU** stages, and are in good standing with DHHL Grants and DCCA.

Timeframe: Community Economic Development Grants expected to be available April 2010.

Scope: These CED grants are made possible by a generous Office of Hawaiian Affairs contribution for (1) planning (project land use plan), (2) feasibility (business plan, preliminary engineering), and (3) design (preliminary architecture) studies.

Cost: $1.0 million appropriated per year; maximum cumulative amount of $250,000 per region.

Review Process: Committee composed of (minimum) one representative of DHHL, the regional homestead entity, and a third party business consultant develops an overall work plan with estimated costs and timelines. Group monitors progress and outcomes, making adjustments as needed. The homestead associations connected to the regional homestead entity are kept informed and make decisions.

Implementing Action 2.2.5 **FEDERAL AND STATE GRANTS**

Beneficiary organizations are increasing their capacity to apply for, receive, and implement community projects through Federal and State grants and appropriations. For

EXHIBIT "A"

example, in 2007, the State appropriated Grants-In-Aid (GIA) for community-driven projects in Nanakuli, Waimanalo, Laiopua, and Kapolei.

Timeframe: Up to three years to implement, depending on funding source.

Scope: Several Federal and State programs continue to offer major funding opportunities on a regular basis for native Hawaiian initiatives. There include:

HHS - ANA - Administration for Native Americans
DOE - Alaska Native/Native Hawaiian Institutions Assisting Communities
HUD - NAHASDA - Native American Housing Assistance and Self-Determination Act
DOE - Native Hawaiian Education Act
HUD - CDBG - Community Development Block Grants
DOA - RD RUS - Rural Development - Rural Utility Services

Estimated Cost: Staff time to prepare, market, and manage contracts.

OBJECTIVE 2.3: TRAINING AND TECHNICAL ASSISTANCE

By June 2010, it is estimated that at least 50% of the eligible organizations will have completed their Organization Assessments and Basic Nonprofit Organizational Training (Ho'okumu).

Implementing Action 2.3.1: ORGANIZATION ASSESSMENT

Starting with a thorough organization assessment is critical to the success and effectiveness of the program. Organizational strengths, assets, and needs identified through the assessment process will drive the capacity building training to be offered. An initial assessment for all homestead associations will be offered to establish a baseline of organizational strengths and needs. Training service plans will be conducted over time to assist in measuring progress and guide the next steps in organizational development.

Timeframe: August 2009 - March 2010

EXHIBIT "A"

Scope: Meet with each interested homestead association and conduct an orientation of the assessment process. Collect names of key stakeholders such as board members, consultants, clients, funders. Conduct assessment process to establish a baseline of the association, identify strengths and areas for improvement. Develop individual Training Service Plans for each homestead association.

Estimated Cost: $30,000 for contracted services and 0.50 staff time.

Implementing Action 2.3.2: **ORGANIZING NEW ASSOCIATIONS**

This Program serves new lessees receiving awards under the undivided interest program in order to keep them: informed through periodic meetings as their homesteads are constructed, prepared through HOAP (see 1.3.2) to qualify financially, and engaged through community development activities.

There are eight undivided interest homestead communities with about 1,500 lessees - East Kapolei 1 and Waimanalo, Oahu; Waiohuli, Maui; Laiopua, Hawaii; Anahola, Kauai. Future communities include Lalamilo and Makuu, Hawaii; East Kapolei 2 on Oahu. Leadership development and creation of homestead associations for at least eight new homestead communities in the undivided interest program.

Timeframe: On-going as undivided interest awards are made

Scope: Informational workshops, in-depth training, and legal and technical assistance for eight new homestead associations.

Estimated Cost: Included in Implementing Action 2.3.1 for training consultants, legal fees, filing fees, workshop costs, printing, travel, and lodging, and staff time for coordination and technical assistance.

EXPECTED OUTCOMES

- Beneficiaries who are informed and confident about the status of their award as development proceeds.
- Lessees who understand their rights and responsibilities as homesteaders and DHHL's responsibilities and obligations.

EXHIBIT "A"

- New homesteaders prepared and excited about taking leadership in the management and future of their homestead.
- New stable, self-sufficient homestead associations.

