



BOARD OF TRUSTEES
 Colette Y. Machado, *Chairperson*
 Brendon Kalei'aina Lee, *Vice Chairperson*
 Leina'ala Ahu Isa, *At-Large*
 Dan Ahuna, *Kaua'i & Ni'ihau*
 Kalei Akaka, *O'ahu*
 Keli'i Akina, *At-Large*
 Carmen Hulu Lindsey, *Maui*
 Robert K. Lindsey, Jr., *Hawai'i Island*
 John Waihe'e IV, *At-Large*

**STATE OF HAWAII
 OFFICE OF HAWAIIAN AFFAIRS**

MEETING OF THE BOARD OF TRUSTEES

DATE: Thursday, September 5, 2019
TIME: 10:00 am
PLACE: OHA Board Room, Nā Lama Kukui
 560 N. Nimitz Hwy., Suite 200
 Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Approval of Minutes
 - A. July 18, 2019†
- III. Public Testimony*
- IV. Unfinished Business
 - A. Interim CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities
- V. Executive Session ‡
 - A. Consultation with Legal Counsel Shanlyn Park, Esq., Corporation Counsel Raina Gushiken, Esq., and Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to requests by the State Attorney General's office for documents related to OHA's support and concern, per its statutory and constitutional obligations, for the physical well-being, fair treatment, safety, and welfare of the OHA Beneficiaries on Maunakea. *Pursuant to HRS § 92-5(a)(4).*
 - B. Consultation with Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS §92-5(a)(4).*
 - C. Consultation with Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to CHING et. al. v. SUZANNE CASE, in her official capacity as Chairperson of the Board of Land and Natural Resources, et. al. SCAP-18-0000432. *Pursuant to HRS §92-5(a)(4).*
 - D. Approval of Minutes
 1. July 18, 2019
- VI. New Business
 - A. Committee on Resource Management
 1. Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka'ako Makai Policy relating to the allocation of revenue from OHA's Kaka'ako Makai properties to the Land Legacy Program. (2nd Reading) †
 2. Action Item RM #19-13: Approval of and authorization to amend page 1 of the Investment Policy Statement and Sections 4 ("Delegation of Authority"), Section 13 ("Procedure for Selecting and Reviewing Investment Advisors") and Section 16 ("Adding new Asset Classes"). (1st Reading) †
 3. Action Item RM #19-16: Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy. (1st Reading) †



STATE OF HAWAII
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- VII. Community Concerns*
- VIII. BOT Workshop
 - A. OHA Strategic Planning 2020+ Phase III, *Workshop Three*, BOT Review of the recommended strategies and timeline
- IX. Announcements
- X. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Raina Gushiken at telephone number 594-1772 or by email at: rainag@oha.org no later than three (3) business days prior to the date of the meeting.

*Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz, Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 48 hours prior to the scheduled meeting. Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes.

† Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

‡ Notice: This portion of the meeting will be closed pursuant to HRS § 92-5.

Colette Y. Machado

Trustee Colette Y. Machado
Chairperson, Board of Trustees

8/30/19

Date

Meeting of the Board of Trustee, September 5, 2019 Agenda Continued

Office of Hawaiian Affairs
Board of Trustee Meeting
September 5, 2019
10:00 am

- II. Approval of Minutes
 - A. July 18, 2019

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. Nimitz Highway, Suite 200
Honolulu, HI 96817**

**Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, July 18, 2019
10:00 a.m**

ATTENDANCE:

TRUSTEE COLETTE MACHADO
TRUSTEE BRENDON KALEI'ĀINA LEE
TRUSTEE LEINAALA AHU ISA
TRUSTEE KALEI AKAKA
TRUSTEE CARMEN HULU LINDSEY
TRUSTEE ROBERT LINDSEY
TRUSTEE JOHN WAIHE'E IV

ROBERT G. KLEIN, ESQ., BOARD COUNSEL

EXCUSED:

TRUSTEE DAN AHUNA
TRUSTEE W. KELI'I AKINA

ADMINISTRATION STAFF:

SYLVIA HUSSEY, ICEO
RAINA GUSHIKEN, CC
MOMILANI LAZO, ADM CEO
MILES NISHIJIMA, LPD
EVERETT OHTA, CC
MEHANA HIND, CE
STERLING WONG, PRO
GLORIA LI, CTRLR
JIM MCMAHON, ADV
JIM PATTERSON, PROG
JOCELYN DOANE, PP
KEVIN CHAK, IT
TIGER LI, IT

BOT STAFF:

CAROL HO'OMANAWANUI
LŌPAKA BAPTISTE
DAYNA PA
MELISSA WENNIHAN
NATHAN TAKEUCHI
LEHUA ITOKAZU
PRICILLA NAKAMA
ALYSSA-MARIE KAU
LEIANN DURANT
PAUL HARLEMAN
BRANDON MITSUDA
ZURI AKI
KAUIKEAOLANI WAILEHUA

GUESTS:

LESLIE H. KONDO, STATE AUDITOR
GERMAINE MEYERS
JOSEPH MAHOE

I. CALL TO ORDER

Trustee Colette Machado Calls the Board of Trustees meeting to order at 10:02 am. Roll call is taken; Trustees Ahu Isa, Akaka, Lee, Carmen Hulu Lindsey, Robert Lindsey and Machado are present, constituting a quorum. Trustee John Waihe'e IV is expected to arrive shortly and excused absences were received from Trustee Dan Ahuna and Trustee Keli'i Akina.

We will move on to public testimony. We have two members who have signed up.

II. PUBLIC TESTIMONY

Chair Colette Machado – We have one individual that has asked to address the Board of Trustees under public testimony. I will call on Germaine Meyers OHA beneficiary. Germaine, just for the record, I called you under public testimony provision. Will you be addressing, what you circulated will that be addressed?

Germaine Meyers – Its verbal going with this. I am going to be talking about my verbal, which is not on here referencing this.

(LOYALTY TO ~~BOARD~~ BENEFICIARY handout from Germaine Meyers is attached to the minutes.)

Chair Colette Machado – Will that be related to item IV.A. which is the State Auditor.

Ms. Meyers – It will be all of these agenda items. It will be interspersed within my testimony. Is that ok?

Chair Colette Machado – If we will engage with questions under public testimony, we can engage with questions not in community concerns. So in certain areas of your testimony I may have to cease any kind of dialogue.

Ms. Meyers – It is going to be 100% agenda items nothing to do with community concerns.

Chair Colette Machado – Please proceed when you are ready.

Ms. Meyers – Aloha, my name is Germaine Meyers, I am an OHA beneficiary for beneficiary advocacy and empowerment. I am also a Nānākuli Hawaiian Homestead Lessee. I provided to you a four-page handout if you look at page one I will start with my testimony, which are my data, views, and arguments regarding the agenda item.

On handout number one, loyalty to Board, a'ole loyalty to beneficiaries. The handout number two I start out with in State Audit report 18-03 February 2018, paragraph 1 on page 4, it states that the OHA Trustees have a fiduciary responsibilities, including a duty of prudence, duty of loyalty, duty of impartiality and duty with respect to co-Trustees. It further goes into detail the meaning of each of these duties. The duty of prudence is to exercise reasonable care, skill and caution. The duty of loyalty is to act solely not dually for the board and beneficiaries but in the best interests of beneficiaries. The duty of impartiality states that it is to be impartial with respect to the various beneficiaries, in consideration of the diverse interests of present and future beneficiaries. The duty with respect to co-Trustees states using reasonable care to prevent co-trustees from committing a breach of trust and to obtain redress if a breach occurs. I will come back to this page because it really fundamentally talks about what I would like the new audit, I hope the new audit will address.

If you go to handout number three at the top of it is from State Audit report 18-03. It shows the OHA organizational chart. But my data and view is that it is incomplete which I hope will be addressed in the new audit report. It is missing OHA's LLCs. However, on report 18-03 it states on page 29 there is an insert, OHA's Limited Liability Companies. I highlighted for you, it is unsettled whether OHA's LLCs are State organizations subject to laws applicable to the State agencies, like the State Procurement Code, the State Ethics Code, the Sunshine Law, and the Uniform Information Practices Act. I would like the State Auditor to know that it has been settled, it is recently been settled by the Court that OHA's LLCs are State organizations subject to these laws. I would like the new audit report to include these things.

Finally, on the handout number four, I took it from page number 1 paragraph number 1 on audit report 18-03. I highlighted for you, it states, OHA has created alternate funding processes that allow the agency to regularly direct money to a multitude of programs, project, and individuals. At first glance, these funding opportunities appear to be guided by policies, procedures and guidelines designed to ensure that funds are distributed fairly and equitably. In reality, however, these expenditures and other forms of discretionary spending do not undergo the rigorous vetting, monitoring and reporting requirements of OHA's formal grant process. Some are approved by the OHA

Administration without Board of Trustee vote or even knowledge. I underlined below, administer the trust fairly, equitable, and without self-interest. In other words, this form of behind-the-scenes giving is inherently inequitable. What I would like the State Auditor to know, is that in this lawsuit that clarified that OHA's LLCs are subject to State Laws of a Government Agency such as OHA. That David Laeha, the ex CFO, Chief Financial Officer, he stated that it was their practice to not let the Trustees know about the expenditures in these LLCs. There was no knowledge; there was no vote by the OHA Trustees, except for funding what was channeled to these LLCs. I would like to make the point that I would hope that this Audit report does look into the LLCs, and that it gives us knowledge about these things that were not knowledgeable to the Trustees as well as to OHA beneficiaries.

Going back to handout number two. I would like to point out and I would hope that the Auditor would clarify for us in the new Audit Report that using reasonable care to prevent co-Trustees from committing a breach of trust and obtain redress if breach occurs, that I had let the Trustees know that prior to 18-03 I had let you know about a OHA Trustee's Aide, receiving funds from the LLC without OHA knowledge and yet this aide is still working here. If you look at the organizational chart it under Community Engagement. That person has a very high role under community outreach. So talking about redress, nothing has been redressed. It has never come before the board about these concerns that I had that came out before 18-03. After 18-03, I did bring up to the Board and I provided numerous, for the old for the first one I stated and for this afterwards. I stated and I showed you that the Administration had opened up an LLC without board approval. It came out of an Ad Hoc Committee by a Trustee, yet there was no redress for that. I am concerned that all these things that the State Auditor has brought to my knowledge and mine own awareness of what is a fiduciary role of a Trustee. Unfortunately, over and over I keep bringing up, and most especially, Chair, that the Board Chair I would think would be the one that would direct the agenda and would bring these to the concerns of the Board. But in actuality the Auditor has stated that you are Co-Trustees and that you can force her to bring them to the concerns of the Board. So e hana kakou.

10:14 am Trustee John Waihe'e IV leave the meeting.

Chair Colette Machado – Thank you Germaine. Any questions? If not we will move on. There is no other individual that has signed up for public testimony. We will now go to III. Unfinished Business.

III. UNFINISHED BUSINESS

A. CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities

Chair Colette Machado –I would like to Sylvia.

Sylvia Hussey – Good morning Trustees. Given the current activities, Administration thought it would be important for you to understand what some of the activities are going on in a communication to our staff through the leadership teams. We just want to make you aware, you are aware of some of these things. But in complete transparency, we have in the last few days had three press releases on our positions on the activities on Maunakea. We made sure that our staff knew that the position of the Board and the clarity around that. Administration's responses and activities, we have a number of community and advocacy staff who are engaged in observation of legal observers which is a technical description of a role through the national lawyers guild and Richardson Law School. We have both Jocelyn and Mehana here who can help to answer any questions if you do.

We have advocacy staff who are coordinating some voluntary lawyers to assess beneficiary needs as it relates to criminal activities. We also have our digital print media who are deployed to various gatherings to record and broadcast various press conferences, statements and then rebroadcasting that on social media for awareness. Then we have collectively, both Trustee offices as well as the general administration have been fielding a number of concerns, inquiries, information provided to the office. We are coordinating those inquiries, providing, and addressing.

The last thing is that our staff and through our leadership was reminded of the communication protocols. That when there are concerns that come in from a number of places that as it relates to communication, they are very specific communication protocols that should they be contacted by whoever that there is a specific protocol. Especially as it relates to Maunakea, and that is through the Board and the Ad Hoc Committee. We just wanted to make you aware that at the administration operational level there are a number of activates that are being coordinated so that there is consistent responses to all of the concerns and the observations being made.

Chair Colette Machado – Thank you Sylvia. If it's ok, we will move on to New Business.

IV. NEW BUSINESS

A. Entrance conference and discussions with Leslie H. Kondo, State Auditor, Office of the Auditor, regarding and audit of OHA pursuant to Act 37 of the 2019 Legislative Session.

Chair Colette Machado – Would you introduce our State Auditor at this time?

Sylvia Hussey – Sure, under Act 37 we have the State Auditor, Les Kondo, Trisha Oftana who is the supervisor and Darin Kawamoto who is the analyst in charge. All three of them are here.

Chair Colette Machado – Please join us at the table.

Leslie Kondo – Good morning. My name is Les Kondo I am the State Auditor. Next to me is Trisha Oftana is one our managers in our office, she is the supervisor for the Audit relating to OHA, the current audit. Darin Kawamoto is the analyst in charge of the audit. That means he is the day to day in charge of the team who is part of the audit. We also have with us Daria Lloyd-Goto is the Deputy Auditor and on the team is Roy Kawamoto and Sean Wong; they are both in the back. They will also be working on the audit as the analyst that is part of our audit project team. Thank you very much for the invitation to be here to talk to you folks.

We are starting our audit of OHA. That audit is mandated by Act 37, which was OHA's appropriation bill. By law, we audit OHA every 4 years. Like Ms. Meyers mentioned we issued a report last January that was in the normal 4-year cycle of our audits. This is not a part of that 4-year cycle. This is a legislatively mandated audit. Not sure how we are going to deal with the cycle part, but we will figure that out as we go forward. We are here to really just to talk with the Board so that the Board will understand our audit process. I know many of you were part of the Board the last time we were here. So we had a very similar entrance conference with the Board then. This is a very similar discussion and I think your financial auditors probably had this discussion with your financial people every year. So it's part of our normal process to come and talk to the auditee, the agency that we are auditing so that they will understand the audit process, if there are questions that you folks have, this is, I know it's a formal Board of Trustee meeting, but from my perspective its intended to be an informal discussion with you folks. If you have questions about our process, what we are doing, how we do things, please interrupt me if you want or you can ask the questions at the end. But it really is an opportunity so you folks will know what we are doing so you are comfortable, at least understanding our process.

We've already had an entrance conference with the Administration. We sat down and we talked with the Administration about the process. A very similar process that we employed last time. I had a handout that I think was distributed to all you folks that is a brochure that my office put together. Trying to get some information to the auditees about our process. It is not a financial audit. A lot of people misunderstand when they hear that we are coming to audit them, that it's a financial audit. It is not. I understood last time there was some concerns that I am not a CPA and that is absolutely correct I am not. It's not, at least from my perspective, it's not a big deal, because we are not here doing a financial audit. We are doing a performance audit of OHA. The Act or the bill that became this Act, it says, financial and management audit, we consider management audit to be a subset of performance audit. What we are here to do is we are here to assess, just like last time, assess OHA's performance, certain activities that OHA is engaged in, how they are performing those activities. Whether they are consistent

with the statutory requirements, if there's procedures, policies, processes that OHA has implanted, whether those activates are consistent with those processes, those procedures that OHA has implemented. That's the framework of what we do and what we asses.

The last time we were here, we assessed OHA's grant process, the discretionary spending, which also includes discretionary grants as well as the use of Trustee Allowances. That's the report that Ms. Meyers was referring to. Because we come back and we audit OHA so regularly, we have, I call it an advantage. In the sense that we know OHA, or at least we know a little of OHA. For most organizations that we are auditing for the very first time where we don't have that advantage we have to go in and we have learn about the agency. Right now, we are auditing the Agri-Business Development Corporation, first time. So what we are doing, it's a very similar process that we will employ here but like I said we have an advantage with OHA.

We go in and try to learn about the agency, what did they do, what are their activities, what are their key roles so that we can understand about the agency. Then from there we go back and we decide which activities we are going to audit. We cannot audit OHA, OHA is too large of an animal, within the time frame for us to audit. ABC same thing, Agri-Business Development Corporation too large of an animal. So what we do in the initial phase is explained in that brochure. Which we are doing right now, we are do some planning work. So the audit to me is divided into three phases. The first is planning, which is what we are doing now. We are trying to understand; in this case, because we are familiar with OHA, we are not going to audit the same things that we audited last time, so we've excluded those things. So in our planning process we are trying to gain information so that we have an understanding of the specific activities for different phases of OHA's lines of business or different activities that OHA is engaged in.

This time we have taken even a different approach, we've pretty much committed at this point in time as I talk to you right now, to looking at OHA's LLCs. It's not just the LLCs, I think we are going to look at the Board and OHA generally, their administration of the LLCs. So the reason why it took us a bit to get to this point it because I understand that the Board has contracted with a private CPA firm, Clifton, Larson and Allen, CLA, to do an audit of the LLCs as well as audit of OHA. We didn't want to duplicate what Clifton is doing. So we actually sat down and talked to Clifton and we've talked to a number of Trustees and the Administration to make sure that we thought that we would be able to add value in areas that Clifton is not auditing. We are very confident that we will do work that Clifton is not engaged to do. Even though both of us will be auditing the LLCs, or different aspects of the LLCs, I am confident that our work will not overlap too much. There may be certain contracts and certain activities that we both look at, but I think our focus will be very different.

The first phase is planning. We've been talking to a number of people to understand about the LLCs and initially we were trying to understand different aspects of OHA's business that we had not audited before. But like I mentioned I think we are at this point decided that we are going to focus on the LLCs. We've gone and we've talked to many of you. We've asked for interviews to understand your understanding of the LLCs, where they came from and what they've done and your oversight of them. We've talked to other people about their involvement with the LLCs. So we are gathering information at this phase of the audit at a very high level. I call it planning because we are gathering information about, just general high-level information. At a certain point in time, like I mentioned, about two months, I break it into three two-month segments or phases. Once we finish the planning phase, we will identify the specific audit objectives. Meaning exactly what we intend to audit. We will provide those objectives to you. They will come to you in a letter that will specifically identify the objectives. To the Board as well as to the Administration. So that everyone is aware, as to exactly what we are intending to audit.

The second phase of our audit work will be fieldwork. That is when we go back and we gather more information that is specific to those audit objectives. So I will give you a heads up, because it's often that we will talk to you and talk to others during planning because we are getting a high level of information and we will come back and impose on your time a second time after we've identified the audit objectives, because now we want to know very specifically information relating to those objectives. I apologize in advance if we are going to impose on you multiple times, but that is part of the process. The fieldwork phase is about two months. We may actually ask for space here, we are looking at documents; we are talking to a number of people.

The third phase of our audit is really the report phase. During that report phase, we will draft a report, obviously. The report will circulate to OHA, and I know last time people that were a part of the Board last time, I am sure you can recall, that experience. But we will provide the draft report to OHA, but the Board as well as the Administration. We don't provide that report draft form to anyone else. In other words, we are not providing a draft of that report to legislative leadership, to the Governor or anybody else it just comes to the auditee. We ask that the auditee keep that report confidential, not confidential, we ask that you keep it to yourself. The big reason for that is because at that point in time we are confident that that report is in the form that we intend to publish it. That report goes through a very rigorous review in my office. Every sentence, if you look at an electronic version of that draft of that report, every sentence has a link to a work paper. It's a document that either summarizes in interview; it may be a document that you folks or someone else has given us. But its support for that sentence. It goes through a rigorous review by someone that has not related to this audit team, someone in my office, another staff member. They confirm that the support, that that sentence is supported by the documents that we have in our work paper. So when we bring it to you, we are very confident that it is ready to be published. We bring it to you because maybe we missed something. It maybe that we didn't ask for a box of documents, or maybe you misunderstood our request and that box of documents is in your corner. We want you to tell us that. We want you to show us information that maybe inconsistent to what we are reporting. The reason why we ask you to keep the draft to yourself is because; it's possible that the draft may change. If you give us information, we will have an exit conference where you will have the draft and we will ask to meet with you.

Last time because you folks are sunshine law board, the board decided that they didn't want an exit conference with me and my office. We met with the Administration; we had an exit conference with the Administration. That is your decision as to whether or not the Board wants to exit with us. But we will definitely invite the Board to exit with us and we definitely invite Administration to exit with us. The draft will be, hopefully you'd have a chance to digest the draft, we will come and talk about the draft at the exit conference. If you have issues with the draft that is the opportunity for us to discuss those issues. My hope is that the factual foundation of that report, we all agree. In other words, we didn't miss a fact. If we missed a fact, I'd hope that you would tell us this is not correct, here are some documents that will refute or disagree with whatever you are reporting. We can always disagree with what those facts mean. I can respect the fact that you will interpret it perhaps then we interpret it. But the foundation of the report, the facts, we should all be on the same page. For me that is the primary purpose of the exit conference, is to have the opportunity, the auditee have the opportunity to talk about the report, the draft. If there are any issues that they have, that to me is the time for us to discuss it. The agency will also have the opportunity to provide written response to the audit. A written document that we will include as part of the final report. It is at the back of the report. We will also add our own comments on top of the agency's comments. That all becomes part of the final report. That report is pushed out to you folks of course, but also we put it on our website, so it is a public document.

Let me take a couple steps back. Act 37 it asks us to do a financial and management audit, like I mentioned before. My understanding is that OHA receives annual financial audits, has an independent annual financial audit by a CPA firm and some of the LLCs are included in OHA's audit and the LLCs that are not are independently audited by a CPA firm as well. Based upon that understanding we will not be doing a financial audit of OHA. We do not want to waste our time, we don't do any financial audit in house, we contract them out. So it's really not wasting our time, its wasting your money. We don't want to engage a firm to duplicate work that another independent CPA firm is already doing. The standards are relatively the same, or are the same. Their test samples may be different, they may have different opinions but at this point, we are going to rely upon the professional judgement and those professional firms doing what they are contracted to do. So we are not going to engage in anybody to do a financial audit of OHA. Our focus like I said is a management or performance audit and it's likely the focus of that is going to be the LLCs and OHA's oversight of those LLCs as well as the LLCs themselves.

I know the Act it is unusual in the sense that it ties the release of the General Funds Appropriation to OHA to our completion of the audit. We are very aware of that provision. I want to assure you that we see it and your interim CEO has come very soon after that bill was signed to let us know that it was there. But we knew it was there. We

are very aware of it and I commit here that we will do our best to issue that report as expeditiously as we can and 20 days before session, which is our deadline, is roughly in my mind is the end of the calendar year. So my expectation is that we will issue that report by the end of the calendar year. That all said that is going to be partly dependent upon the cooperation we get from OHA. We certainly expect full cooperation from OHA that means documents as well as access to people when we come and ask for interviews. We expect and we understand that you have, you and your staff, have other responsibilities. But we also believe that this is also part of your responsibility. We certainly will be aware and to the extent that we can accommodate other work, we will do that. But we also need to finish our work so that we can issue the audit timely. We will do our best, but we expect full cooperation, full access to you folks, to staff, to records. I know there is an agenda item that I think the Board may consider in Executive Session about our access to confidential OHA material.

I communicated with Mr. Klein a couple times by email. The last time we were here 2 years ago, we had no issue. In other words, we had access to whatever OHA information OHA had. Confidential information, including Executive Meeting minutes. We expect that. I understand that Mr. Klein is here to advise the Board and it's a new Board about our ability to access that. When I read our statute, the Auditor statute, it tells me we have access to all records, with no exception. We also have the ability to if necessary to subpoena records, or subpoena people. I don't believe we ever need to pull that trigger for a State Agency. I believe a State Agency must cooperate. We would use that extremely sparingly.

We didn't get access to Executive session minutes when we audited HART. That was in the paper, you may have seen that. We, internally we had some issues with HART and HART's counsel about that but we did not push further than just reporting the fact that we didn't get access. Partly it was because HART is a City agency; partly it is because we had deadlines we needed to meet for the legislature. That was another legislative mandated audit. I am not sure we will take that same position with OHA. I don't want this to be viewed as a threat. I just want you to know because I want to lay all my cards on the table so you folks know our position. I am not sure we will walk so quietly away should you folks tell me that we don't get access to your materials. I am thinking we will take a little tougher stand because I think this is an important issue not just for us and OHA, but us and other State agencies. So I'm just telling you right up front, I am not sure if you tell me you are not going to get access that we will walk away quietly and softly on that one. We expect access to everything and anything and we expect access to you folks and we will push hard to get that.

I also want to make another comment on this one. And I guess a couple things, just so you have some assurance as to our ability, what we do with this information. The information that we receive from an auditee, the work papers, which would include your documents, the interviews that we have with you folks, the summaries of those interview, we tape most of the interviews as well. So that tape recording as well is all considered work papers to us. By statute, the work papers are confidential. So what that means to me is nobody gets access to those work papers, to those tapes, to those documents, to those executive session minutes, unless there is a court order. I can't tell you never ever, but only by court order. So we have been subpoenaed by the Attorney General's office, for instance, for other agency's documents that we have received through an audit we fight that. Not a court order. Subpoena is not a court order. To me there is some protection, not absolute, but pretty solid protection for OHA and any other agency with respect to confidential material as well as other types of material that is not available to the public.

The other protection to me that OHA has is I mentioned that we have the draft document, the draft report that will be provided to all of you as well as the administration. If OHA believes that we are reporting information in that draft that is confidential or protected, that is your opportunity to tell us. To tell us, you know all this stuff that you are reporting here, this is stuff that you got out of confidential information from Executive Session minutes, or wherever else. We will definitely take that into consideration and very, very, likely remove that information from our report. We are not here to argue with you about whether or not it truly is confidential or not, because that really is not our role. I hear Ms. Meyers talking about somethings that we reported before and her hope about what we are going to report in the future. We are not here as the State's lawyers, we are here as the State's Auditor. So there are issues that are legal in nature, we have many lawyers in our staff, including me, so we have like Mr. Klein, that's how lawyers make our money; we all have different opinions as to how we view things, and how we

interpret the law. But we all will have our own opinion but we are not lawyers, we may report things in a legal nature but that ultimate decision as to whether or not you're right, or I'm right or whatever the issues is that is a decision for the court. So we will be very careful is you tell us this information is confidential in the draft report. So I feel that there are multiple layers of protection, just for your information, as you go in, if you do go into and Executive Session to talk about this stuff. I just want you to have some understanding that I feel like there are safe guards that are in place that should give you some assurance that whatever confidential information you do provide to us for purposes of the audit it remains confidential and is not available to people outside of OHA and outside of my office.

Chair Colette Machado – Are you done Les in your opening comments before we field for questions? Would you like to complete your presentation?

Mr. Kondo – I am happy to take the question, Chair if that is good for you.

Chair Colette Machado – I will call on Trustee Leina'ala Ahu Isa.

Trustee Leina'ala Ahu Isa – Thank you, I appreciate the part that we get to see the exit, because the last time that we did this audit there were things that were out there, I don't know who put them out there about Trustees and the expenditures and the things that were wrong. I been through many audits, the Board of Education as well as the University of Hawaii, and I think you worked more with administration not so much with the Board. So you come in here and telling us all this, Marion Higa was previous to you. You really work for the legislature they are your boss, so my question is, Act 37, what kind of prompted, is this the first time, I think it's like setting a precedence a first time and using beneficiary money, because so many hours have been put in to other audits on our staff, that they are billing which is beneficiary money so that's what the complication comes in. Are we a State Agency or not, if we are a State Agency we should have an attorney general sitting here like the Board of Education. All of a sudden we don't get any money but yet they asking for the audit. You know why since you work for them and they are mandating it before next session starts, is that when it's due.

Mr. Kondo – It is due 20 days before session, and I want to clarify, I don't work for the legislature. We are one of the four legislative service agencies, so we are part of the legislative branch of government. I don't work for the legislature, they don't tell us, they tell us what they would like us to audit. In this case, they told us they would like us to audit OHA. And we are a tool of the legislature because there are many State programs that the Legislature is probably unaware how they operate. So that's our role and our function is to provide that insight and transparency to that program.

Trustee Leina'ala Ahu Isa – Les, I understand that I was a State Rep. so we kind of set that up before, Marion was out there and they put it under the legislature. I understand that part, I was just wondering if this set a precedence for people...

Mr. Kondo – I don't know that question is above my pay grade.

Trustee Leina'ala Ahu Isa – I just thought you might know, but that's ok.

Mr. Kondo – It was a surprise to us as well.

Chair Colette Machado – I wanted to ask a question about the period, this is only within one-year period that you folks are reviewing, am I correct?

Mr. Kondo – That is not correct. What an audit is, an audit is a backwards snap shot in time. So it's not today, this moment, it's a backwards snap shot of a period of time. So the operations within a period of time of whatever the activity is that the audit is focused on. It's not a one-year period. It's very unlikely that it's going to be a one year snap shot, it's going to be a multiple year snap shot so that we can understand what the activity is and how the activity has been performed.

Chair Colette Machado – So can you be a little bit more definitive in what year you are going to look at? Going back to 2015, 2016, 2017, and 2018?

Mr. Kondo – Not right now, I think that would definitely be part of...

Chair Colette Machado – You still digging into everything, from A to Z with OHA? Are you over lapping from your report that you filed on OHA?

Mr. Kondo – Excuse me what was that question?

Chair Colette Machado – I am trying to figure out from you, from the audit report that you did on us, what was it called that Germaine reflected, Audit 18-03, is it a continuation from 18-03. That is what I am trying to get at?

Mr. Kondo – If you are asking if we are going to audit the same areas, the answer is no.

Chair Colette Machado – No it's the timetable I am looking at. I know you specifically looking at the LLCs and other measures, but are you going to reflect from that time period over to current?

Mr. Kondo – I am not really understanding if you are asking are we starting now and we are looking from that period going forward, the answer is no.

Chair Colette Machado – Why can't you be clear when you are going, when does the audit period you are reviewing now, when does it start, what year, you should be able to tell us that.

Mr. Kondo – We can't because...

Chair Colette Machado – Why can't you tell us that?

Mr. Kondo – Because we are in our planning phase. So as we get the objectives to you, which is the end of the planning phase, when we actually decide specifically what we are going to audit, that information will be in those objectives. The period of time that we are examining. That is something that is being considered right now because we really don't know at this period in time as we sit here right now, what was happening like for instance in the LLCs last year, 2007, so we will fashion a period that gives us enough information for us to assess and look at. So that information will come to you as part of the objective letter.

Chair Colette Machado – My expression to you is in our deliberation with the Legislative intent, they were clear that it was not going to be a moving forward from your report 18-03, they were pretty definitive on what we were looking as far the periods that would be covered in your audit to meet the deadline by December. That is the question that I have, if you are going to cover multiple years, which you are not declaring what year you are going to start to end. Multiple years may take you beyond the targeted report date that you are anticipated it will be ready. I am trying to throw it out again to be fair to us and not wait for your draft report what period you may be considering to do the review. That is my whole point.

Sylvia Hussey – It might be helpful to outline what was initially requested in the document production to give some context of what you are using in your planning.

Mr. Kondo – We are getting general information from Administration about for instance the LLCs, which will help us define the objectives of the audit, which will also include the scope or the period of time that we are intended to audit. I don't read the Act 37 to tell us that we are only supposed to audit one year. So the period of time that we have to perform the audit, issue 20 days before session, we see that, we are aware of that. Like I mentioned earlier we are very conscience about the fact that OHA's general funds appropriate is tied to the issuance of the audit. We are very aware of that Chair. So if you are asking me what period and why can't I tell

you that now, it's because our process doesn't allow us to define that yet. We are still understanding, learning about what the LLCs and OHA's administration of those LLCs have been and we will define the period once we get to the objective. That will be provided to you, that will be transparent to you, administration and others if they are interested, what that period is.

Trustee Carmen Hulu Lindsey – Mr. Kondo, to have more clarity, in the last audit you did for us for four years, were you able to audit the LLCs?

Mr. Kondo – That was not, we might have been able to, but we didn't look to audit the LLCs. So if your question is did we have access, we didn't even try. Our audit objectives were about the discretionary spending by OHA. It was not about the LLCs, but because the LLCs were interesting as we did our planning work, we included that side bar that Ms. Meyers referenced in our old report about the LLCs.

Trustee Carmen Hulu Lindsey – So that tells me that you will have to go back 4-6 years in the LLCs to get the whole picture now that you are going to be focusing on the LLCs. That is my thoughts.

Mr. Kondo – I would agree, it's not going to be a one-year snapshot in time. Whether its four years, 6 years, I don't know. But it certainly will be a multiyear snapshot back in time. Probably not 6 years, we likely will try to understand the history of the LLCs, and provide some background so whether you folks know it or whether the beneficiaries know it, whether the world knows it, to provide some information as to how the LLCs evolved, I expect that we will probably provide that background information. My understanding is the first one was created in 2007, but that is not an audit, that is only providing background information as to the history of the LLCs. In terms of what we are really looking at, it's likely to be multiyear, it's very, very likely, it's not likely to be 6-year period. But at this point, I am not able to tell you what that period is.

Chair Colette Machado – Will you utilize all of the monies that we allocated of Trust funds to cover this audit, which is half a million dollars.

Mr. Kondo – Thank you for that question.

Chair Colette Machado – I think Trustee Leina'ala Ahu Isa's was hitting to that but we never got to the meat of it.

Mr. Kondo – I didn't understand that, I am sorry I didn't answer it. I think that's a really important question, I am sorry I didn't include it in my discussion. At this point, especially since we are not doing a financial audit, we don't expect to spend any of the money. However, and it's a big however, at this point we haven't identified our objectives, and we certainly don't know about our access to your information. So if we are now challenged in being able to access information or for whatever other reason that we need to complete this audit, it's possible that we may tap the money. But at this point in time, we have no intent of using a cent.

Chair Colette Machado – Are there other questions? Trustee Lee.

Trustee Brendon Kalei'aina Lee – You made that clear to us before coming here through other communications. I appreciate that.

Mr. Kondo – I think that is the same information that we provided to Administration multiple times. So OHA will have some assurance.

Chair Colette Machado – At the OHA level if it's going to expedite the completion in a timely manner so we can go year 2 of the funding from the Legislature, is ok for you to utilize those resources because want to be able to meet that timetable, 20 days before the legislature opens the report needs to be filed with them if we are going to be considered for the year 2 funding our general fund monies.

Mr. Kondo – I appreciate where you are coming from Chair. We are aware like I said about the deadlines. We feel like we have a job to do and we will do the job as best that we can, and if we need to tap the funds in our judgement we will tap the money. But right now, as I sit here, like I said, we don't have an intent to tap that money. We are very aware of the timeline in the bill, or in the Act.

Chair Colette Machado – You must appreciate our concern, because we are caught in this rigid timetable for our year 2 funding and its contingent on the report and what the findings you have. So you can anticipate that we are on the edge because if that doesn't occur favorably for us and we don't get the year 2 it's going to be another effect on our organization that we would have to engage in how we allocate the additional funds that we could not receive in the general fund area.

Mr. Kondo – I appreciate that, but that is why we are talking about some of this stuff on the table laid it out.

Chair Colette Machado – Yes, trying to be open with you too.

Mr. Kondo – Us too. I wanted to make sure that you understood that we had some concerns about our access to your information. I want to add to that.

Chair Colette Machado – You having trouble now? Or prior?

Mr. Kondo – Well this issue is going to be teed up in Executive Session I believe because I got a letter from Mr. Klein about another letter that we have received from a Trustee's Aide. About whether or not that letter was appropriate for us, it's a letter from one of your Attorneys. So that teed up that issue about, oh are we now going to get issues getting access to other confidential material, executive session minutes, for sure, we are going to come and ask for. I just don't want to have trouble getting access, so that is why Mr. Klein, was gracious enough to ensure that it was on the agenda so this issue could be resolved early on. And if the decision by the Board is, no access then we are going to, in my office; try to figure out what our next step is. So I am laying it on the table like I said earlier, not so much, just for your information so you know where we are coming from. I certainly understand your point there about trying to get this thing done timely.

Trustee Carmen Hulu Lindsey – You referred to the second year, we are going to get the first year aren't we?

Chair Colette Machado - Yes, we are.

Trustee Carmen Hulu Lindsey – So the second year only is contingent upon.

Chair Colette Machado – Yes.

Trustee Carmen Hulu Lindsey – I just wanted that clarity.

Mr. Kondo – In addition to access to records, I would want the Board to consider asking your Attorneys, directing your Attorneys to answer our questions. My issue here is that, some of you we have asked, we have interviewed and the staff as well the administration as well, they question has been what is the legal authority for OHA to create LLCs. People that we asked that question to, they don't know. I am not saying there is none, but when I asked your attorney, could you please direct us to that legal authority, his response back to me was he is going to talk to you folks about that in the Executive Session. He is going to tell you. I don't want to be playing phone tag, playing the telephone game where he needs to tell you and you need to tell me, I want for legal authority, I feel that is something that me and Mr. Klein or me and your attorneys we can have that discussion. I would suggest that is an issue you folks talk about and perhaps direct your attorney to have that discussion with us instead of having it with you and then you conveying this information.

Robert G. Klein, Board Counsel – Mr. Kondo.

Mr. Kondo – Yes.

Robert G. Klein, Board Counsel – I will advise my client in Executive Session.

Chair Colette Machado – Appropriately, yes.

Robert G. Klein, Board Counsel – When I get their input then I will contact you. Is that okay. You cannot expect the Trustees to make legal conclusions themselves and report them to you.

Mr. Kondo – That is why I asked you the question. Because they didn't have an answer.

Robert G. Klein, Board Counsel - I don't think you have the full understanding of the process.

Mr. Kondo – Maybe not. But I wanted the Trustees to at least be aware of the issue and perhaps instead of us playing that game, that perhaps they would be able...

Robert G. Klein, Board Counsel – There will be no games played, Mr. Kondo, at all.

Mr. Kondo – Sorry for that use of word. You telling them what the answer is when they didn't know and them coming back to tell us what that answer is that doesn't seem like it's the most efficient process.

Robert G. Klein, Board Counsel – That is why you should just deal with me.

Mr. Kondo – I did and that was the answer. That is what the issue is.

Robert G. Klein, Board Counsel – There is a process that you don't understand.

Trustee Brendon Kalei'āina Lee – Point of order Madame Chair.

Chair Colette Machado – Ok Aloha everybody, Trustee Lee.

Trustee Brendon Kalei'āina Lee – Our legal counsel and our presenter should not be engaging in a debate.

Chair Colette Machado – I agree so I am going to cease this dialogue between the two of you. You have anything else to add, any other questions.

Mr. Kondo – I am happy to answer any other questions. I just wanted the board to understand why we are here, what our process is. I know that with any agency, we are here to kind of give you an independent, objective assessment of different parts of your program. Whether you think we are doing a good job or not that is our, frankly the commitment of my office is to provide that independent assessment on how you folks are performing.

Chair Colette Machado – I just want to make a point before we redirect to the next item on the agenda. We have been subjected to tremendous leak of information that has been identified as Attorney Client Privilege, not just by Trustees, but individual staff members that work for Trustees. That is a major concern, because if that is released without proper review and vetting, legally I feel that jeopardizing our position as an organization and it's a breach of fiduciary and duty of care. I understand the sensitivity of a staff member releasing confidential, whether it was mistakenly done or not, that is not the role of a Trustee staff to do that. I wanted to make that clear to you till you understand that. That it's not the duty of care, and the responsibility, that is not fiduciary, it's directed to the Trustees themselves and we have a Board Counsel that is where I am coming in as the Chair. You need to know how I feel about that. We have suffered so much from unnecessary leaks that goes out, it's unfair to the organization to defend itself when it's not done in a right manner.