Implementing Action 2.3.3: **BASIC NONPROFIT ORGANIZATION TRAINING**

Basic training will be offered to all beneficiary organizations. It is critical that the training address identified needs in the organizational assessment. The following is a sample of training topics that may be offered:

- Nonprofit Board Roles and Responsibilities
- Nonprofit Financial Management/Fiscal Accountability
- Strategic Planning
- Proposal and Grant Writing
- How to Find, Hire, and Manage Consultants

Timeframe: FY 2009 - 2010

Estimated Cost: $50,000 for contracted services and 0.50 staff time.

Implementing Action 2.3.4: **ADVANCED, SPECIALIZED AND PROJECT-SPECIFIC TRAINING**

Advanced and Specialized training will be offered to beneficiary organizations that have completed Basic Nonprofit Training. This Kupu stage of training is intended for beneficiary organizations who are in a ready state and have demonstrated progress in addressing needs identified in the organizational assessment. Beneficiary organizations receiving this training must be in good standing with any past or current DHHL grants, good standing with DCCA, and have filed their articles and by-laws with the DHHL.

Timeframe: FY 2009 - 2010

Estimated Cost: $50,000 in contracted services and 0.50 in staff time.

Implementing Action 2.3.5: **ANNUAL LEADERS CONFERENCE**

EXHIBIT "A"

DHHL held its first conference for homestead leaders in September 2008. Conference participants requested that this be made an annual event and that more time be provided for training and networking.

Timeframe: January 2010.

Scope: Annual two-day conference and training sessions, about 250 participants.

Estimated Cost: $75,000 with $45,000 from DHHL and $35,000 from private sponsors, OHA, and DBEDT. 3.0 staff time to work on travel and lodging for participants, conference speakers and materials, and conference coordination.

OBJECTIVE 2.4: HAWAIIAN HOME LANDS PARCELS FOR COMMUNITY USE AND REVENUE-GENERATION

Implementing Action 2.4.1: STRATEGIC PLAN

Homestead associations within each region undertake strategic planning to define their interests in community development and community economic development in order to define whether an appropriate Hawaiian home lands parcelS should be secured or not.

Timeframe: FY 2009 - 2011

Scope: Undertake strategic planning activities as provided for in basic nonprofit training.

Estimated Cost: Covered in training budget.

Implementing Action 2.4.2: REGIONAL PLAN

The Regional Plan process is the vehicle to assess and identify appropriate Hawaiian home lands parcel(s) for community development and/or community economic development purposes. In some cases, land may need to be acquired.

Timeframe: FY 2009 - 2011

EXHIBIT "A"

Scope: Participate in Regional Plan process and define a specific Community project or Economic Development project (revenue-producing) as Priority Project(s).

Estimated Cost: Covered in planning budget.

Implementing Action 2.4.3: **LAND DISPOSITIONS**

Once the appropriate land parcel is identified, the homestead association will need to negotiate the terms for securing the land, whether by general lease, license, or other form of disposition. Specific terms will need to support the strategic plan vision.

Timeframe: FY 2009 - 2011

Scope: Negotiate type of land disposition and specific terms and conditions; secure HHC approval. You may secure a right of entry permit in order to hold the property for your use for up to three years in order to study and conduct feasibility studies. A long term general lease would be secured after that, depending on the results.

Estimated Cost: Covered in LMD budget.

OBJECTIVE 2.5: **CERTIFICATION PROGRAM**

As provided for under the Hawaiian Homes Commission Act, the HHC can delegate authority to (recognized) homestead associations who meet certain organizational, capacity, and performance requirements. It will be important, therefore, that DHHL maintain accurate and current records of:

- Whether the homestead association is meeting the requirements for democratic elections, eligible voting members, and geographic boundaries;
- Whether the homestead association officers and leaders have participated in training sessions; and
- Whether the homestead association has the appropriate organizational capacity, skills and expertise to perform in terms of being in good standing and able to

EXHIBIT "A"

deliver the services at the level of quality/cost comparable to DHHL.

Timeframe: From January 2010

Estimated Cost: 0.50 staff time.

OBJECTIVE 2.6: **STAFF TRAINING**

DHHL staff can be trained and certified to conduct certain basic nonprofit training courses. In the long term, this will increase staff's ability to provide professional services to clients and reduce DHHL's need to contract outside services.

Timeframe: From September 2009

Scope: Review various national training certification programs and find those most relevant to beneficiary and homestead association needs. Send staff periodically to attend courses with the goal of receiving trainer certifications.

Estimated Cost: $10,000 (@ $1,000/course + $1,000 travel/per diem x 5 trips)

GETTING STARTED

Decide to get involved
Talk with your homestead association leaders

- **Discuss participation in the Kūlia i ka Nu'u program**
- **First step: send letter to DHHL**

HO'OLALA – TO PLAN

Association	DHHL Support
- Initial meeting with DHHL to	- Orientation on Kūlia i ka Nu'u

EXHIBIT "A"

begin assessment - Leaders are passionate and visionary - 100% volunteers - Few community members trying to do everything	Program - Organizational Assessment identifies strengths, assets, training needs - Outreach Grants

HOʻOKUMU – TO START	
Association	**DHHL Support**
- Chooses to participate in Kūlia i ka Nuʻu - Organizes and conducts elections by June 30, 2010 - Holds General Membership meeting - Defines nominations process - Identify third party certification - Conducts elections: One Vote per beneficiary residing in the homestead (lessee, applicant, successor) - Incorporated as a nonprofit in the State of Hawaii - Organization in Good Standing	- Board Elections Process - Nonprofit incorporation - Strategic Planning - Organization Documents (Articles, By-Laws) - Outreach grants - Nonprofit Training

KUPU – To Grow	
Association	**DHHL Support**
- Implements Strategic Plan - Takes on Larger Community	- Specialized Nonprofit Training - Orientation and Training on

EXHIBIT "A"

Projects **- Participates in Regional Plan Process** **- Forms Strategic Partnerships** **- Makes informed choice of legal organization structure**	**Community Economic Development** **- Legal structure options (example: Federal 501c3 tax exempt status)** **- Project Implementation Grants**

HO'OMAKUA – To Mature	
Association	**DHHL Support**
- Has 501c3 Status or partners with a 501c3 **- Represented in Regional Entity** **- Consistently provides Services to the Community** **- Leverages Other Funds** **- Feasibility Study: Land, Finances**	**- Assists in Securing Land, Permits** **- Supports Proposals to other Funders** **- Eligible for All Grants, Training, and Land Awards**

KA 'OHI – To Harvest	
Association	**DHHL Support**
- Implement Business Plan **- Effective Leadership** **- Has Healthy Long Term Financial Outlook** **- Partners with DHHL in Managing Trust Assets** **Serves as Model and Mentor for Others**	**- Eligible for ALL grants, Training and Land Awards** **- Ongoing Support Available**

EXHIBIT "A"

BENEFICIARY CONSULTATION

"Consultation"

A conference between two or more people to consider a particular question; get or ask advice from; seek information from; talk something over.

GOAL 3 As an agency entrusted to administer, manage, and invest trust resources to accomplish a variety of goals and objectives that benefit native Hawaiians and their successors, the Hawaiian Homes Commission recognizes that meaningful, timely and effective beneficiary consultation is essential to the successful implementation of its policies, programs, and projects.

The purpose of beneficiary consultation is to ensure that appropriate processes and activities are incorporated into our planning and decision-making and that they are consistent with the policy's goals, objectives, and guiding principles:

(1) Timely and Consistent Consultation Builds Relationships, Trust, and Beneficiary Capacity;

(2) Consultation is Inclusive and Respectful;

(3) Consultation Provides Education

OBJECTIVE 3.1: STATEWIDE CONSULTATION ON POLICY ISSUES

The HHC-approved Beneficiary Consultation Policy requires that DHHL consult with regards to the following categories:

(1) Statewide Policies

Based on surveys administered at our consultation sessions, the highest priority statewide policy issues requiring consultation are: Sale of Homestead Leases, Successorship Eligibility, Native Hawaiian Qualifications, Purging Homestead Waiting Lists, Revenue-Producing Uses of Hawaiian Home Lands, Affordable Housing.

EXHIBIT "A"

(2) Changes in Island Plan Land Use Designations

For example, the recent acquisition of new land - when viewed in relation to our existing properties - provided an opportunity for the department to reassess its West Hawaii land uses. Certain large-scale revisions were recommended after consultation.

(3) Development Proposals for Revenue-Generation

The recent approval of the DHHL Energy Policy has prompted the department to explore several energy opportunities, some of which involve use of Hawaiian home lands. These development proposals are subject to beneficiary consultation.

Implementing Action 3.1.1: **STATEWIDE CONSULTATIONS**

Oftentimes, circumstances have changed so that existing laws, rules, policies, and practices need to be re-examined and revised to be effective. The purpose of statewide consultation is to take these types of issues, which were identified by beneficiaries themselves as significant, for consultation.