Mr. Kondo – Like I mentioned before, and I appreciate your position, but like I mentioned before the last time we were auditing OHA, two years ago, that information flowed to us without any issue. So whether or not that was the reason why we got access to that letter, I don't know. But it didn't raise an issue when we got it because we expect it. But I understand your position and certainly that is your prerogative to discuss it here with your attorney and decide how you want to deal with that issue.

Chair Colette Machado – I just wanted to acknowledge, have we assumed that all the Trustees have already now made appointments with your team?

Mr. Kondo – No.

Chair Colette Machado – I know you asked Carol follow up. Who is missing?

Mr. Kondo – Our contact is through Carol, when we would like to talk to Trustees we will make arrangements through Carol.

Chair Colette Machado – So Carol we have made arrangements for all of the current serving Trustees, right?

Carol Ho'omanawanui – The Trustees that they have requested to meet with they have appointments with. They haven't met with everyone, but they have requested to meet with some.

Mr. Kondo – I want to tell you OHA has been, I guess it has been Carol as well as the Administration, extremely cooperative as we start this audit. I don't want you or anyone else that maybe listening to think that we are having issues getting access, this letter issue and access to confidential information, its important but we have been getting access to Trustees and Administration and getting records timely so thank you very much.

Trustee Brendon Kalei'aina Lee – I wasn't going to say anything Mr. Kondo but because you just made that statement, your statements earlier about access to our Executive Session and that you must get it. You mentioned before that it was never an issue. The way that it was brought to this table, it infers that you are expecting an issue. You may not have meant it that way, but that is the way that it came off. But because you said what you just said now, I felt that it was important to say that. I understand that is not your intent, but the public is watching this as well and it give the impression that you're expecting OHA to not give you the same access that you got before.

Mr. Kondo – I don't know. But we had an issue about a letter, so before it got up to something that was bigger than just the letter, I thought it was very important to be aware of our concern.

Chair Colette Machado – Does that resolve your question? Is there any other questions for Mr. Kondo? I did have a really pleasant interview with your team that visited with me earlier this week. There was some information that we were able to exchange that was public information from the RM Committee on some of the CLA responses when we did the extended contract. I made it very clear that we want to cooperate with you, I feel that once we can get this behind us, as you talked about a snapshot, there will be much more belief in us as an organization at the legislature. So it's a two-way approach if we are successful in providing and getting a clean bill of health, it's good for the organization, even if it's contingent on the year two funding. It's a little bit more than that; I am looking at as the Chair, for us at OHA. I made that closing comments when your team met with me. I really feel deeply inside that this is an opportunity for us at OHA.

Mr. Kondo – We are here to be helpful, we are here to be part of, maybe not within OHA, but we are here to be part of the team, the bigger team, meaning the State of Hawaii team. We are here to provide this independent assessment. We are not here to give you a clean bill of health, we are here to give you an honest assessment as to what we see. That is our role. So whether or not it's clean or not, however you describe what clean is, that is what we are going to do. We are going to do our best to give you an honest assessment of what we see with respect to those objectives that we define.

Chair Colette Machado- Before we close out entrance conference I wanted to acknowledge, the additional item, under item VII. if you would like to remain and observe we will be reviewing the Trustee Protocol Allowance that we worked on with the audit review that you gave us. We seriously took into consideration the findings; we are going to have a discussion on what the content is on the Trustee Protocol Allowance and the internal guidelines and procedures. Just to give you an idea if you want to stick around we will have that discussion. To look at considerations that we took to heart and tried to implement that with the use of our Trustee funds.

Mr. Kondo- Thank you for the comment and the invite. I hope that our audit, last time, whether you believe it's positive, not you personally, whether people believe it's positive or not I believe, or I hope it made a difference, and I hope it was a meaningful difference for the organization. For your information, and I think we explained this last time. It's something I should tell the Board. Two years after we issue that report, so at the beginning of 2020 we will come back to OHA to assess OHA's implementation of those recommendations. So at that point in time is probably more appropriate for us to understand and see the changes to the Trustee Allowance Protocol of procedures, rather than us sitting now and being part of that discussion. But thank you very much for that information and the invitation. But I think in two years we will be back.

Chair Colette Machado – Thank you. That is fine. Any other questions for Mr. Kondo or his staff. Mahalo nui for the entrance conference today, thank you for your time.

VI. COMMUNITY CONCERNS

Chair Colette Machado – We have two individuals that have actually signed up for Community Concerns. I would seek the Boards understanding, that we move now to VI. to engage in Community Concerns, followed by our executive session, go into executive session and reconvene again for the community if they need to go elsewhere they will go. If that is ok with you I will proceed with VI. which is Community Concerns. Our first speaker is Germaine followed by Joseph Mahoe.

Germaine Meyers – Aloha Trustees, Aloha Chair. For the record my name is Germaine Meyers, I am an OHA beneficiary for beneficiary advocacy and empowerment and I am also a Nānākuli Hawaiian Homestead Lessee. Earlier I shared with you these four handouts and in it, I said that I wanted to speak more about it. But of course certain aspects of what I wanted to share with you or discuss with you had to come under community concerns because not on the agenda.

One of them is that in the audit report it talked about opportunities or potentially missed opportunities and what I want the Trustees to know is that in the OHA Ka Wai Ola, never once did I ever see every year, maybe once a year, maybe once every quarter, once every six months, including under the Trustees columns, there's all the Trustees columns, under none of this, never in the Ka Wai Ola have we been told as beneficiaries that the beneficiaries, that the OHA Trustees have discretionary allowance. Only in this audit report 18-03 did we find out that, oh, someone went to Las Vegas based upon three Trustees giving monies from an allowance. I am glad there is going to be discuss today's agenda about this allowance. But I was really happy to see that Trustee Keli'i Akina had a check and he was giving it back to OHA. Because unless the beneficiaries know, unless the beneficiaries know that it is an opportunity, equal to all beneficiaries, no matter of their interest, current, past or future, that it should not be discretionary to individual Trustees without going through a proper vetting, monitoring and reporting. So that is my concern. Is that opportunities were missed by us, by discretionary allowance. In addition, the LLCs, I find out that one of the LLCs gave monies pass through a language school to a OHA aide, that is a missed opportunity for me as well, or my 'ohana or other beneficiaries.

So I am hoping that the OHA Trustees will address these missed opportunities and ask the question to the Board, to each other to legal counsel, why wasn't the beneficiaries notified of these discretionary funds. If I knew that, my 'ohana who was struggling to have clothes for a funeral, if I knew I could to Oahu Trustee and ask for these discretionary funds I would have right. If I am behind in rent, but I didn't know. It wasn't an opportunity for me because none of you say in your column, oh by the way this is how much money more I have in my discretionary

allowance that I am going to give to somebody, or I can give to somebody. Of this is what monies I have given to others. Those are my concerns.

The only other concern that I have at this time is that in the newspaper we are seeing that Trustee Akina is concerned about his right to address the beneficiaries that before the board there is a breach or a violation of loyalty to the board. That there is a policy. My concern is that OHA is already been told by the ethics commission, even you Chair, you provided information to us and said, Oh, all of us have been audited by ethics and because we've been audited by ethics, ethics said we've given monies back to OHA because we failed to follow the policy. So it's telling me that there is policies that are vague and it's not being enforced by administration. So my concern is that if the policies are vague and administration is not following them then the policy of loyalty to board is questionable. If it is violating a Trustee's right, constitutional right of freedom of speech it is bad policy. I've already shown you in previous testimonies that OHA has bad policies. That OHA's Trustees or Administration or employees have not followed policies including ethics code policies. So I just wanted to bring that to the Board. E hana kakou.

11:03 am Trustee Carmen Hulu Lindsey leaves the meeting.

Chair Colette Machado – Thank you Germaine, our next speaker is Joseph Mahoe.

Joseph Mahoe – Good morning Chair and Board. This is not my thing and I am very nervous. However, I felt I had to, I guess people would say, vent. Because I have been totally stressed out about what happened on the Mauna yesterday. Talking about the rounding up of kupuna and taking them off the mountain. One kupuna, her name is Maxine Kahaulilio and what she said when the reporter went up to her. She got in the van and the reporter went up to her and what she said is, I am very disheartened that I am being removed from what is my land, this, this road that I am on is DHHL property. She said, I am very saddened that I am being removed from my land. That is what she said. I was horrified, I could not believe that. So that's all I wanted to say. I also have to thank all of the people on the mauna, still and especially Trustee Carmen Hulu Lindsey and Trustee Dan Ahuna for being up there and part of that whole thing. The second thing is that I am just wondering, because the kupuna will have to go to court is OHA considering, I don't know, hiring counsel to represent them and covering what they call court fees. That's all, that's all I wanted to say. Thank you very much.

Chair Colette Machado – Thank you we will take that under advisement.

V. EXECUTIVE SESSION

Chair Colette Machado - With that said members I'd like to go into executive session. I would like to entertain a motion to go into executive session.

Trustee Brendon Kalei'āina Lee moves to recuse into Executive Session pursuant to §92-5 (a)(2),(4).

Trustee John Waihe'e IV seconds the motion.

Chair Colette Machado – Roll call please.

Trustee Brendon Kalei'āina Lee moves to recuse into Executive Session pursuant to §92-5 (a)(2),(4). Trustee John Waihe'e IV seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA						Excused
TRUSTEE KALEI AKAKA			X			
TRUSTEE KELI'I AKINA						Excused
TRUSTEE BRENDON KALEI'ĀINA LEE	x		X			
TRUSTEE CARMEN HULU LINDSEY						Not present at time of vote
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE JOHN WAIHE'E		x	X			
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED						
Motion passes with six (6) yes votes and three (3) excused.						

Chair Colette Machado – We are now in Executive Session.

The Board resolved into Executive Session at 11:12 am.

- A. Consultation with OHA attorneys William Yuen, Esq. and Judy Tanaka, Esq. and Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities under the Findings of Fact and Conclusions of Law issued by Circuit Judge Jeffrey Crabtree in *Andrew Walden v. Hi'ilei Aloha LLC, Ho'okele Pono LLC, and Hi'ipaka LLC (S.P. 18-1-0301)*, Pursuant to HRS §92-5(a)(4).
- B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities relating to the State Auditor's request for confidential and Attorney-Client privileged materials and information, Pursuant to HRS §92-5(a)(4).

The Board reconvenes in open session at 12:29 pm.

12:29 pm Chair Colette Machado calls a recess.

12:45 pm Chair Colette Machado reconvenes the meeting.

VII. BOT WORKSHOP

A. Training in the Guidelines and Procedures for Trustee Protocol Allowance

Chair Colette Machado - We are on VII. which is identified as BOT Workshop, training in the Guideline and procedures for Trustee Protocol Allowance. I'd like to call on Sylvia who can direct Everett to go through the material that have been provided for our use.

Sylvia Hussey – Trustees everyone should have the guidelines and then Everett will walk us through and they have provided samples.

Chair Colette Machado – We also have Gloria present and if Trustees have questions related to the reimbursement procedures. The purpose of convening this workshop on the Trustee protocol allowance, because July 1st is the start of these resources to be available to Trustees for their use. We wanted to make sure that we had engaged with that understanding on how this all works, what is allowed and what is not and examples of what can be utilized.

Everett Ohta – Thank you Chair. Good afternoon Trustees. The Trustee Protocol Allowance operational guidelines and internal procedures that you have in front of you are really just a follow up from what was previously adopted by this board through a two reading action that changed our executive policy manual related to the Trustee Protocol Allowance. The document that was distributed today is really just operations piece of it. Really for the most part containing that same language that has previously reviewed and passed by this Board but just providing a little more detail regarding operations. I just walk you quickly through the document then have time for questions should there be any.

12:47 pm Trustee John Waihe'e IV leaves the meeting.

The document Trustee Protocol Allowance Internal Guidelines and Procedures just has a short purpose and background section. It's just reviewing that was done to get the Board policy changes amended and reviewed in the first place. Then it just recites the same allowed expenditures and disallowed expenditures that were previously adopted by this Board. Those again are found now our Executive Policy Manual. It just reflected here again for consistency. The fifth section provides for the request for reimbursement. This is really more of the details that are provided in these operational guidelines. Specifically, it's a revised form that can be found in appendix A of the policy. You have an appendix A which is the Trustee Protocol Disbursement Form. Then following that appendix B is the sample completed disbursement form along with some sample supporting documentation for that disbursement request. Again just a sample. So within section five you find a little bit more information about what is some of that requested documentation, a little bit of the detail and the description that's to be provided in a disbursement request. Through the form, where to drop off that form within the financial services section of the office.

Also further down you have some of the information relating to reporting, just that per the Board's policy changes there is going to be a public reporting that occurs of Trustees' disbursement quarterly and that is going to be posted on a public website for OHA. Other than that, the majority of this follows from things that have been previously reviewed either the Executive Policy manual changes or the operations manual changes that were looked at back in April and May. If there are any questions, I'd be happy to answer them now. Otherwise, this will be referred to going forward. The financial services team has also created a fillable pdf form that is going to be posted latter on KII that is going to be available similar to a check request form, so you can fill it out online, print it and then sign off, provide your supporting documentation. You probably want to keep a copy for your records just as a standard accounting thing.

Trustee Carmen Hulu Lindsey – Attach the receipt.

Everett Ohta – Attach the receipts, make a copy of the full document and then turn it in as a hard copy to the financial services section in a specific tray noted in 5A.

Trustee Brendon Kalei'aina Lee – Everett I just want to make it clear. 3D on page 2 of 6. If I use my Trustee Allowance to purchase books or reference materials, when I leave OHA that remains with OHA.

Everett Ohta – That is correct. I think that is found latter on the ownership under 5C items purchased with TPA funds, nonperishable items aside from gifts remain the property of OHA.

Chair Colette Machado – Do we have to inventory that with the in house; you know you folks come with the numbers.

Everett Ohta – I don't think we inventory every book, things that are published, I mean things that are kept right?

Trustee Brendon Kalei'āina Lee – For instance, I mean we didn't use our protocol, but we were all issued the latest version of Robert's Rules of Order. Should I leave office that would remain in my office, I am not going to take it with me.

Everett Ohta – Yes, but I don't think it had a bar code or specific inventory number.

Chair Colette Machado – I want to purchase ōlelo no'eau, its \$49.99 at the Bishop Museum and get a 10% because I have membership, so that is kind of an expensive resource I feel.

Everett Ohta – Use it a part of your Trustee duties, maybe referencing it, writing correspondence.

Chair Colette Machado – It's a hard cover, so when I leave I have to leave it in my office for the next, or turn it over to the library of OHA.

Gloria Li – Actually for reference material that we purchase, we do tag those reference materials.

Trustee Brendon Kalei'āina Lee – So our Robert's Rules are tagged.

Gloria Li – Bring it to our attention and then we tag it. That's all OHA's reference material.

Chair Colette Machado – Thanks Gloria that is good to know.

Everett Ohta – Anything further I can answer for the Trustees as we are looking to implement these new procedures effective immediately.

Trustee Carmen Hulu Lindsey – It's self-explanatory.

Everett Ohta – I am glad to hear that.

Chair Colette Machado – Thank you Gloria, Everett and Sylvia. If there is not further discussion, this was just information there is no decision we are making on this matter. With that said, we are moving down to announcements.

Trustee Brendon Kalei'āina Lee – I have a question. Sylvia, under number 8 page 5 of 6, unspent amounts in the TPA fund will lapse after the fiscal year and will not carry over.

Sylvia Hussey – Right.

Trustee Brendon Kalei'āina Lee – So will that money go into fiscal reserve?

Sylvia Hussey – Yes.

Trustee Brendon Kalei'āina Lee – Thank you.

VIII. ANNOUNCEMENTS

None

IX. ADJOURNMENT

Trustee Carmen Hulu Lindsey moves to adjourn.

Trustee Robert Lindsey seconds the motion.

Chair Colette Machado – Roll call vote please.

Trustee Carmen Hulu Lindsey moves to adjourn. Trustee Brendon Kalei‘āina Lee seconds the motion.							
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED	
TRUSTEE LEINA‘ALA AHU ISA						Excused	
TRUSTEE DAN AHUNA						Excused	
TRUSTEE KALEI AKAKA			X				
TRUSTEE KELI‘I AKINA						Excused	
TRUSTEE BRENDON KALEI‘ĀINA LEE			X				
TRUSTEE CARMEN HULU LINDSEY	x		X				
TRUSTEE ROBERT LINDSEY		x	X				
TRUSTEE JOHN WAIHE‘E						Excused	
TRUSTEE COLETTE MACHADO			X				
TOTAL VOTE COUNT			5			4	
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED							
Motion passes with five (5) yes votes and four (4) excused.							

The meeting was adjourned at 12:54 pm.

Respectfully submitted,

Dayna Pa, Board Secretary

As approved by the Board of Trustees on _____.

Colette Y. Machado, Chairperson
Board of Trustees

Attachment:

1. Excused Absence Memo – Trustee Dan Ahuna
2. Excused Absence Memo – Trustee Keli'i Akina
3. LOYALTY TO ~~BOARD~~ BENEFICIARY- handout from Germaine Meyers



OFFICE OF HAWAIIAN AFFAIRS
Interoffice Memorandum

DATE: July 18, 2019
TO: Chair Colette Machado
FROM: Trustee Dan Ahuna
RE: Excused Absence for BOT meeting on July 18, 2019

Aloha,

Please excuse my absence for the upcoming Board of Trustees meeting that is scheduled for Thursday, July 18, 2019. Should you have any questions or concerns, please feel free to contact my office staff.

Mahalo nui,

Trustee Dan Ahuna



2019 JUL 31 A 9 42

OFFICE OF HAWAIIAN AFFAIRS
Interoffice Memorandum

Date: July 1, 2019
To: Trustee Colette Machado, Chairperson
Cc: Trustee Brendon Kalei'aina Lee, Vice Chairperson
From: Trustee Keli'i Akina
Subject: Request for Excused Absence

Aloha e Chair Machado and Vice Chair Lee,

Regretfully, I am unable to attend the Board of Trustees meeting scheduled for Thursday, July 18, 2019. Please excuse my absence and share my apology with the Trustees.

Mahalo for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Keli'i Akina'.

Trustee Akina

LOYALTY
TO
~~**BOARD**~~
BENEFICIARY

OHA Trustees have fiduciary responsibilities, including

A Duty of Prudence

(to exercise reasonable care, skill, and caution);

Duty of Loyalty

(to act solely in the best interests of beneficiaries)

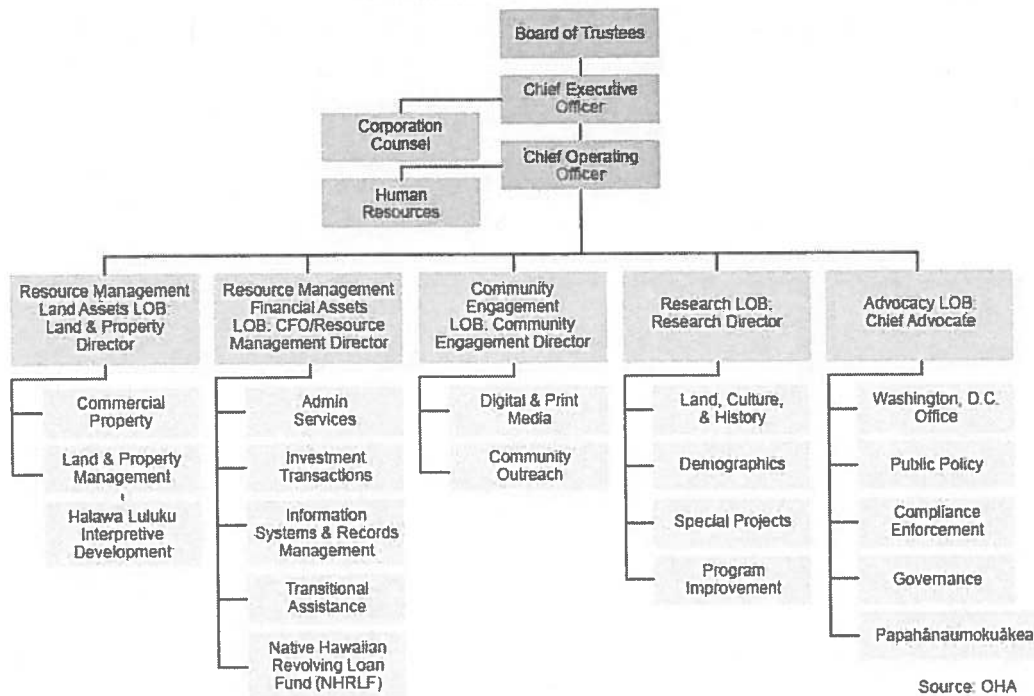
Duty of Impartiality

(to be impartial with respect to the various beneficiaries, in consideration of the diverse interests of present and future beneficiaries);

And Duty with Respect to Co-Trustees

(using reasonable care to prevent co-trustees from committing a breach of trust and to obtain redress if a breach occurs).