Scope: The department has scheduled consultations statewide on a quarterly basis. After the initial research is conducted and potential options tested, the proposed action is disseminated for consultation. The typical consultation involves a minimum of eight (8) meetings on Kauai (1), Oahu (3), Molokai (1), Maui (1), and Hawaii (2) with notification to 21,000 homestead lessees and applicants. A 30 day period is provided for comments from meetings, email, and mail. These are collected and analyzed in a Record of Comments which is forwarded to the Hawaiian Homes Commission with staff recommendations.

Timeframe: FY 2009-2010

Cost: Each consultation costs about $25,000 including printing, mailing, travel, lodging.

OBJECTIVE 3.2: **LEADERSHIP MEETINGS**

The advocacy efforts of beneficiary organizations will be supported so that they are informed and involved in the major

EXHIBIT "A"

issues affecting the Hawaiian Home Lands program and native Hawaiian rights.

Implementing Action 3.2.1: **STATE LEVEL**

Conduct quarterly informational meetings for beneficiary leaders to discuss statewide topics impacting DHHL, beneficiary rights, and other timely issues in the Hawaiian community.

Timeframe: On-going, generally on the third Saturday of July, October, January, April

Scope: Quarterly one-day meetings for about 50 leaders

Estimated Cost: $18,000 per meeting ($72,000 per year) for meeting facility fee, travel, and meals for beneficiaries. 0.25 Staff time cost for coordination and presentation.

Implementing Action 3.2.2: **ISLAND LEVEL**

Conduct quarterly informational meetings for beneficiary leaders on Hawaii, Maui, Molokai, Oahu, and Kauai to discuss island and community topics.

Timeframe: Ongoing, scheduled by OCH.

Scope: Quarterly 2-3 hour meetings with island homestead association and Hui Kakoo leaders

Implementing Action 3.2.3: **REGIONAL LEVEL**

Regional Plans will be updated every six months to coincide with budget and legislative cycles. On an annual basis, meetings will be held with homestead leaders, statewide beneficiary groups and other stakeholders within each region to update the Regional Plan information, discuss progress made within the past year, to reach agreement on new priority projects (as appropriate), and prepare to work together to implement these priorities in the upcoming year.

Timeframe: Annually in each region.

EXHIBIT "A"

Scope: Consultants will update regional plans, including the project tracking system, and meet with staff and homesteaders and other stakeholders to revise priority projects for the coming year.

Estimated Cost: Included in regional plan budget.

OBJECTIVE 3.3 **BENEFICIARY GROUPS**

Implementing Action 3.3.1: **ASSOCIATION LEVEL**

Attend Homestead Community Association and statewide beneficiary organization Meetings upon request to cover topics impacting DHHL, beneficiary rights, and other timely issues in the Hawaiian community.

Timeframe: Ongoing, upon request.

Scope: Appropriate DHHL staff to attend communities and/or board meetings upon request.

Estimated Cost: Staff time and cost for travel, lodging, coordination and presentation.

Implementing Action 3.3.2: **BENEFICIARY GROUP SUPPORT**

Subsidize the basic operating costs of the State Council of Hawaiian Homestead Associations, Hui Kako'o 'Aina Ho'opulapula, and Na Kupa'a o Kuhio.

Timeframe: On-going.

Scope: Cover basic costs for office operations, staff, board activities, annual planning, and outreach to members.

Estimated Cost: $100,000-$135,800/year/organization. Annual administrative grants adjusted for inflation and staff time for oversight.

Implementing Action 3.3.2.1: **AUDIT**

By June 30, 2010, complete an audit of the annual administrative grants program, which include review of the grantees: the State Council of Hawaiian Homestead

EXHIBIT "A"

Associations, Hui Kako'o 'Aina Ho'opulapula, and Na Kupa'a o Kuhio.

Time frame: Complete on or before June 30, 2010.

Scope: Seek contract services to perform an independent financial and management audit.

Estimated Cost: $25,000 for contract services, 0.25 staff time cost to manage contract and coordinate work with SCHHA and Hui Kako'o.

EXPECTED OUTCOMES

- Beneficiaries who are informed partners with DHHL in support of programs, policies, and legislation that supports the Hawaiian Homes Commission Act and other issues impacting DHHL.
- Increased effectiveness of the primary beneficiary advocacy groups - the State Council of Hawaiian Homestead Associations and Hui Kako'o 'Aina Ho'opulapula

Implementing Action 3.3.3: **CONFERENCES**

Subsidize the costs for at least 50 beneficiary leaders to attend conferences on major issues affecting the Hawaiian Home Lands program and native Hawaiian rights.

Timeframe: Varies.

Scope: Varies.

Estimated Cost: $25,000/year for conference fees, travel, and lodging, as appropriate.

EXHIBIT "A"

PLANNING

"Planning"

The process of setting objectives, or goals, and formulating policies, strategies, and procedures to meet them.

GOAL 4 - PLANNING

A planning system that guides the Commission in making decisions with sustained, meaningful participation by beneficiaries, elected officials, public and private agencies, community groups, and other stakeholders.

STRATEGY

The DHHL planning system provides the framework to support establishing and attaining the Commission's long-term goals, objectives, and priorities. The comprehensive approach identifies critical issues, determines priorities, allocates resources, and implements plans. The planning system is composed of the following:

Tier 1 - DHHL General Plan (adopted 2002) - Long term statewide 20 year plan

Tier 2 - DHHL Strategic Plan, Island Plans (20 year land use) and Program Plans (e.g. Agriculture)

Tier 3 - Regional Plans (sets 1-3 year project priorities), Development Plans (10 year phased property development)

Tier 4 - Implementation Tools such as CIP, Operating Budget, land use controls, legislation

OBJECTIVE 4.1: REGIONAL PLANS

To complete 20 HHC-approved new or updated Regional Plans by June 30, 2010. To implement regional plan priority projects.

EXHIBIT "A"

Implementing Action 4.1.1: **REGIONAL PLAN UPDATES**

Update the following existing Regional Plans at least once every two years:

OAHU: Kapolei, Waimanalo, Nanakuli, Waianae
HAWAII: Laiopua, Lalamilo-Puukapu, Makuu, Keaukaha, Panaewa
MAUI: Leialii, Honokowai, Waiohuli-Keokea
MOLOKAI
KAUAI: Wailua and Anahola

Timeframe: July 2009 to June 2011

Scope: Regional Plan updates involve updating a wide range of regional information, conducting discussions with homestead leaders, stakeholders, and the homestead community at large in order to reach consensus on priority projects for the region. Secure HHC approval of revisions.

Estimated Cost: Approximately $500,000 per year and 1.0 FTE staff.

Implementing Action 4.1.2: **NEW REGIONAL PLANS**

Begin the following Regional Plans and complete by June 2010:

OAHU: Papakolea
KAUAI: Hanapepe-Kekaha
LANAI
MAUI: Kahikinui
HAWAII: Keaukaha Tract II

Timeframe: Complete by June 2010

Scope: Compile and verify report information, conduct discussions with homesteaders and other stakeholders to set direction and priorities, secure HHC approval.

Estimated Cost: $300,000 in FY 2010 and 1.0 FTE staff.

EXHIBIT "A"

Implementing Action 4.1.4: **IMPLEMENTING REGIONAL PLANS**

Each regional plan contains priority projects, which may be proposed laws, rules, policies, plans, programs, and construction projects. DHHL will work with homestead leaders and stakeholders to implement priority projects within each region.

Timeframe: Upon HHC-approval of regional plans.

Scope: Work with agencies to include priorities in their multi-year program plans (e.g. State Transportation Improvement Plan) for budget purposes. Work with beneficiary organizations to plan, organize, and fund community-based priority projects (e.g. Grants-In-Aid). Work to educate public and private sector decision-makers on the priority projects and solicit their support.

Examples include the Waimanalo Town Plan and Anahola Town Center, both of which centered on common area property for community uses and community economic development uses.

Estimated Cost: $300,000 and 1.0 FTE staff; need will grow as more regional plans are approved.

EXPECTED OUTCOMES:

- Opportunities identified for partnerships with DHHL in developing its lands;
- Information provided essential to the planning of projects, services, and entrepreneurial ventures;
- Key issues, opportunities, and constraints identified effecting regional development and improvements;
- The efficient allocation of resources by DHHL and its partners is supported; and
- Priority projects identified that are essential to moving development and community improvement projects forward.

EXHIBIT "A"

OBJECTIVE 4.2: **ISLAND PLANS**

To develop a system of rules and guidelines to implement General Plan and Island Plan land use designations and policies, including beneficiary consultations.