**Exhibit 1.1
OHA Organization Chart**



INCOMPLETE - Missing OHA LLCs

OHA's Limited Liability Companies

OHA HAS A NUMBER of Limited Liability Companies (LLCs). An LLC is a separate and distinct entity that can open a bank account, do business, and get a tax ID number under its own name. One of the primary advantages of an LLC is that its owners (called members), under most circumstances, are not personally liable for the debts and liabilities of the LLC. As LLCs are a relatively new legal construct, it is unsettled whether OHA's LLCs are State organizations subject to laws applicable to State agencies, like the State Procurement Code, the State Ethics Code, the Sunshine Law, and the Uniform Information Practices Act.

OHA is the sole member of both Ho'okele Pono LLC and Hi'i'lei Aloha LLC and its subsidiaries. Hi'i'lei Aloha LLC focuses on promoting, developing, and supporting culturally-appropriate opportunities that benefit Native Hawaiians. It supports three sub-entity LLCs: Hi'ipaka LLC was created by Hi'i'lei Aloha LLC in 2007 to manage Waimea Valley;

Hi'ipaka LLC holds title to Waimea Valley and manages its daily activities; and Hi'ipoi LLC was created by Hi'i'lei Aloha LLC in 2008 to manage Makaweli Poi Mill on Kaua'i. After several years of struggle, it was decided in 2012 to turn over the poi mill to a Native Hawaiian group based on Kaua'i. Hi'ipoi LLC has been inactive since then. Hi'ikualono LLC was created in 2010 and has been inactive since formation.

Ho'okele Pono LLC was created in 2011, along with its sub-entity called Ho'okipaipai LLC. Both LLCs are economic development non-profit organizations. Currently, Ho'okipaipai LLC houses a federal economic development program called the Hawai'i Procurement Technical Assistance Center, which is designed to help local businesses obtain government contracts and is sponsored by the U.S. Department of Defense's Defense Logistics Agency.

IN REPORT NO. 18-03, *Audit of the Office of Hawaiian Affairs*, we found that the Office of Hawaiian Affairs (OHA) has created alternate funding processes that allow the agency to regularly direct money towards a multitude of programs, projects, and individuals. At first glance, these funding opportunities appear to be guided by policies, procedures, and guidelines designed to ensure that funds are distributed fairly and equitably. In reality, however, these expenditures and other forms of discretionary spending do not undergo the rigorous vetting, monitoring, and reporting requirements of OHA's formal grant process. Some are approved by the OHA Administration without Board of Trustee vote or even knowledge.

However, not only do OHA's spending irregularities pose risks — both great and small — to the Native Hawaiian Trust Fund, they appear to violate the OHA trustees' solemn fiduciary obligation to their beneficiaries that they will administer the trust fairly, equitably, and without self-interest. In other words, this form of behind-the-scenes giving is inherently inequitable to OHA's many other beneficiaries who may be in need of financial assistance but are unaware of who and how to ask for help.

We acknowledge that trustees have broad discretion in determining whether a particular expenditure betters the conditions of Native Hawaiians and Hawaiians, but their desire to provide assistance to a few should be tempered by their fiduciary duties to all of the beneficiaries, both present and future. Doing so would not only benefit Native Hawaiians and Hawaiians in the long term, it would help ensure that they are treated more equitably in the short term.

**Office of Hawaiian Affairs
Board of Trustee Meeting
September 5, 2019
10:00 am**

V. Executive Session *

- A. Consultation with Legal Counsel Shanlyn Park, Esq., Corporation Counsel Raina Gushiken, Esq., and Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to requests by the State Attorney General's office for documents related to OHA's support and concern, per its statutory and constitutional obligations, for the physical well-being, fair treatment, safety, and welfare of the OHA Beneficiaries on Maunakea. *Pursuant to HRS § 92-5(a)(4).***
- B. Consultation with Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS §92-5(a)(4).***
- C. Consultation with Acting Board Counsel Kurt W. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to CHING et. al. v. SUZANNE CASE, in her official capacity as Chairperson of the Board of Land and Natural Resources, et. al. SCAP-18-0000432. *Pursuant to HRS §92-5(a)(4).***
- D. Approval of Minutes**
 - 1. July 18, 2019**

*** - Any material that is relevant to this section will be distributed at the table during Executive Session.**

**Office of Hawaiian Affairs
Board of Trustee Meeting
September 5, 2019
10:00 am**

VI. New Business

A. Committee on Resource Management

- 1. Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka‘ako Makai Policy relating to the allocation of revenue from OHA’s Kaka‘ako Makai properties to the Land Legacy Program. (2nd Reading) ***

** - Please insert the committee report for Action Item RM #19-10 from the August 22, 2019 Board of Trustees Folder.*

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT
COMMITTEE REPORT**

August 21, 2019

The Honorable Colette Machado,
Chairperson Board of Trustees
Office of Hawaiian Affairs

Madame Chair Machado,

Your Committee on Resource Management, having met on August 21, 2019 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

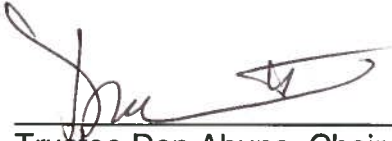
To approve of a Board of Trustees (BOT) Policy Second Amendment to the Kaka`ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, and amended on August 1, 2017, to state:

Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka`ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FY 2021)

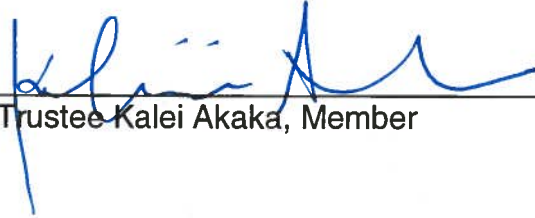
Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM #19-10
- 2) RM #19-10 Roll Call Sheet

Respectfully submitted:



Trustee Dan Ahuna, Chair



Trustee Kalei Akaka, Member

Excused

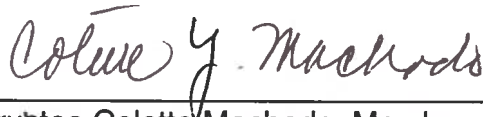
Trustee Leina'ala Ahu Isa, Member

Excused

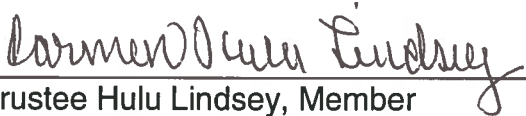
Trustee Robert Lindsey, Member



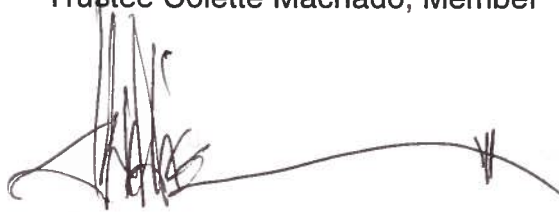
Trustee Keli'i Akina, Member



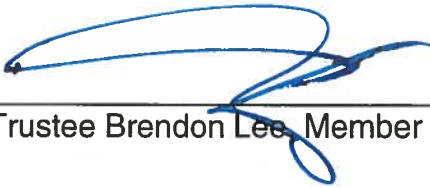
Trustee Colette Machado, Member



Trustee Hulu Lindsey, Member



Trustee John Waihe'e, IV, Member



Trustee Brendon Lee, Member

Office of Hawaiian Affairs
560 N Nimitz Hwy. Ste. 200
Honolulu, HI 96817

Action Item Vote

COMMITTEE ON RESOURCE MANAGEMENT		DATE: August 21, 2019 Time of Motion:					
AGENDA ITEM: III. New Business B. Action Item RM # 19-10: Approval of a Second Amendment to BOT #12-05 – Kaka`ako Makai Policy relating to the allocation of revenue from OHA's Kaka`ako Makai properties to the Legacy Land Program							
Motion: To approve of a Board of Trustees (BOT) Policy Second Amendment to the Kaka`ako Makai Policy, Section 3.A.2, originally adopted on September 20, 2012, and amended on August 1, 2017, to state: Allocate 20% of gross revenue for grants and 50% of net revenue for OHA Legacy Land Program (net revenue equals gross revenue minus direct operating expenses, excluding Kaka`ako Makai planning and development-related costs) (*The 50% allocation of net revenues to LLP shall terminate at the end of FY 2021)							
AMENDMENT:							
MEANS OF FINANCING:							
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEI	AHU ISA						X
KALEI	AKAKA			X			
KELI'I	AKINA			X			
BRENDON KALEIAINA	LEE			X			
HULU	LINDSEY			X			
ROBERT	LINDSEY, JR.						X
COLETTE	MACHADO		X	X			
Co-CHAIR JOHN	WAIHEE	X		X			
Co-CHAIR DAN	AHUNA			X			
TOTAL VOTE COUNT				7			

MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED

DISCUSSION:



ACTION ITEM

COMMITTEE ON RESOURCE MANAGEMENT

August 21, 2019

RM #19-10

Action Item Issue: Approval of a second amendment to BOT #12-05 – Kaka‘ako Makai Policy relating to the allocation of revenue from OHA’s Kaka‘ako Makai properties to the Land Legacy Program.

Prepared by:

Miles Nishijima
Ka Pou Kihi Kanaloa ‘Āina, Land Assets Director

08/13/19

Date

Reviewed by:

Gloria Li
Ka Pou Kihi Kanaloa Wai, Kūikawā, Interim Chief Financial Officer

8/13/19

Date

Reviewed by:

Raina Gushiken
Ka Paepae Puka, Senior Legal Counsel

8/13/19

Date

Reviewed by:

Lisa Watkins-Victorino, Ph.D.
Ka Pou Nui Kūikawā, Interim Chief Operating Officer

8/13/19

Date

Reviewed by:

Sylvia M. Hussey, Ed.D.
Ka Pouhana Kūikawā, Interim Chief Executive Officer

8/14/19

Date

Reviewed by:

Ke Kua, Trustee Dan Ahuna
Luna Ho‘omalū o ke Kōmike Resource Management
Chair of the Committee on Resource Management

08/13/19

Date

Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka‘ako Makai Policy relating to the allocation of revenue from OHA’s Kaka‘ako Makai properties to the Land Legacy Program

I. Action

Approval of a Board of Trustees (BOT) Policy Second Amendment to the Kaka‘ako Makai Policy, Section 3.A.2), originally adopted on September 20, 2012, and amended on August 1, 2017, to state (deleted language is stricken; new language is bold and underscored):

Allocate ~~10%~~ **20%** of gross revenue for grants and ~~30%~~ **50%** of net revenue for OHA’s Legacy ~~Property Management~~ **Land Program** (net revenue equals gross revenue minus direct operating expenses, excluding Kaka‘ako Makai planning and development-related costs) (*The ~~30%~~ **50%** allocation of net revenues to ~~LPM~~ **LLP** shall terminate at the end of FY 2019 **2021**)

II. Issue

Whether the BOT should: A) Approve a second policy amendment to the Kaka‘ako Makai Policy, Section 3.A.2), to increase the allocation of the gross revenues from Kaka‘ako Makai (KM) to OHA’s Grants program from 10% to 20%, and to increase the allocation of the net revenues to OHA’s Legacy Land Program (LLP) from 30% to 50%; and/or B) Extend the LLP provision to beyond June 30, 2019.

The KM policy amendment from 2017 was to be revisited in two years (from the original amendment date RM #17-05) or by June 30, 2019. The LLP provision of the KM Policy expired on June 30, 2019; and therefore, any budget beyond FY21 would not consider any implications from the KM/LLP policy provision.

III. Discussion

A. Background and Discussion Basis

Refer to Attachment A for the discussion document circulated at the July 31, 2019 Resource Management Committee (RMC) meeting, including discussion prompts, tables and projections. Attachment A is an integral document to this Action Item and is incorporated by reference herein.

B. Land Legacy Program Update

At the July 31, 2019 RMC, an update was provided regarding the Land Legacy Program that will benefit from the proposed policy change (Attachments B and C).

C. Purpose of the Policy Amendment

The purpose of this second policy amendment is to: (1) provide additional funding to OHA’s Grants Program and OHA’s Legacy Land Program, thereby allowing OHA to improve on its Strategic Priorities, while addressing the need for increased funding through a sustainable and currently under-utilized source, beyond OHA’s core budget.

D. Current Status of the Kaka‘ako Makai Revenues

The current Kaka‘ako Makai Policy allocates ten percent (10%) of gross revenue for OHA’s Grants program, and thirty percent (30%) of net revenues for OHA’s Legacy Land program through June 30, 2019. OHA’s Commercial Property Management (program code 8210) uses the balance to manage the KM parcels and to reserve funds for potential future development.

Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka‘ako Makai Policy relating to the allocation of revenue from OHA’s Kaka‘ako Makai properties to the Land Legacy Program

In Fiscal Year 2019 (FY19), the actual revenue from KM properties is \$4.69 million. KM’s FY19 budget was \$1.90 million for operating expenses, or 40.5% of gross revenue. Upon OHA’s request, unexpended revenue is transferred from CBRE to an internal holding account, a portion of which is used to reimburse the OHA core account for KM program expenses. The unexpended revenue in both the CBRE trust account and the internal holding account has grown from \$3.9 million as of December 31, 2016, to \$9.7 million as of June 30, 2019.

As of June 30, 2019---KM cash/investment accounts at Bank of Hawaii and State Street amounted to \$3,252,086.00 and \$5,207,107.00, earning 0.25% and 1.79% per annum, respectively.

E. Why the Policy Amendment is Necessary.

OHA’s Legacy Land Program has been evolving the way that we manage our Legacy and Programmatic lands with aims to both mitigate risk and demonstrate exemplary stewardship and management. This includes conducting pro-active, risk-adverse land management and maintenance activities, such as planning, development, and implementation of various plans and studies. As OHA continues to improve and advance its responsible land management strategies, the costs related to such efforts will increase. This is particularly the case for land management plans related to legal compliance and risk management where OHA will be compelled to take certain actions, but also applies to implementing use or development plans poised to advance OHA’s mission. Overall, these actions will equate to an increased demand for financial inputs towards Legacy and Programmatic properties that the organization has not experienced in the past.

Therefore, the proposed increased allocation of KM revenue to OHA’s Legacy Land program is intended to:

1. Provide added support to the use of OHA’s core funds for projected legacy land management activities as we transition from the master planning phase to the implementation phase, particularly for Kūkaniloko and Wao Kele o Puna;
2. Reduce the impact on the core operating budget after FY21, during which year the non-core funds for Wao Kele o Puna will be substantially used up; and
3. Provide added funds to the FY20/FY21 Biennium Budget from the increased allocation to grants.

IV. Funding

This policy amendment will not directly incur any additional expenses; and Appendix A identifies the projected additional revenue amounts to the core grants and legacy land programs.

V. Alternative Actions to Approval of Policy Amendment in Section I. Action

- A. **Decline** approval recommendation of the proposed policy amendment as stated in I.

Action Item RM #19-10: Approval of a second amendment to BOT #12-05 – Kaka‘ako Makai Policy relating to the allocation of revenue from OHA’s Kaka‘ako Makai properties to the Land Legacy Program

Action above; AND

1. Suspend any further Kaka‘ako Makai Policy action (e.g., no further revenues to the Land Legacy Program from Kaka‘ako Makai); OR
 2. Extend the current revenue allocation methodology (i.e., 10% gross to Grants, 30% net to Legacy Property [land] management) to a specified period (e.g., two years, five years, in perpetuity);
- B. **Amend** the proposed **revenue allocation methodology** in the policy amendment as state in I. Action (e.g., different %, different basis);
- C. **Amend** the proposed **net revenues designation** in the policy amendment or net revenues from the Land Legacy Program to other designations (e.g., iwi kupuna, homestead associations, housing, disaster reserve, collaborations, economic development).

VI. Recommended Action

Approve the Policy Amendment to Section 3.A.2) of the Board of Trustees Kaka‘ako Makai Policy as stated in I. Action above, retroactively effective July 1, 2019:

Allocate ~~10%~~ **20%** of gross revenue for grants and ~~30%~~ **50%** of net revenue for OHA’s Legacy ~~Property Management~~ **Land Program** (net revenue equals gross revenue minus direct operating expenses, excluding Kaka‘ako Makai planning and development-related costs) (*The ~~30%~~ **50%** allocation of net revenues to ~~LPM LLP~~ shall terminate at the end of FY ~~2019~~ **2021**)

VII. Timeframe

This Policy Amendment to Section 3.A.2) of the Board of Trustees Kaka‘ako Makai Policy will be effective retroactively from July 1, 2019, upon approval by the BOT after the second reading.

VIII. Attachments

- A. Discussion document from the July 31, 2019 Resource Management Committee Meeting
- B. Legacy Land Program presentation at July 31, 2019 Resource Management Committee Meeting
- C. Legacy Land Program development plans and projects presented at the July 31, 2019 Resources Management Committee Meeting
- D. RM #17-05 - Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA’s Kaka‘ako Makai properties.
- E. BOT #12-05 – Kaka‘ako Makai Policy



Discussion Document re: Kaka`ako Makai Policy – Revenue Allocation

Initially drafted: April 23, 2019 – Updated July 23, 2019 – Updated August 12, 2019

I. Background and Discussion Basis

Act 15, Session Laws of Hawai‘i 2012 transferred 10 land parcels in Kaka‘ako Makai (KM) to the Office of Hawaiian Affairs (OHA) to settle the past due portion of ceded land revenue claims. The 10 parcels conveyed, amounted to approximately 30 acres of underutilized commercial property with an estimated value of \$200 million. These parcels were substantively conveyed to OHA on July 1, 2012. Prior to this acquisition, OHA trust fund assets were primarily comprised of cash and investments. The settlement, by itself, created a substantial commercial real estate portfolio for OHA, elevating the Native Hawaiian Trust Fund to new heights. To rise to the new challenges, the Board of Trustees participated in two rounds of workshops from May 22 to 25 and August 20 to 21 (2012) to establish guiding principles and policies for property management and development of Kaka‘ako Makai (KM).¹

Action Item RM #17-05 - Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA’s Kaka‘ako Makai properties, was the first amendment to the KM Policy; which approved the allocation of 10% of gross KM revenues for grants; and 30% of net revenue for OHA’s Legacy Property Management. Net revenue, as defined, equaled gross revenue minus direct operating expenses, excluding Kaka‘ako Makai planning and development-related costs. In addition, the KM policy was to be revisited in two years (from the RM #17-05) or by June 30, 2019.

Kaka‘ako Makai Policy, Section 3.A.2 currently reads: Allocate 10% of gross revenue for grants and 30% of net revenue for OHA’s Legacy Property Management (net revenue equals gross revenue minus direct operating expenses, excluding Kaka‘ako Makai planning and development-related costs).