Implementing Action 4.2.1: **IMPLEMENTATION GUIDELINES**

Scope: Develop rules and guidelines, as appropriate, to implement General Plan and Island Plan land use designations and policies, with specific provisions related to revisions and amendments to ensure review and comments internally, among democratically-elected Hawaiian homestead community organizations, and regional stakeholders, before HHC approval.

Timeframe: Start January 2008.

Estimated Cost: 0.5 FTE staff time, presentations statewide.

EXHIBIT "A"

GOVERNANCE

"Governance"

In general, governance comprises the traditions, institutions and processes that determine how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern.

Goal 5 – GOVERNANCE

Democratically-elected Hawaiian homestead community self-governance organizations choose to govern and manage certain homestead assets and lessee matters.

STRATEGY

There are a number of proposals which support or challenge the movement toward increased self-determination and self-governance exercised by Native Hawaiians.

Implementing Action 5.1: **Legal Defense**

The various Hawaiian trusts, including DHHL, have been the subject of a variety of lawsuits. Starting with the Barrett lawsuit in 2000 (dismissed 2003) and the Arakaki 2 lawsuit in 2002 (dismissed 2005), a substantial amount of time and resources have been devoted to defend the trust from constitutional challenges.

Scope: The State Attorney General represents the Hawaiian Homes Commission in these lawsuits. With support from the HHC, private counsel has been retained to represents the beneficiaries in these lawsuits.

Timeframe: Ongoing.

Cost: None in this budget, included in prior budgets.

Implementing Action 5.2: **Transfer of Selected Functions**

The new Kūlia i ka Nu'u Program (See Goal 2) is designed to confer certain responsibilities for the management of funds and land to homestead associations with the capacity. Other

EXHIBIT "A"

proposals are being developed to confer responsibility for common area property management to homestead associations who can perform satisfactorily at competitive prices.

Timeframe: FY 2009-2011

Scope: Determine those land management responsibilities that can be transferred to homestead associations and minimum contract requirements. Make contract awards available to those homestead associations who can perform satisfactorily at competitive prices.

Estimated Cost: $500,000

Implementing Action 5.3: **Examine Act 302 Provisions**

Act 302 was passed by the State Legislature in 2001, subject to consent of Congress. The proposal supports participation in governance by promoting the empowerment of democratically-elected Hawaiian homestead community self-governance organizations. It provides that the Commission may delegate certain authorities to these organizations, provided they demonstrate a capacity to provide the services at a level and quality comparable to the services otherwise provided by DHHL.

Although still subject to consent of Congress, there is a need to work together with other groups to define criteria and procedures regarding eligibility to receive governance authority (democratically-elected), geographic areas of the communities, governance authorities held by the Commission that can be delegated, minimum capabilities required, and procurement requirements.

Timeframe: FY 2009-2011.

Scope: Analysis of HHCA, Administrative Rules, relevant state statutes, and other relevant documents. Review and analysis of personnel, procurement, and program requiremenets. Review by Deputy AG, staff, and commission.

Estimated Cost: Staff and Deputy AG time.

Implementing Action 5.4: **Support Federal Recognition**

Although the Hawaiian Homes Commission Act was created by an Act of Congress in 1921 and incorporated as part of the Admission Act in 1959 as a public trust responsibility, the legal basis

EXHIBIT "A"

has been questioned recently. It is widely accepted that federal recognition is necessary to establish a government-to-government political relationship with the United States, similar to American Indian and Alaska Natives. It is important that native Hawaiians and the general public be educated on native laws, rights, and processes.

Timeframe: FY 2009-2011

Scope: Review and analyze various provisions of H.R. 2314, testify before Congressional committees, educate the beneficiary group on federal recognition and its impacts. Forums available to beneficiaries at no cost.

Estimated Cost: $50,000 for forums on federal recognition statewide.

Implementing Action 5.5: **Understanding Federal Native Policy**

In order for native Hawaiians to better understand federal recognition and how to influence federal native policy, it is critical that native Hawaiians be exposed to the wide range of experiences between native groups and the United States government. This would include the dismal record of exploitation, as well as recent successes in economic and community development in native communities.

Timeframe: FY 2009-2011

Scope: Conduct two-day symposiums on Oahu, Maui, and Hawaii on federal policy and practices with native groups regarding citizenship, self-governance, native constitutions, and land claim settlements. Symposiums available to beneficiaries at no cost.

Estimated Cost: $100,000 for FY 2009-2010.

EXHIBIT "A"