II. Discussion Issue Summary

As the KM policy is to be revisited in two years (per Action Item RM #17-05 and now June 30, 2019) and OHA is in the FY20-21 biennium budget construction process, considerations are provided for Trustee discussion, to assist and guide Administration in further planning, budgeting and projection activities when analyzing the consideration of a second amendment to the Kaka‘ako Makai Policy, Section 3.A.2:

1. Extend the current revenue allocation methodology (i.e., 10% gross to Grants, 30% net to Legacy Property [land] management) to a specified period (e.g., two years, five years, in perpetuity);
2. Increase the revenue allocation of the **gross revenues** from Kaka‘ako Makai (KM) to OHA’s Grants program from 10% to 20%;
3. Increase the allocation of the **net revenues** to OHA’s Legacy Land Program from 30% to 50%;

¹ Source: Action Item BOT #12-05 – Kaka‘ako Makai Policy, as updated



Discussion Document re: Kakaʻako Makai Policy – Revenue Allocation

Initially drafted: April 23, 2019 – Updated July 23, 2019 – Updated August 12, 2019

4. **New designations** for gross or net revenues (e.g., homestead associations, housing, disaster reserve, collaborations); and/or
5. Other.

III. Discussion Issue Detail

A. Purpose of the Policy Amendment Discussion

The purpose of this Policy Amendment is to consider additional funding to OHA’s Grants Program and OHA’s Legacy Land Program, to advance OHA’s Strategic Priorities, while addressing the need for increased funding through a sustainable and currently under-utilized source, beyond OHA’s core budget.

B. Current Status and Implications of the Kakaʻako Makai Revenues

The current Kakaʻako Makai Policy allocates ten percent (10%) of gross revenue for OHA’s Grants program, and thirty percent (30%) of net revenues for OHA’s Legacy Land program through June 30, 2019. OHA’s Commercial Property Management (program code 8210) uses the balance to manage the KM parcels and to reserve funds for potential future development.

In Fiscal Year 2019 (FY19), the projected revenue from KM properties is \$4.1 million. KM’s FY19 budget is \$1.5 million for operating expenses, or 39% of projected gross revenue. The unexpended, next KM revenues accumulate in a CBRE (real estate development and management company) trust account. Upon OHA’s request, unexpended revenue is transferred from CBRE to an internal holding account, a portion of which is used to reimburse the OHA core account for KM program expenses. The unexpended revenue in both the CBRE trust account and the internal holding account has grown from \$3.9 million as of December 31, 2016, to \$9.0 million as of February 28, 2019.

The following FY19 Budget Realignment Analysis - Kakaʻako Makai outlines and provide explanations on the major adjustments (increases/decreases). The FY19 budget was approved by the Board of Trustees on June 8, 2017² (Action Item RM#17-07), actual FY17 and FY18 amounts are now available. Table 1 below updates Table 32 (p.28) of Action Item RM#17-07 with actual FY17 and FY18 figures.

² Action Item #17-07 OHA Biennium Budget for the Fiscal Biennium Periods 2017-2018 (FY18) and 2018-2019 (FY19)



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Table 1: Action Item RM#17-07, June 8, 2017, Table 32: Kaka'ako Makai Budget – FY18 & FY19 (p.28) BOT-Approved FY17 Realignment #1A for Comparison (updated 4/9/2019)

Kaka'ako Makai	Realign. #1A	Proposed Realign. #1	
	FY 17	FY 18	FY 19
Beginning Balance ³	\$ 1,043,841	\$ 3,314,636	\$ 6,028,320
Gross Revenue (budgeted)	3,575,750	3,992,774	4,054,522
Less: 10% Allocation to Grants:	-357,575	-399,277	-405,452
Sub-total Available Funds:	\$ 4,262,016	\$ 6,908,133	\$ 9,677,390
Less:			
Budgeted Expenditures	-\$ 2,690,708	-\$ 2,378,125	\$ 2,322,287
Estimated Net Available Funds:	\$ 1,571,308	\$ 4,530,008	\$ 7,355,103
Results of Operations:			
Add- True-up - Gross Revenue ⁴ (actual)	\$ 742,809	\$ 338,480	n/a
Add- Unspent Budget ⁵ (actual)	1,000,519	1,159,833	1,000,000
Net Available Funds:	\$ 3,314,636	\$ 6,028,320	\$ 8,355,103

After reconciling Table 32 (of the original FY2018-2019 budget action item), with actual FY17 and FY18 results, FY19 has a revised computed beginning balance of \$6,028,320. Kaka'ako Makai's gross revenue for FY19 is currently estimated at \$4,054,522 ⁶ per year from lease revenues. Estimated net available funds of \$8,355,103 for FY 2019 and is to be retained for contribution to future expenditures on its parcels including expenditures relating to its master planning efforts.

³ Per RM#17-07 OHA Biennium Budget for the Fiscal Biennium Periods 2017-2018 (FY18) and 2018-2019 (FY19), p. 28, "Realign. #1A FY17 Beginning Balance".

⁴ Actual FY17 and FY18 Gross Revenue exceeded projected FY17 and FY18 Gross Revenue by \$742,809 and \$388,480, respectively.

⁵ FY17 and FY18 Unspent Budget (Approved Budget less Uses) of \$1,000,519 and \$1,159,833, respectively.

⁶ Source: Kaka'ako Makai 5 Year Pro Forma FY2017, Year 3, FY19.



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C. Table 2: History of Grants + Implications of Kaka'ako Makai Policy

Fiscal Year	Sources of Funding of Actual Awarded			
	SOH General Fund	Native Hawaiian Trust Fund	10% KM's Gross Revenue allocated to grant fund	Total Awarded
2014	1,135,000.00	8,509,822.59	150,000.00	9,794,822.59
2015	735,000.00	7,692,081.95	150,000.00	8,577,081.95
2016	1,460,930.00	8,248,362.00	276,161.00	9,985,453.00
2017	1,234,430.00	7,529,129.00	279,167.00	9,042,726.00
2018	734,430.00	5,770,635.00	433,997.00	6,939,062.00
2019	734,430.00	7,034,861.00	440,709.00	8,210,000.00
Total	6,034,220.00	44,784,891.54	1,730,034.00	52,549,145.54

D. Table 3: History of Legacy Land Program

Fiscal Year	Land Legacy Program Expenditures Actual, Budgeted (2019)	[A]	30% Gross Add [B]	Total [A] + [B]
2014	Budgeted:	\$ 757,748.00	\$0	\$757,748.00
	Actual Exp./Encumbrances:	\$ 436,635.43	N/A	N/A
	Unspent Budget: (42.38%)	\$ 321,112.57	Change in Management, reprioritization of LLP work plan	
2015	Budgeted:	\$ 748,333.15	\$0	\$815,580.00
	Actual Exp./ Encumbrances.:	\$ 706,438.06	N/A	N/A
	Unspent Budget: (5.60%)	\$ 41,895.09		
2016	Budgeted:	\$ 917,408.92	\$0	\$533,829.00
	Actual Exp./ Encumbrances.:	\$ 917,408.92	N/A	N/A
	Unspent Budget: (0%)	\$ 0.00		
2017	Budgeted:	\$ 676,867.85	\$0	\$658,034.00
	Actual Exp./ Encumbrances:	\$ 410,221.52	N/A	N/A
	Unspent Budget: (39.39%)	\$ 266,646.33	Planning in progress pushed design & engineering to FY18.	
2018	Budgeted:	\$ 1,012,338.00	\$0	\$1,148,548.00
	Actual Exp./ Encumbrances.:	\$ 905,303.66	N/A	N/A
	Unspent Budget: (10.57%)	\$ 107,034.34	Planning still in progress pushed design & engineering to FY19.	
2019	Budgeted:	\$ 993,120.26	\$0	\$1,093,032.41
	Actual Exp./ Encumbrances:	\$ 816,437.63	N/A	N/A
	Unspent Budget: (17.79%)	\$ 176,682.63	Major PR canceled, carryforward to 2020	



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***Notes:**

- 1) In FY14 LLP and Facilities were combined under the Land and Property Management Program (3300). There was a change in program management and priorities.
- 2) Actual Expenditures and Encumbrances are based on a General Ledger Inquiry from OHA's Accounting Services Program.
- 3) LLP budgeted monies to cover any unanticipated costs related to land management that may arise during the FY.
- 4) Budget requests were based on the most ambitious progress (concurrent with the development of conceptual Master/Comprehensive Management planning processes for the LLP Properties) that could be envisioned for each property that could be foreseen prior to the biennium request. Due to the planning and/or regulatory processes associated with the projects, not all tasks were able to progress as anticipated. Additionally, challenges with procurement has disabled timely implementation of several tasks over the years resulting in pushing those tasks into the following FY.
- 5) LLP also tries to minimize any expenditures each FY, implementing necessary functions, conserving budgeted funding wherever possible.
- 6) In 2019, OHA Administration switched over to a construct that separated the LLP from one program code (8300) into multiple accounts that track each property individually. Prior to this switch, all properties were budgeted under 8300 (previously 3300) with the exception of Palauea and WKOP which are individualized (non-core accounts).

E. Table 4: Expense/Cost Projections for the Legacy Land Program

The following provides a high-level projection for the major Land Legacy Program expenditures over the next five years:

FY	Palauea	WKOP	Kūkaniloko	Pahua	WCH	Total
2020	\$160,380	\$256,610	\$713,500	\$108,500	\$121,500	\$1,360,490
2021	\$121,180	\$260,910	\$685,000	\$132,500	\$126,500	\$1,326,090
2022	\$145,200	\$581,510	\$2,769,500	\$210,500	\$164,500	\$3,871,210
2023	\$105,200	\$601,510	\$8,663,000	\$154,500	\$156,000	\$9,680,210
2024	\$99,200	\$518,610	\$6,834,500	\$123,000	\$202,000	\$7,777,310
Total	\$631,160	\$2,219,150	\$19,665,500	\$729,000	\$770,500	\$24,015,310

*Notes: The Legacy Land Program (LLP) budgeting strategy is based on the following logic:

- 1) Estimates include design, permitting, and construction estimates for capital expenditures and operation costs.
 - a. Actual design costs are estimated and construction costs are conservative. Construction costs will be informed in the design process and updated as more information is provided.
 - b. OHA Administration would like to get permission to seek external funding sources to subsidize/offset any amounts that OHA is willing to commit from core funds.



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Current projections for WKOP will deplete OHA's encumbered funds in the 8320 account in/after FY21 where all funding thereafter will come from core funds.

- 2) Current projections for Palaeua will likely deplete the Palaeua Preserve account by end of FY21 and funding thereafter will need to come from core with subsidization from the conveyance of any of the associated properties that generate income for the fund.
- 3) Once the capital improvements on each property are completed, the operational costs will need to be re-examined and may increase or decrease dependent on the governance model that OHA establishes.
 - a. Once the capital improvements have been constructed, the annual operating budget should level off to a more stable figure as the capital outlays are the largest expense in the coming years. Pahua and Palaeua are examples of this as reflecting in the FY24 figures provided above.

F. Table 5: Implications of Kaka'ako Makai Policy for FY20 and FY 21 at 30% and 50%

FY	LLP Budget Request	KM Net Revenue	30%	Resulting Draw from Core
20	\$1,360,490	(FY18) \$ 1,614,649	\$484,394.70	\$876,095.30
21	\$1,326,090	(FY19) \$ 1,732,235	\$519,670.50	\$806,419.50

FY	LLP Budget Request	KM Net Revenue	50%	Resulting Draw from Core
20	\$1,360,490	(FY18) \$ 1,614,649	\$807,324.50	\$553,165.50
21	\$1,326,090	(FY19) \$ 1,732,235	\$866,117.50	\$459,972.50

G. Rationale for Policy Amendment Consideration

OHA's Legacy Land program has been evolving the way it manages Legacy and Programmatic lands with aims to both mitigate risk and demonstrate exemplary stewardship and management; including conducting pro-active, risk-adverse land management and maintenance activities, such as planning, development, and implementation of various plans and studies. As OHA continues to improve and advance its responsible land management strategies, the costs related to such efforts will increase. This is particularly the case for land management plans related to legal compliance and risk management where OHA will be compelled to take certain actions, but also applies to implementing use or development plans poised to advance OHA's mission. Overall, these actions will equate to an increased demand for financial inputs towards Legacy and Programmatic properties that the organization has not experienced in the past.

Therefore, any increase in allocation of KM revenue to OHA's Legacy Land program is intended to:

- 1) Provide added relief to the use of OHA's core funds for upcoming land management activities as OHA plans to transition from the master planning phase to the implementation phase, particularly for Kūkaniloko and Wao Kele o Puna;
- 2) Reduce the impact on the core operating budget after FY21, during which year the non-core funds for Wao Kele o Puna is projected to be exhausted. The account for WKOP (8320) was originally created to re-encumber monies set aside for the



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management of WKOP via a joint management MOA with DLNR from 2006-2016 at \$225,000/year. In 2010 OHA took back all management responsibility and created the non-core account of which LLP has been expending out of exclusively. This “pot of money” is anticipated to be fully expended in FY21, at which time the budget for WKOP will begin to draw from OHA’s core funds for this first time since its acquisition; and

- 3) Provide added funds to the FY20/FY21 Biennium Budget from the increased allocation to grants.

IV. Discussion Prompts

The following prompts are offered for further Trustee discussion and Administration guidance:

- A. As it relates to the current KM Policy Language, discuss various options, including action to:
 1. **Extend** the current revenue allocation methodology (i.e., 10% gross to Grants, 30% net to Legacy Property [land] management) to a specified period (e.g., two years, five years, in perpetuity);
 2. Increase the revenue allocation of the **gross revenues** from Kaka‘ako Makai (KM) to OHA’s Grants program from 10% to 20%;
 3. Increase the allocation of the **net revenues** to OHA’s Legacy Land Program from 30% to 50%;
 4. **Consider new designations** for gross or net revenues (e.g., homestead associations, housing, disaster reserve, collaborations, economic development);
 5. **End** the KM Policy revenue allocation (e.g., amend the policy, delete the language);
 6. Other.
- B. Consider similar revenue allocation designations from other commercial properties (i.e., Na Lama Kukui).
- C. Other commercial property dimension.

V. Discussion Document Attachment(s)

1. RM #17-05 - Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA’s Kaka‘ako Makai properties.
2. BOT #12-05 – Kaka‘ako Makai Policy



Legacy & Programmatic Lands Update May 2019

Kūkaniloko

Birthing Stones of High Ranking Ali'i

Located: *Wahiawā, O'ahu*

Size: *511 Acres*

Ownership: *Fee Simple*

Acquired: *2012*

Purchase Price: *\$3 million*

Zoning: *Ag-1*

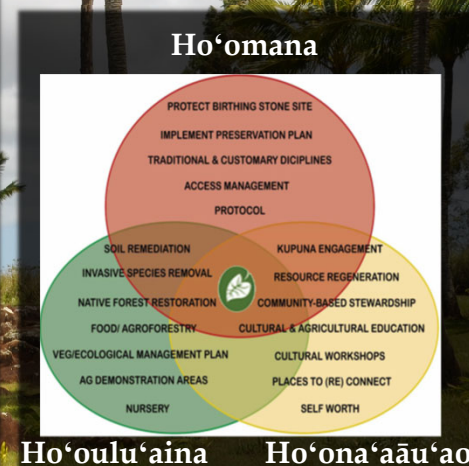
Special Conditions: *Conservation Easement*

BOT Approved Purpose of Acquisition:

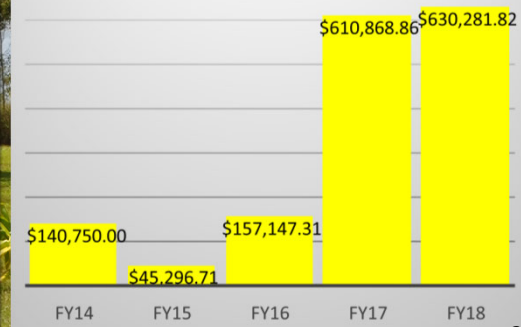
- *Protect Kūkaniloko;*
- *Explore compatible agriculture;*
- *Contribute to Hawai'i's food sustainability.*

Priority Projects

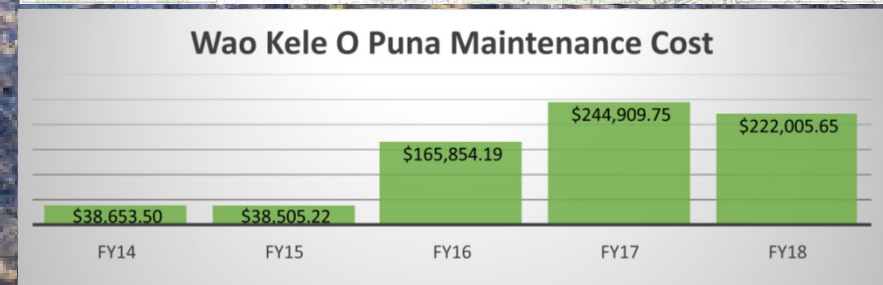
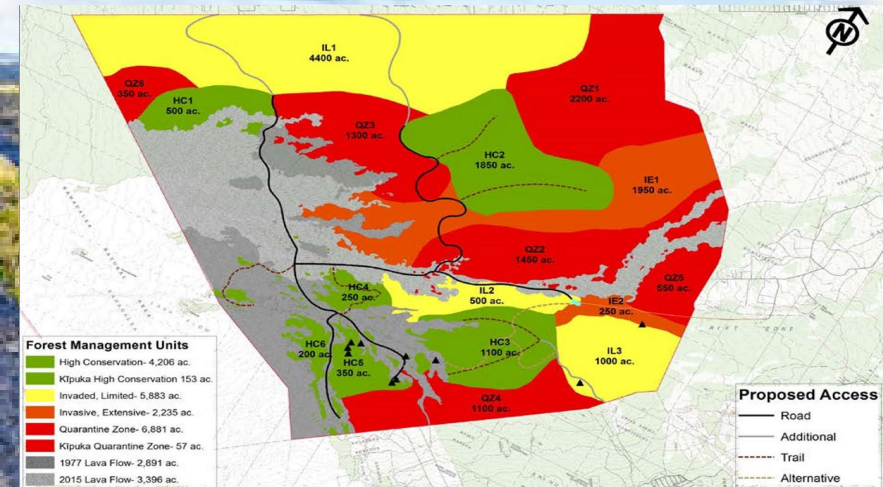
1. Finalize Conceptual Master Plan (Draft approved Sep 2018);
2. Finalize Soil Conservation Plan; Continue Veg Maint.
3. Transfer 5-acre property to OHA from DLNR (EO)
4. Design—Nursery & Greenhouse; Water Storage; Interpretive & welcome center; Cultural Nodes and Circulation Pathways.



Kūkaniloko Maintenance Cost



1. Community Engagement Education and Stewardship
2. Native Habitat Restoration
3. Invasive Species Control



Palauea Cultural Preserve

Remnants of a pre-contact Hawaiian fishing village

Location: Palauea, Maui

Size: 20.7 Acres

Ownership: Fee Simple

Acquired: 2012

Unique Features: Donated with funding mechanism, house structure (896 sq. ft.), and drainage easement.

Zoning: Preservation Zone

BOT Approved Purpose of Acquisition:

- Protect and preserve cultural sites
- Enable stewardship that integrate the Native Hawaiian community
- Work with UHMC to continue their long-term stewardship

Priority Projects:

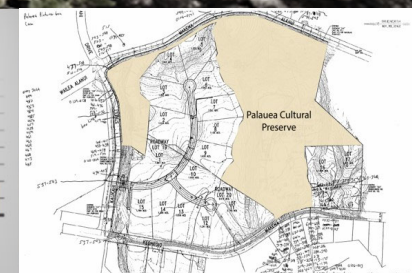
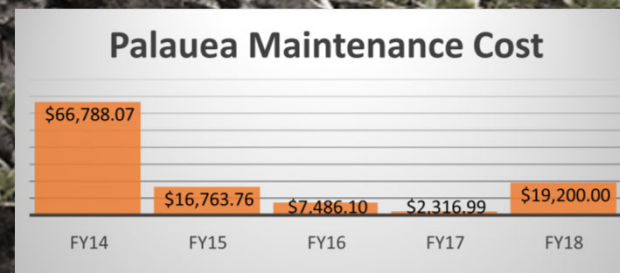
1. Preservation Plan
2. Deer Fence; Viewing area/Makai Fence
3. Education and Stewardship



Wiliwili Tree



Hale



Pahua Heiau

Intact Heiau Amongst Residential Development

Location: Maunaloa, O'ahu Size: 1.15 Acres

Ownership: Fee Simple Acquired: 1988

Purchase Price: Donated by KS

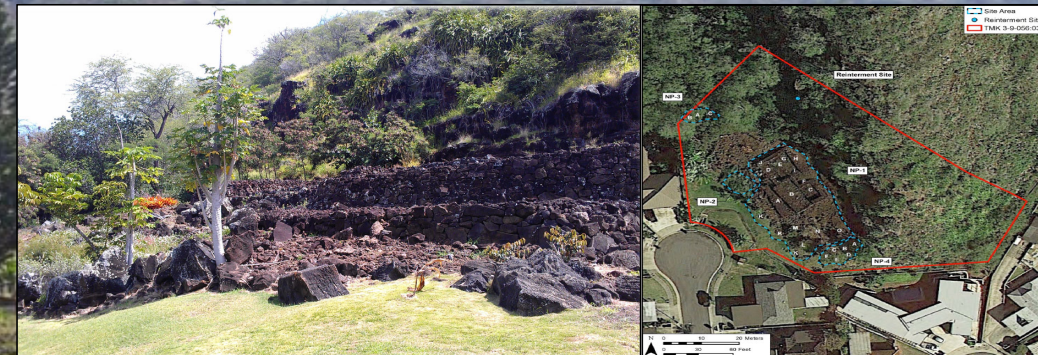
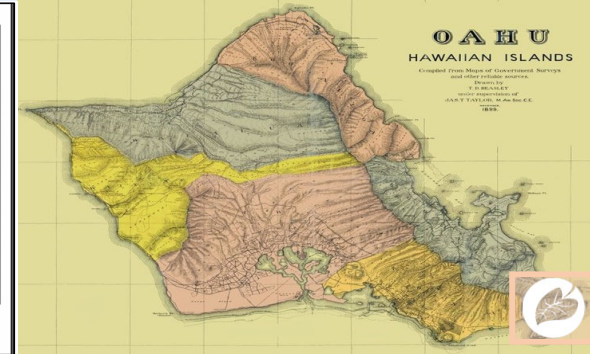
Zoning: R- 5 Residential

Special Conditions: Historic Use Restriction

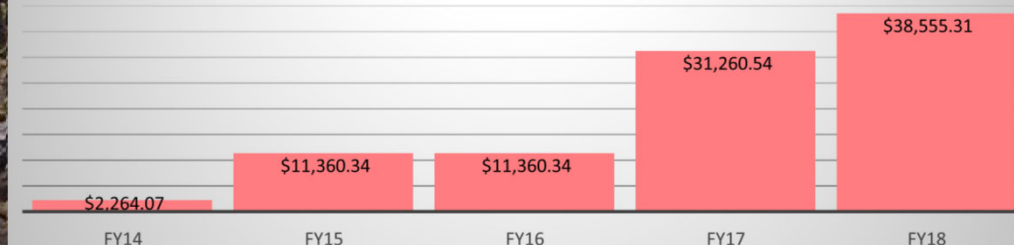
BOT Approved Purpose of Acquisition:
Educational/cultural opportunities for Native Hawaiians.

Priority Projects:

1. Landscape and Site Improvement plan
2. Barrier/Fence Construction



Pahua Maintenance Cost



Waialua Courthouse

On the State Historic Register Since 1979

Location: Waialua, O'ahu

Size: 1.06 Acres

Ownership: DLNR, 35 yr. Gratis lease till 2033, original lease dated 1998, amended 2012

Unique Features: Single story building (~2,000 sq ft) with baseent jail

Zoning: R-5 Residential District

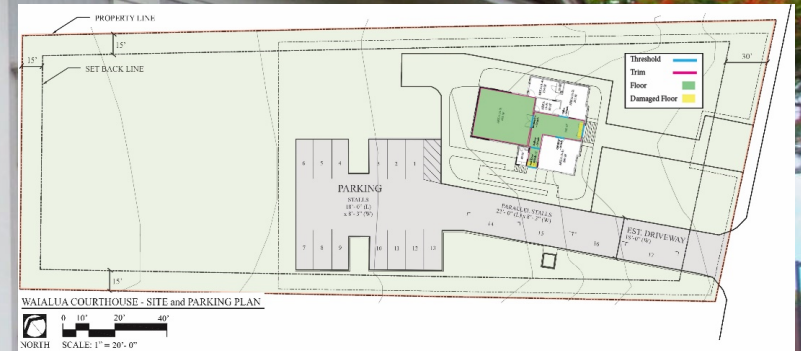
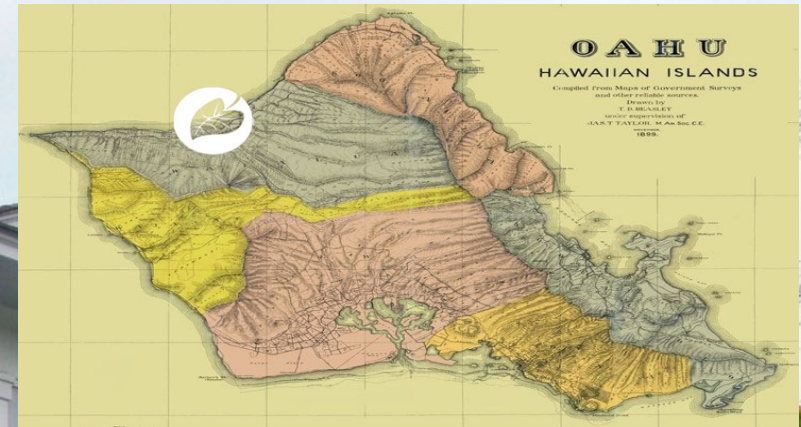
Special Conditions: OHA responsible for operating and repair costs

BOT Approved Purpose of Acquisition:

Provide a base for beneficiary organizations to gather, meet, plan, practice and participate in Hawaiian culture.

Priority Projects

1. Asbestos Inspection/Refinish floors
2. Site drainage and parking lot paving
3. Secure 3rd party management



Waialua Courthouse Maintenance Cost



Kekaha Armory

Located: Kekaha, Kauai **Zoning:** Industrial Mixed Use

Size: 1.46 Acres w/14,000 sf structure

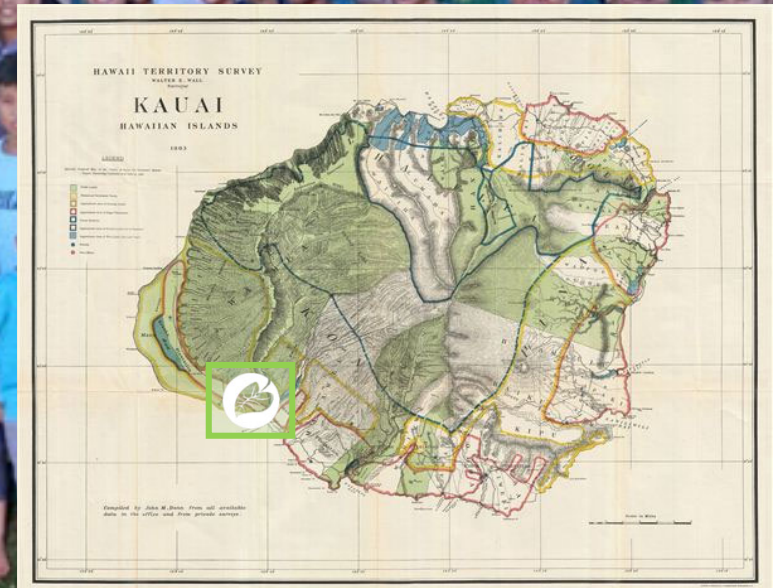
Ownership: 65 yr lease from DLNR, OHA subleased to Ke Kula Ni'ihau o Kekaha for 30 yrs

Acquired in 1998

BOT Approved Purpose of Acquisition

- Hawaiian cultural and educational purposes

Management: Ke Kula Ni'ihau O Kekaha



Ho'omana

Located: Wailua, Kauai

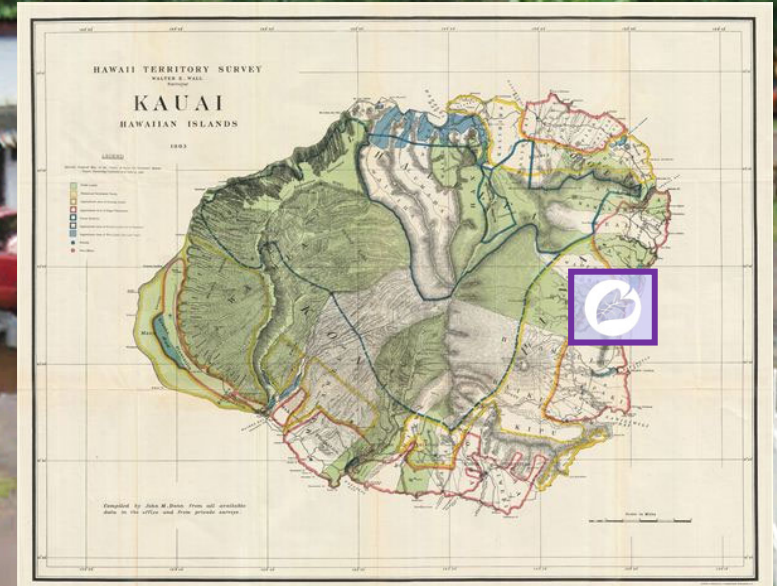
Zoning: Open

Size: 0.8013 Acres w/7,500 sf structure for

Ownership: Leased from DLNR, OHA subleased to Ho'omana

BOT Approved Purpose of Acquisition

- Educational purposes and community support



JC21

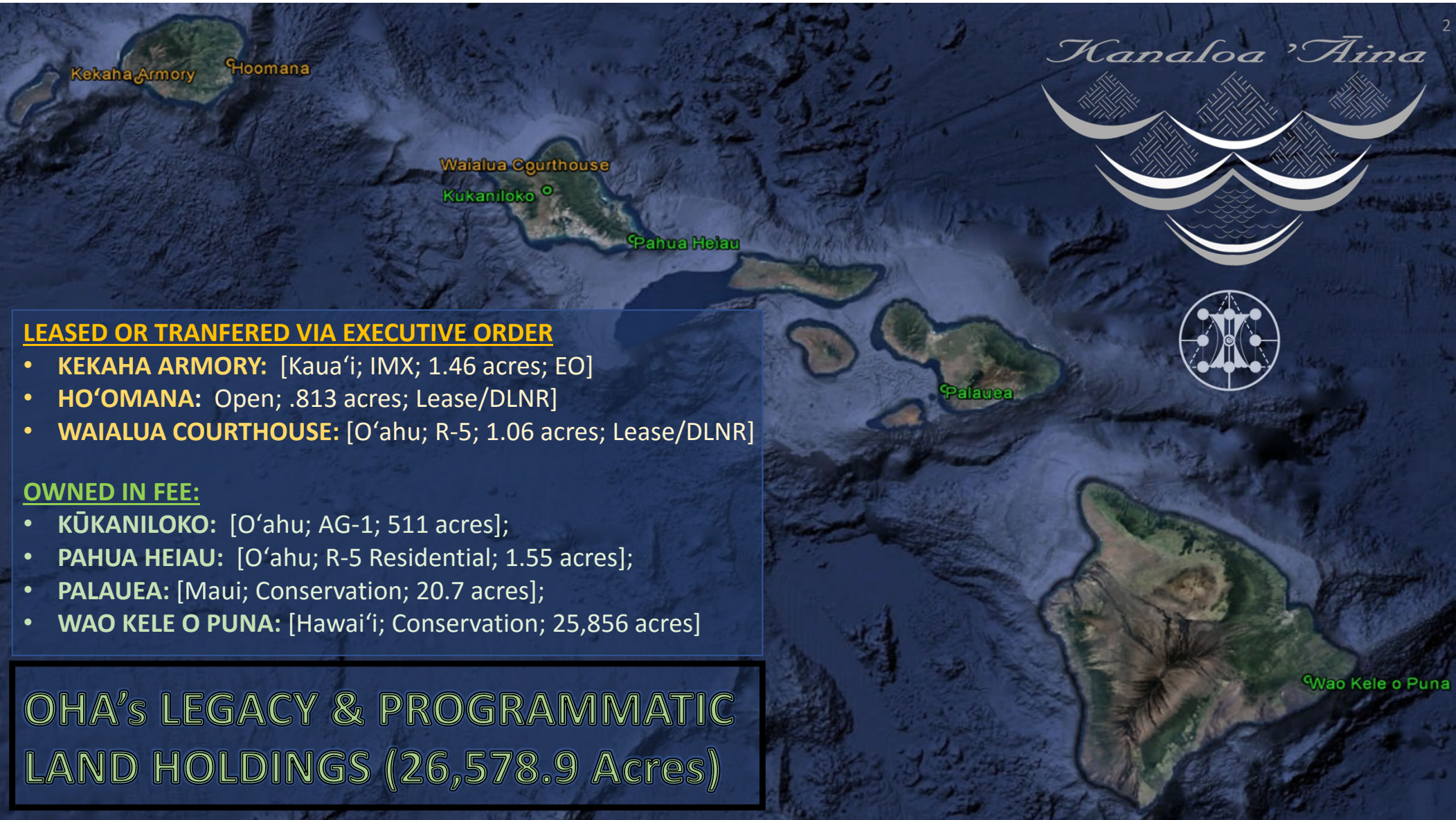


Mahalo

LEGACY LAND PROGRAM



LAND ASSETS DIVISION

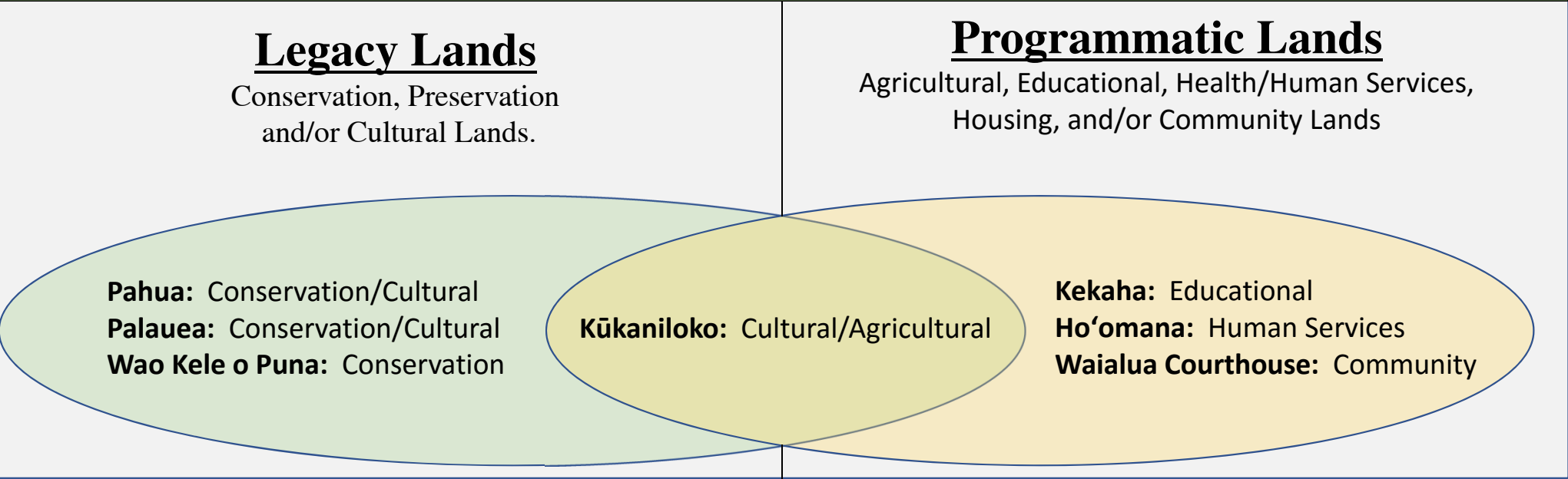


The Land Assets Division (LAD): Established in 2014; Commercial Properties and the Legacy Land Program

The Commercial Properties Program (LLP):
Responsible for the maintenance, management, and development for the portion of OHA’s land portfolio that have been designated and Legacy and Programmatic properties.

Kaka’ako Makai	Nā Lama Kukui	OHA’s Corporate Offices
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The Legacy Land Program (LLP):
Responsible for the maintenance, management, and development for the portion of OHA’s land portfolio that have been designated and Legacy and Programmatic properties.



The Legacy Land Program's (LLP) Impact Focus:

LLP focuses on leveraging the properties that we are responsible for to deliver OHA's mission, vision and strategic priorities. We do so by planning, managing and developing OHA's Legacy and Programmatic landholdings to provide impact in the following categories.

<u>AINA</u>	<u>CULTURE</u>	<u>EDUCATION</u>	<u>HEALTH</u>	<u>GOVERNANCE</u>
<ul style="list-style-type: none"> • Ecological Health • Agricultural Models • Climate Adaptation • Natural Resource Management and Access • Conservation and Protection 	<ul style="list-style-type: none"> • Cultural Resource Management and Access • Community-Based Stewardship • Perpetuate Mookuauhau, Moolelo, and Use 	<ul style="list-style-type: none"> • Place-Based and Community Engaged • Lahui Aligned and Culturally Nuanced • Collaborative • Culturally Nuanced • T&C Practices • Capacity Building 	<ul style="list-style-type: none"> • Symbiotic Relationships between Kanaka/Aina • Mental, Spiritual, Physical, and Social • Strengthen Self-Worth 	<ul style="list-style-type: none"> • Advocacy for Systemic Change • Cultural Planning, Development and Business Models • Resource Management Capacity Building

Mission: Deliver Impact to Three Major Audiences

LPP focuses on delivering impact to the following audiences while simultaneously remaining compliant with all applicable laws, engaging the community in which the LLP properties are located, managing within our means, and protecting the Organization and the Trust from risks.

Lahui

Directly or indirectly supporting initiatives that align with the overarching development and betterment of the Lahui

OHA Beneficiaries

Directly or indirectly bettering the conditions for OHA's Beneficiaries.

Broader Community

Directly or indirectly serve Non-Beneficiaries whom in turn helps to better the conditions for OHA's Beneficiaries

Planning for Hawaiian Nuanced Ecological, Social and Economic Impact:

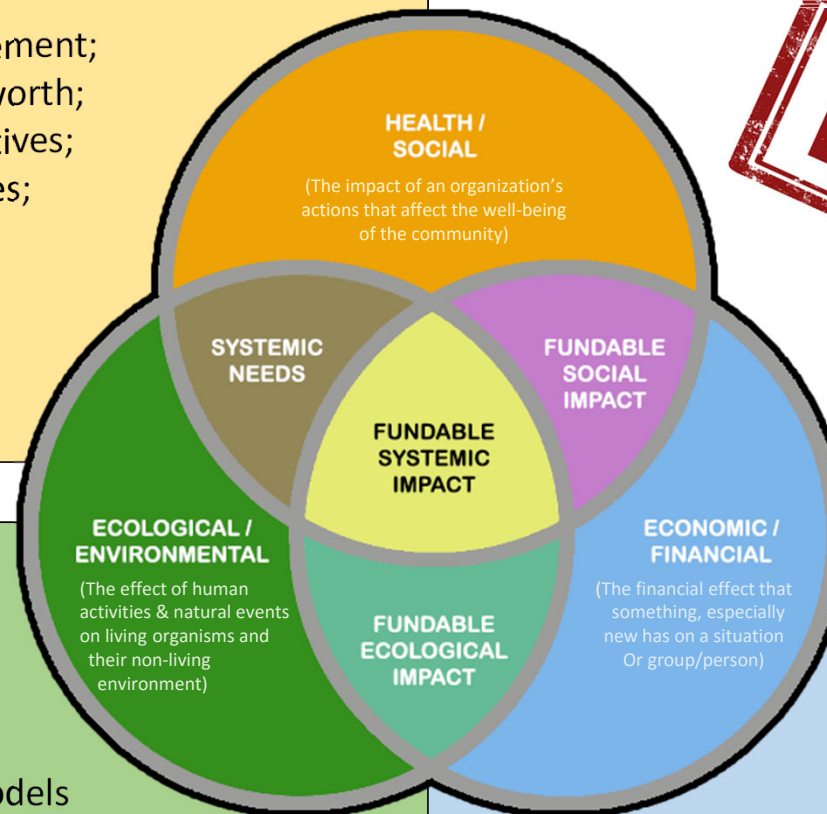
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Impact to Social Well-Being:

- Beneficiary & Community Involvement;
- Native Hawaiian Identity & Self-worth;
- Enable Cultural Adaptation Initiatives;
- Enable Hawaiian Cultural Practices;
- Cultural Resource Management;
- Historic & Cultural Preservation;
- Health (Mind, Body, and Spirit);
- Access and Integration;
- Education & Training

Impact to Eco./Env. Well-Being:

- Climate Change Adaptation
- Preservation & Conservation
- Ecological Impact Mitigation
- Natural Resource Regeneration
- Eco-Cultural Ag. & Vegetation Models
- Maximize Efficiency & Minimize Waste
- Ecological & Environmental Management
- Apply Traditional Hawaiian Methods in Modern Context.



IMPACT

Impact to Economic Well-Being:

- Financial Risk Mitigation
- Job Creation Opportunity
- Revenue Generation Engine
- Hawaiian Minded Business Model
- Demo Eco/Socio/Ecological Impact
- Networking & Land Asset Leveraging
- Enable Third-Party Partnerships & Funding
- Offset costs for development & Maintenance

The Legacy Land Program's Foundation and Current State

LLP bases all planning, management, and development decisions based upon the purpose of acquisition and the allowable uses associated with each property. In all cases we try to minimize costs and maximize the use of property and its impact.

Kauai

- **The Kekaha Armory** [Kaua'i; IMX; 1.46 acres; Executive Order]
Purpose of Acquisition: Hawaiian cultural and educational purposes
Current Use: Leased to Ke Kula Ni'ihau o Kekaha
Current Impact: Education/Culture (**Minimal** costs for OHA management)
- **Ho'omana** [Kaua'i; Open; .813 acres; Lease from DLNR];
Purpose of Acquisition: Educational purposes and community support
Current Use: Thrift Shop that builds capacity of youth with special needs.
Current Impact: Education (**Minimal** costs for OHA management)

Maui

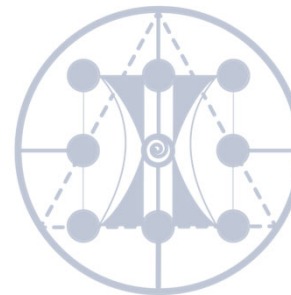
- **The Palauea Cultural Preserve** [Maui; Conservation; 20.7 acres; Fee];
Purpose of Acquisition: Protect and preserve cultural sites; Enable stewardship that integrate the Native Hawaiian community
Current Use: UH Maui HWST uses for educational purposes
Current Impact: Aina/Education
(MODERATE costs for OHA maint.; **MODERATE** costs to **INCREASE IMPACT**)

Oahu

- **The Waialua Courthouse** [O'ahu; R-5; 1.06 acres; Lease from DLNR];
Purpose of Acquisition: Provide a base for beneficiary organizations to gather, meet, plan, practice and participate in Hawaiian culture
Current Use: Meeting venue for beneficiaries and community
Current Impact: Culture/Education
(MODERATE costs for OHA Mngmt.; **MODERATE/HIGH** cost for future maint.)
- **Pahua Heiau** [O'ahu; R-5 Residential; 1.55 acres; Fee];
Purpose of Acquisition: Educational/cultural opportunities for Native Hawaiians
Current Use: Protecting cultural site in partnership with contracted stewards
Current Impact: Aina/Culture/Education
(MODERATE costs for OHA Mngmt.; **MODERATE** costs to **INCREASE IMPACT**)
- **Kūkaniloko** (511-Acres in Wahiawa) [O'ahu; AG-1; 511 acres; Fee];
Purpose of Acquisition: Protect Kūkaniloko; Explore compatible agriculture; Contribute to Hawai'i's food sustainability
Current Use: Serving as a buffer for KKL; Fallow agricultural lands overgrown with invasive species.
Current Impact: Aina (Protection from inappropriate development)
(HIGH costs for OHA maint.; **HIGH** costs to **INCREASE IMPACT**)

Hawaii

- **Wao Kele o Puna** [Hawai'i; Conservation; 25,856 acres; Fee];
Purpose of Acquisition: Protect cultural resources and Native Hawaiian customary rights; Ensure lands will transfer to lāhui; Build lāhui land management capacity.
Current Use: Lowland Rainforest
Current Impact: Aina (Protection/Conservation)
(HIGH costs for OHA maint.; **HIGH** costs for dev. to **INCREASE IMPACT**)



Planning for Kūkaniloko, Central O‘ahu

7

1. Create plans for the 511-acre property (otherwise unimproved and fallow) to protect the Birthing Stones site and align with OHA’s purposes of acquisition. Our Planning process included conducting comprehensive research about the site and engaging with the community. The engagement included: People with long-standing relationships with the site; cultural practitioners; subject matter experts; Neighboring Land Owners, the Wahiawā Neighborhood Board, the Hawaiian Civic Club of Wahiawā; Royal Societies, and the public.
 - **Kūkaniloko** (511-Acres in Wahiawa) [O‘ahu; AG-1; 511 acres; Fee];
Purpose of Acquisition: Protect Kūkaniloko; Explore compatible agriculture;
 Contribute to Hawai‘i’s food sustainability
2. The focus of the plan was centered around the purpose of acquisition with a focus on Ho‘omana (protection and sanctification), Ho‘ona‘ānu‘ao (Education), and Ho‘oulu‘aina (Agricultural and Ecological Rehabilitation).
3. The process resulted in: A vision for the site; Guiding Themes: Educational Continuum (generationally integrated education), Hub-Spoke, and the Vegetation Continuum (Native forest- Cultural Forest - Agro-Forest- Agricultural Demo., High-output Agriculture); and recommendations for programmatic functions with supporting infrastructure.

Kumupa‘a/Vision:

This place is a wahi kapu with mana that has existed since time immemorial and will exist for time eternal. It is an ecosystem of connectivity between our ‘āina and people. Thus, actions occurring here shall be guided by the following categorical concepts and supporting principles and guidelines:

HO‘OMANA



HO‘ONA‘AUAO



HO‘OULU‘ĀINA



PROGRAMMATIC FUNCTIONS AND USES



Increase Stewardship Capacity/Mālama Kūkaniloko;
Manage Access to Site; Interpretive Education;
Docent Training



Cultural Education/Training;
(Hula, Lua, Lā‘au Lapa‘au, Lomi, Kilo Hōkū, Mahi‘ai, etc.);
A Place for Certification



Experience and Engage Mana;
Place for Healing & Introspect;
Reinforce Kanaka Identity and Self-Worth

Practice Pono Agriculture;
Native Forest Restoration; Soil Regeneration;
Grow People by Growing Resources (Food, Medicines, etc.)

Health/Social Impact Opportunities:

Programmatic initiatives to support our beneficiaries and community include:

Site-Based Interactions:

- Provide access to a major cultural resource with infrastructure to support uses. [AINA/CULTURE]
- Increase on-site presence to support the protection of site and sustained cultural resource regeneration. [AINA/CULTURE]
- Enable on-site intergenerational interactions/relationships [CULTURE/EDUCATION]

On/Off- Site Cultural/Education:

- Provide consistent information re: History and Significance [CULTURE]
- Support traditional and contemporary cultural practices, protocols, and rights [CULTURE]
- Facilitate Leadership and Lahui Development training and demonstration [CULTURE/EDUCATION/GOVERNANCE]
- Provide options for Physical, Mental, and spiritual healing and rejuvenation. [HEALTH]

Systemic Impact Opportunities:

- Culturally focused approach to: [AINA/CULTURE/GOVERNANCE]
 - An Eco-Agricultural Development Model
 - Site regeneration and climate adaptation
 - Proactive natural and cultural resource management

Ecological/Environmental Impact Opportunities**Ecological Re-Generation:**

- Remediate soil from years of post contact use and neglect [AINA]
- Regenerate native habitat on portions of the site to demonstrate uses ancillary to agriculture and ecologically responsible [AINA]

Agricultural Demonstration:

- Demonstrate feasible mix of traditional and contemporary agricultural models to provide value to triple bottom line. [AINA/CULTURE]
- Business and career development

KKL: Impact**Potential****Economic Impact:**

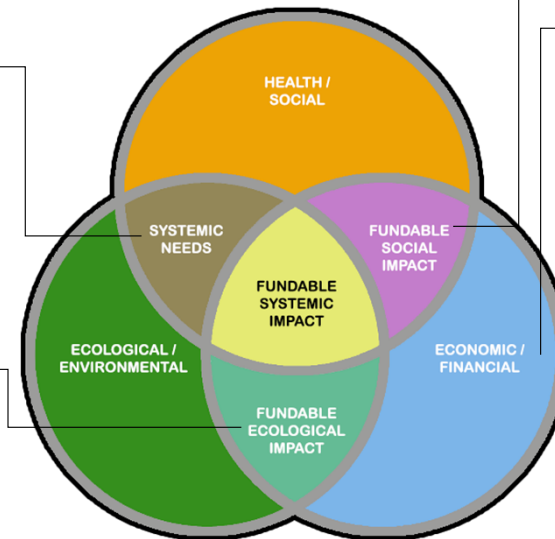
Potential economic impacts that support the development, implementation, and long-term sustainability of the project.

Eco/Ag-Cultural Model:

- Enable food, medicine, and plant production for sale, culturally related use, and planting on and off site.
- Provide a agricultural model for other landowners to consider that addresses climate change and cultural resource production.

Eco/Ag-Cultural Tourism:

- Capitalize on the visitor industry to bring in revenue to support the development, O&M, , and programmatic needs of the project.

Creation of Jobs and Educational Opportunities

Plans: Kūkaniloko

9

INFRASTRUCTURE

I. Welina:

- Welcome Pavilion ○
- Cultural Nodes ●

II. PIKO:

- Interpretive Center ●
- Multipurpose Kauhale
- Amphitheater

III. Kupu:

- Water Storage ●
- Green Houses ●
 - Grow Areas
 - Native Forests
 - Agroforest
 - Demonstration Plots

IV. Support

- Utilities
- Water Infrastructure
- Roads
- Walking Paths



INFRASTRUCTURE

I. Welina:

- *Welcome Pavilion*
- *Cultural Nodes*

II. PIKO:

- *Interpretive Center*
- *Multipurpose Kauhale*
- *Amphitheater*

III. Kupu:

- *Water Storage* P-1
- *Green Houses* P-1
 - *Grow Areas*
 - *Native Forests*
 - *Agroforest*
 - *Demonstration Plots*

IV. Support P-1

- *Utilities*
- *Water Infrastructure*
- *Roads*
- *Walking Paths*

FY19-21

Phase 1: Plan for Culturally Nuanced Agriculture:

KKL Phasing

10

1. Demonstrate a Focus on Agriculture:

- a) Demonstrate that OHA is focusing on agriculture on the AG-1 zoned property. This should enable us to amend the Conservation Easement associated with the property held by the city. The amendment will clear the way for onsite commercial uses.
- b) Develop focused Agricultural/Ecological Planting Strategies.
- c) Create interim parking area.

2. Design a Water Storage facility that is connected to the ADC water line (well water) with stub outs for its distribution:

- a) ADC has committed to providing OHA with 1 MG/W, and will not disperse the water until OHA has a storage facility to receive it. This 3 million gallon tank should suffice until additional water sources can be secured.

3. Design a Nursery and Greenhouse:

- a) Grow plants to seed our “Vegetation Continuum” model of eco-cultural-agriculture.
- b) Programmatic elements envisioned to occur here until the full build out of the plan can start at the Nursery/Greenhouse facility until we are prepared/positioned to roll out the Welcome/Interpretive Center and Cultural Nodes.
- c) Agricultural business can begin with food and medicine production for sale and distribution; Cultural resource generation; and begin Agri-Cultural-Tourism.

4. Position OHA for partnerships and external funding opportunities.

INFRASTRUCTURE

I. Welina:

- *Welcome Pavilion* P-2
- *Cultural Nodes* P-2

II. PIKO:

- *Interpretive Center* P-2
- *Multipurpose Kahale*
- *Amphitheater*

III. Kupu:

- *Water Storage* P-1/2
- *Green Houses* P-1/2
 - *Grow Areas*
 - *Native Forests*
 - *Agroforest*
 - *Demonstration Plots*

IV. Support

- *Utilities* P-1/2
- *Water Infrastructure*
- *Roads*
- *Walking Paths*

FY20-22

Phase 2: Continue with Schematic Design; EA/EIS; Cont. Ag Planning

KKL Phasing (cont.)¹¹

1. **Conceptual Design of the Welcome Pavilion, Interpretive Center, and Cultural Nodes :** ○ ● ●
 - a) Complete all conceptual designs (including agricultural expansion) for the Master Plan to enable OHA to begin EA/EIS and obtaining any associated entitlements.
 - b) This includes the Welcome Pavilion, 3-4 models to consider for our Cultural Nodes, the Interpretive Center and the extension of the items listed under support [Utilities, Water distribution infrastructure, and vehicular and pedestrian circulation infrastructures (Roads and Walking Paths)].
2. **Completion of an EA/EIS and other associated entitlements:**
 - a) By completing much of our design work (Phase 1 elements to Design Development and/or Construction Document levels, and Phase 2 elements to Conceptual Design levels), OHA will be positioned to draft our EA/EIS. The EA/EIS will then enable us to focus on constructing on Phase 1 elements and position ourselves to bring our Phase 2 elements to the Design Development and Construction Document levels. OHA will then have set the course to construct both Phase 1 and 2 elements under the umbrella of the EA/EIS as we are able.
3. **Continue Agricultural Planning and expansion based on work done in Phase 1 to inform additional water allocation requests as new sources become available.**

INFRASTRUCTURE

I. Welina:

- *Welcome Pavilion* P-2/3/4
- *Cultural Nodes* P-2/3/4

II. PIKO:

- *Interpretive Center* P-2/3/4
- *Multipurpose Kauhale*
- *Amphitheater*

III. Kupu:

- *Water Storage* P-1/2/3
- *Green Houses* P-1/2/3/4
 - *Grow Areas*
 - *Native Forests*
 - *Agroforest*
 - *Demonstration Plots*

IV. Support

- *Utilities*
- *Water Infrastructure*
- *Roads*
- *Walking Paths*

P-1/2/3/4

FY22-23

Phase 3: Construction of P-1; Expand

Agriculture; Final Design for P-2 Elements:

1. Construct Nursery, Greenhouse, and Water Storage.
2. Expand Agricultural Plans and Implement based on Trials and Availability of Water.
3. Complete Design Development and Construction Documents for all Remaining Elements in accordance with EA/EIS.

FY23 and Beyond

Phase 4: Construction of P-2; Expand Agriculture

1. Construct All Remaining Elements.
2. Expand Agricultural Plans and Implement based on Trials and Availability of Water.
3. Expand and Leverage the Programmatic Opportunities with our fully developed site.

KKL Phasing (cont.)¹²

Highlighted KKL
Project Budget
Elements

Kukaniloko	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	* Excludes Maintenance
Phasing	Phase 1			\$ 640,000.00	\$ 710,000.00					
	Phase 2									
	Phase 3			\$ 5,725,000.00						
	Phase 4 and On									\$ 11,825,000.00
	Total Preliminary (High-Level/Conservative) Estimate for Development for Phases 1-4									
Detailed Activities by Phase	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Budget	FY27 Budget	Estimated 8-Year Budget
FY Highlighted Project Totals	\$ 340,000.00	\$ 392,500.00	\$ 342,500.00	\$2,325,000.00	\$8,225,000.00	\$6,350,000.00	\$ 50,000.00	\$ 525,000.00	\$ 400,000.00	\$ 18,610,000.00
Finalize Soil Conservation Plan. <i>In House (FY19/20)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY Highlighted Totals										
Design Nursery and Greenhouse Facilities (FY 19 funds \$340k) <i>Contract</i>	\$ 340,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Design Water Storage and Relocation of ADC Pipe with permitting (FY20/21) <i>Contract</i>	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00
Amend Conservation Easement <i>In House</i>		\$ -	\$ -							
Install Interim Parking Gravel FY20/21 <i>Contract</i>	\$ -	\$ 42,500.00	\$ 7,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00
Design Welcome Center, Interpretive Center, Node and Circulation Pathway Design	\$ -	\$ 100,000.00	\$ 85,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,000.00
Agricultural/Soil Remediation Plan and Pilot Projects Phase 1 (FY20) PRIORITY	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000.00
Environmental Assessment/Cultural Impact Assessment	\$ -	\$ -	\$ 200,000.00	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000.00
Archaeological Assessment of Proposed Building Sites and circulation paths.	\$ -	\$ -	\$ -	\$ 125,000.00	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00	\$ -	\$ 375,000.00
Additional Permitting (unknown at present)	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 300,000.00
Construction of Water Storage Tank	\$ -	\$ -	\$ -	\$1,500,000.00	\$1,500,000.00	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000.00
Installation of Interim Water Distribution System with Ability to Expand	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ 250,000.00	\$ -	\$ -	\$ -	\$ 750,000.00
Construction of Roads for Water Storage and Nursery with Ability to Expand	\$ -	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Stub Utilities to Property (likely an underestimated cost)	\$ -	\$ -	\$ -	\$ -	\$ 750,000.00	\$ 750,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Nursery Construction (potentially higher contrction cost in years 23/24 dependant on plans) Potential to expand in FY26/27 if feasible.	\$ -	\$ -	\$ -	\$ -	\$ 300,000.00	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 300,000.00	\$ 1,200,000.00
Planning and Construction for Welcome Center (potential for higher construction costs dependant on plans)	\$ -	\$ -	\$ -	\$ -	\$1,000,000.00	\$1,000,000.00	\$ -	\$ -	\$ -	\$ 2,000,000.00
Planning and Construction for Interpretive Center (potential for higher construction costs dependant on plans)	\$ -	\$ -	\$ -	\$ -	\$1,000,000.00	\$1,000,000.00	\$ -	\$ -	\$ -	\$ 2,000,000.00
Planning and Construction for 3-4 designs to use as cultural nodes	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ 500,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 1,100,000.00
Expansion of Agricultural Facilities	\$ -	\$ -	\$ -	\$ -	\$2,000,000.00	\$2,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00

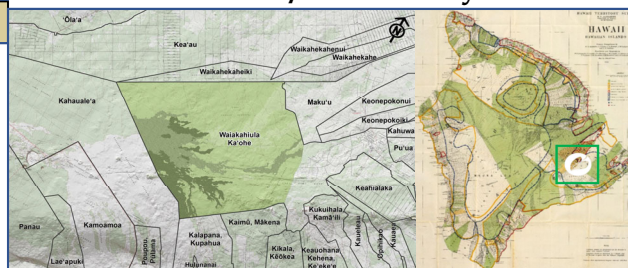
Planning for Wao Kele o Puna

1. Create plans for the 25,856-acre lowland rain forest (otherwise unimproved) in alignment with OHA's purpose of acquisition by conducting comprehensive research about the property and engaging with members of the community. The engagement included: People with long-standing relationships with the forest; cultural practitioners; subject matter experts; Puna residents, and the Pele Defense Fund, and the public.
 - **Wao Kele o Puna** [Hawai'i; Conservation; 25,856 acres; Fee];
Purpose of Acquisition: Protect cultural resources and Native Hawaiian customary rights; Ensure lands will transfer to lāhui; and Build lāhui land management capacity.
2. The intention was to create a Comprehensive Management Plan that was founded on Native Hawaiian principles and thought paired with contemporary knowledge and best forest management practices. The plan focuses on addressing enabling cultural practices and use, community-based stewardship, creating cultural resources, creating educational opportunities, addressing habitat quality, mitigating threats, and recognizing the risks associated with the property.
3. The process resulted in: A vision and mission for the for the site; a recommended management strategy; and recommended Management actions. In summary due to the scale of the property OHA needs to consistently address the needs of the site by: 1) Working with the Community; Protecting the Best, Killing the Weeds, & Managing the Pigs.

Work w/ Community

VISION:

WAO KELE O PUNA WILL BE LOCALLY, NATIONALLY, AND INTERNATIONALLY RECOGNIZED FOR ITS FOREST STEWARDSHIP AND CONSERVATION, DEVELOPED AND IMPLEMENTED THROUGH A NATIVE HAWAIIAN PERSPECTIVE, WHICH WILL SERVE AS A MODEL AND INSPIRATION FOR INDIGENOUS COMMUNITIES WORLDWIDE.



Protect the Best Manage Weeds/Pigs

PURPOSE:

THE PURPOSE IS TO MAINTAIN THE INTEGRITY OF THE NATURAL, CULTURAL, AND SPIRITUAL RESOURCES; TO PROTECT, PRESERVE, & PERPETUATE, THE PERFORMANCE OF CUSTOMARILY & TRADITIONALLY EXERCISED SUBSISTENCE & CULTURAL PRACTICES OF NATIVE HAWAIIANS; AND TO ENSURE THAT THIS 'ĀINA PASS TO THE NATION OF HAWAII.

Planning for Wao Kele o Puna (Cont.)

Working with the Community:

- a) **Access:**
- ● Maintain current and seek additional access routes into WKOP for T&C practitioners, stewards/managers and emergency responders.
- b) **Education:**
- ● Create educational opportunities for beneficiaries and the community;
- c) **Community-Based Management:**
- ● Create community reforestation plots to demonstrate planting and maintenance strategies as we create new cultural resources for use;
 - ● Test the use of product bearing forest plant as a replacement for invasive/weedy species;
 - ● Create opportunities for hands-on invasive species control experiential learning experiences.

Protecting the Best:

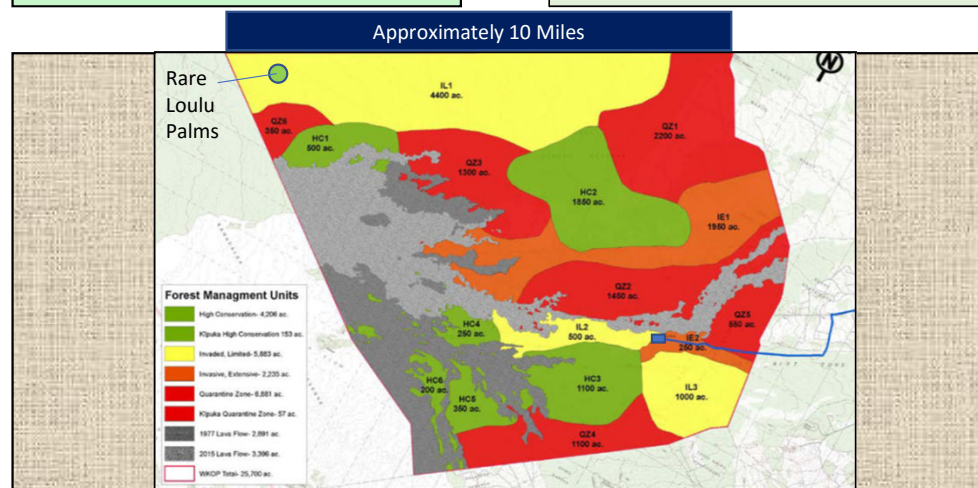
- a) **Pristine Areas:**
- ● Protect and assist the recovery of areas with high coverage of native plants, anthropological and other selected kipuka.
 - Prioritize areas that are likely to contain rare and endangered flora/fauna;
 - Work to help reseed fresh lava to create new kipuka.
- b) **Manage and Mitigate Threats:**
- Collaborate with others to address Rapid Ohia Death.

Managing the Pigs:

- a) **Target Areas:**
- Managing the pigs in high conservation and reforestation areas to prevent the spread of invasive species and uprooting of new plantings.
- b) **Pilot Project:**
- Consider creating subsistence hunting areas to create focal areas for people to hunt tied to a animal control permit in collaboration with DLNR.

Killing the Weeds:

- a) **Curbing Invasive Species:**
- ● Reduce the spread of alien species into areas with high coverage of native plants;
 - Minimize further introduction of invasive species from elsewhere;
 - Chip away at currently invaded areas.
 - ● Expand efforts along existing access road and clearing.
- b) **Continued Efforts:**
- Continue management of habitat altering species (miconia, albesia, etc.);
 - Monitor new lava and mitigate invasive species from taking hold;
 - Clear select invaded areas to enable restoration project and the creation of new "kipuka";
 - ● Manage the weeds along the edges of the existing access road and clearing.



WKOP: Impact

Health/Social Impact Opportunities:

Site-Based Interactions:

- Provide access to a major cultural resource to support traditional cultural practices. [AINA/CULTURE]
- Increase on-site use to support the protection and preservation of the property via programmatic use and sustained cultural resource regeneration. [AINA/CULTURE]
- Enable on-site intergenerational education/interaction/relationship building [CULTURE/EDUCATION]

On/Off- Site Cultural/Education:

- Provide consistent information re: History and Significance [CULTURE]
- Support traditional and contemporary cultural protocols, and rights [CULTURE]
- Facilitate conservation leadership training and demonstration [CULTURE/EDUCATION/GOVERNANCE]
- Provide options for Physical, Mental, and spiritual healing and rejuvenation. [HEALTH]

Systemic Impact Opportunities:

- Culturally focused approach to: [AINA/CULTURE/GOVERNANCE]
 - An eco-cultural preservation and reforestation model
 - Community-based stewardship of a large lowland rainforest
 - Culturally nuanced natural and cultural resource management

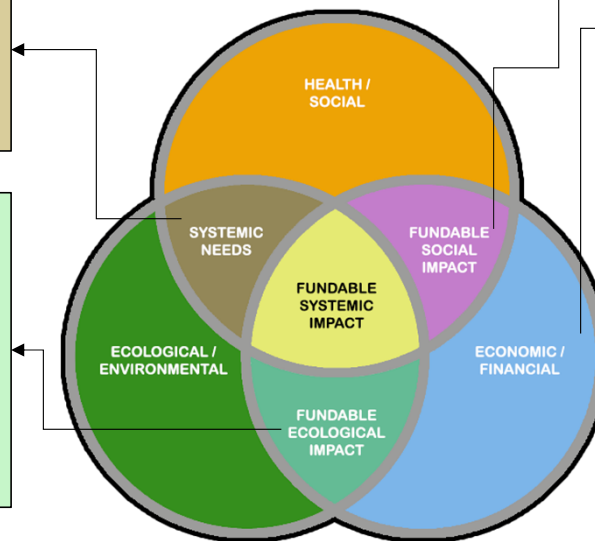
Ecological/Environmental Impact Opportunities

Reforestation:

- Remediate years on invasive species proliferation [AINA]
- Regenerate native habitat [AINA]
- Work toward the mitigation of Rapid Ohia Death [AINA]

Exploration of Agro-forestry:

- Demonstrate eco-cultural agroforestry models that can be considered for reforestation and invasive species replacement. [AINA/CULTURE]



Economic Impact:

Potential economic impacts that support the development, implementation, and long-term sustainability of the project.

Eco-Cultural Model:

- Position OHA and community-based stewards for third party partnerships and funding opportunities
- Explore impact leveraging and other financial resource generation opportunities that align with the vision for the property.

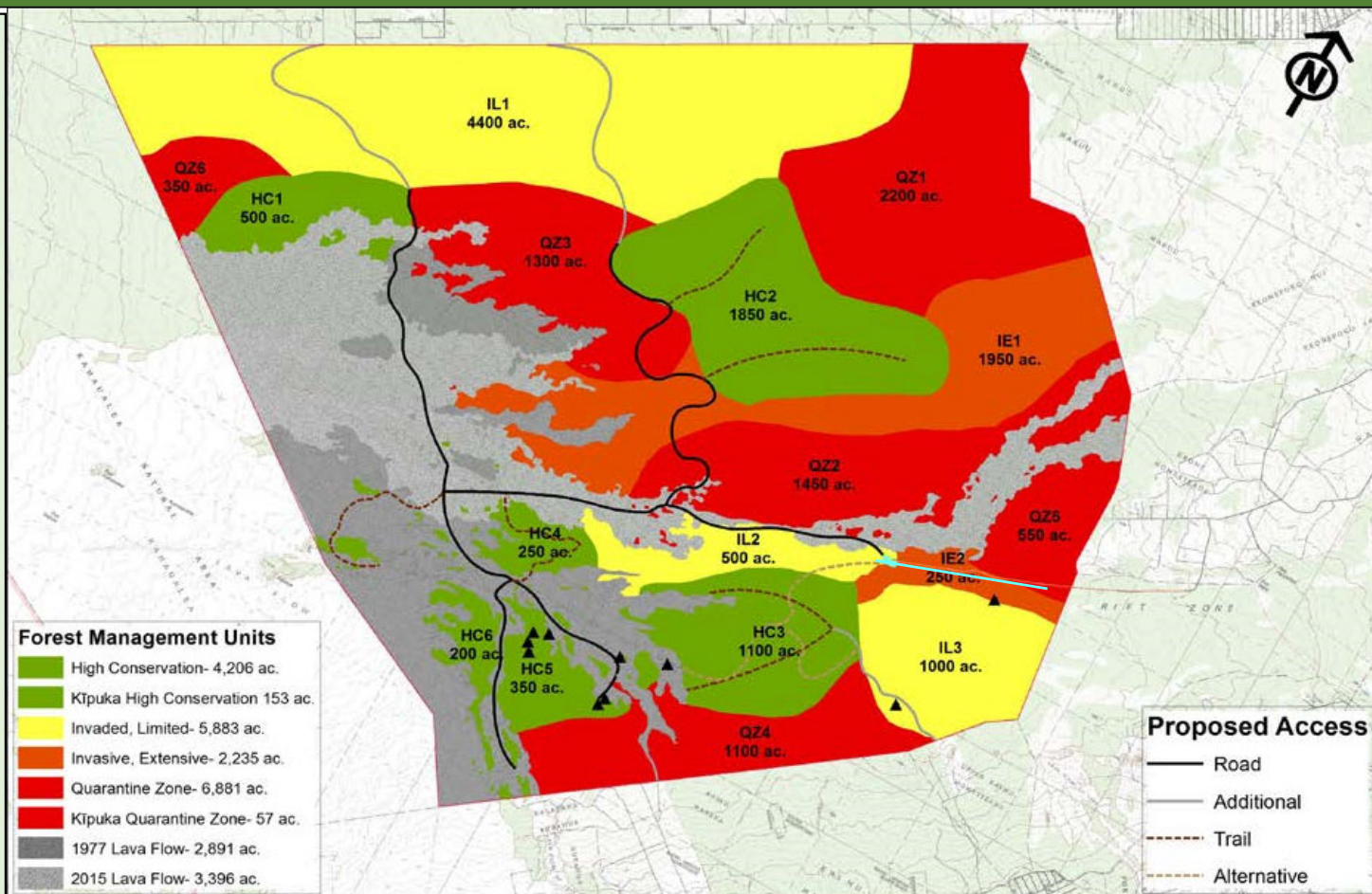
Eco/Cultural Tourism:

- Explore aligned visitor related business cases to provide guided access to WKOP for educational purposes in exchange for fees that offset the maintenance and management of WKOP (without compromising its cultural integrity).

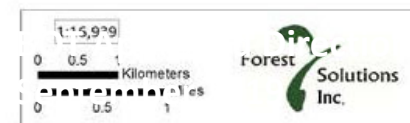
Plans: Wao Kele o Puna, East Hawai'i Island

PROGRAMS & INFRASTRUCTURE

- I. **Support T&C Access:** *(Entire Property)*
 - Enable access for T&C Practitioners
- II. **Educational Programs:**
 - Enable access for educational programs
 - Work with partners to create site-specific curriculum
- III. **Manage Weeds and Pigs:**
 - Contractors to assist with invasive species control across the property
 - Contractors & community assist with invasive species control along the access road & existing cleared areas.
 - Create pilot projects for reforestation
- IV. **Roads and Trails**
 - Roads/Trails to High Conservation and focus Areas and known arch features
 - Working trails in accessible areas
- IV. **Kauhale in the Cleared Area**
 - Facilitate Access and Management
 - Enable Increased Programmatic Use
 - Focal Area for Engaging Community



Wao Kele o Puna
Proposed Access



WKOP Phasing

- I. Support T&C Access:** P-1
 - *Enable access for T&C Practitioners*
- II. Educational Programs:** P-1
 - *Enable access for educational programs*
 - *Work with partners to create site-specific curriculum*
- III. Manage Weeds & Pigs:** P-1
 - *Contractors to assist with invasive species control across the property*
 - *Contractors & community assist with invasive species control along the access road & existing cleared areas.*
 - *Create pilot projects for reforestation*
- IV. Roads and Trails** P-1
 - *Roads/Trails to High Conservation and focus Areas and known arch features*
 - *Working trails in accessible areas*
- IV. Kauhale in the Cleared Area** P-1
 - *Facilitate Access and Management*
 - *Enable Increased Programmatic Use*
 - *Focal Area for Engaging Community*

Phase 1: Access, ISC, and Pilot Project

FY20-21

1. Enable Programmatic Access to WKOP:

- a) Work with ISC contractors to conduct invasive species control mitigation training for members of the Puna community at WKOP.
- b) Enable groups and individual to access WKOP for educational purposes in alignment with the vision and direction for the property. Collaborate with these groups to create site-specific curriculum.
- c) Work with T&C practitioners with regard to access to WKOP.
- d) Explore/secure alternative access routes.

2. Invasive Species Control (ISC):

- a) Continue ISC on the property at the landscape scale with the assistance of contractors; Plan for pig fencing for target areas, implement as able.
- b) Work on smaller scale ISC projects with contractors and community in accessible areas.

3. Planning and Pilot Project:

- a) Create planting/circulation (trails) plan for the cleared area and three pilot project plots that were cleared of strawberry guava. Secure permits for fencing, prepare site and begin pilot planting projects.
- b) Propose a community-based stewardship management partnership.
- c) Install interpretive signage for educational purposes.
- d) Plan for Environmental Assessment

WKOP Phasing (cont.)

- I. Support T&C Access:** P-1/2
 - *Enable access for T&C Practitioners*
- II. Educational Programs:** P-1/2
 - *Enable access for educational programs*
 - *Work with partners to create site-specific curriculum*
- III. Manage Weeds & Pigs:** P-1/2
 - *Contractors to assist with invasive species control across the property*
 - *Contractors & community assist with invasive species control along the access road & existing cleared areas.*
 - *Create pilot projects for reforestation*
- IV. Roads and Trails** P-1/2
 - *Roads/Trails to High Conservation and focus Areas and known arch features*
 - *Working trails in accessible areas*
- IV. Kauhale in the Cleared Area** P-1/2
 - *Facilitate Access and Management*
 - *Enable Increased Programmatic Use*
 - *Focal Area for Engaging Community*

Phase 2: Access, ISC, Pilots/Stewards, Plan/EA

FY22-23

19

1. Expand Programmatic Access to WKOP:

- a) Continue and expand Puna community engagement/education at WKOP.
- b) Formalize T&C Practitioner Program.
- c) Plan for forest related risk mitigation/revegetation and programmatic associated with new access.

2. Invasive Species Control (ISC):

- a) Continue ISC on the property at the landscape scale with the assistance of contractors. Expand pig fencing at targeted areas.
- b) Expand smaller scale ISC projects with contractors and community in accessible areas.

3. Pilot Projects and Stewardship:

- a) Continue pilot project, expand planting plan, and begin new pilot projects.
- b) Continue to implement and develop community-based stewardship management partnership.

4. Planning and EA:

- a) Plan and design trails and roads to enable access to target control areas.
- b) Schematic design for Kauhale in cleared area to serve as a home base for stewardship, enable increased programmatic uses, and facilitate community engagement/educational opportunities.
- c) Schematic design/preliminary engineering for access roads to priority areas

WKOP Phasing (cont.)

- I. **Support T&C Access:** P-1/2/3/4
 - *Enable access for T&C Practitioners*
- II. **Educational Programs:** P-1/2/3/4
 - *Enable access for educational programs*
 - *Work with partners to create site-specific curriculum*
- III. **Manage Weeds & Pigs:** P-1/2/3/4
 - *Contractors to assist with invasive species control across the property*
 - *Contractors & community assist with invasive species control along the access road & existing cleared areas.*
 - *Create pilot projects for reforestation*
- IV. **Roads and Trails** P-1/2/3/4
 - *Roads/Trails to High Conservation and focus Areas and known arch features*
 - *Working trails in accessible areas*
- IV. **Kauhale in the Cleared Area** P-1/2/3/4
 - *Facilitate Access and Management*
 - *Enable Increased Programmatic Use*
 - *Focal Area for Engaging Community*

Phase 3: Access, ISC, Pilots/Stewards, and EA

FY24-26

1. **Enable Programmatic Access to WKOP:**
 - a) Continue community engagement/education and T&C Practitioner Program.
2. **Invasive Species Control (ISC):**
 - a) Continue ISC on the property at the landscape scale with the assistance of contractors. Expand pig fencing at targeted areas.
 - b) Expand smaller scale ISC projects with contractors and community in accessible areas.
3. **Pilot Projects and Stewardship:**
 - a) Continue pilot project, expand planting plan, and begin new pilot projects.
 - b) Continue to implement and develop community-based stewardship.
4. **EA:**
 - a) Conduct EA based on conceptual designs for Kauhale and Road.

Phase 4: Access, ISC, Pilots/Stewards, and Construction FY26 & On

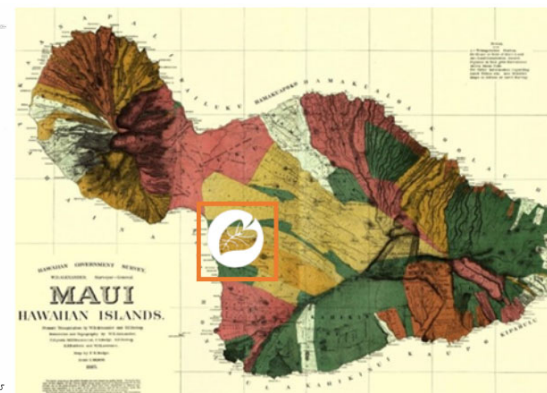
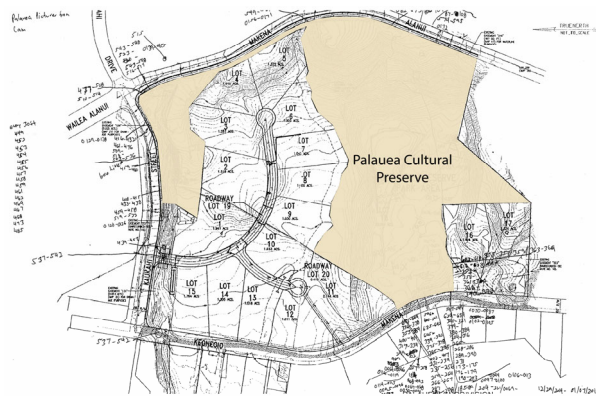
1. **Continue all Access, ISC, Pilots and Stewardship Efforts:**
 - a) Continue community engagement/education and T&C Practitioner Program.
2. **Construction of Kauhale in Cleared Area.**
3. **Construction of Roads for Increased Maintenance and Management.**

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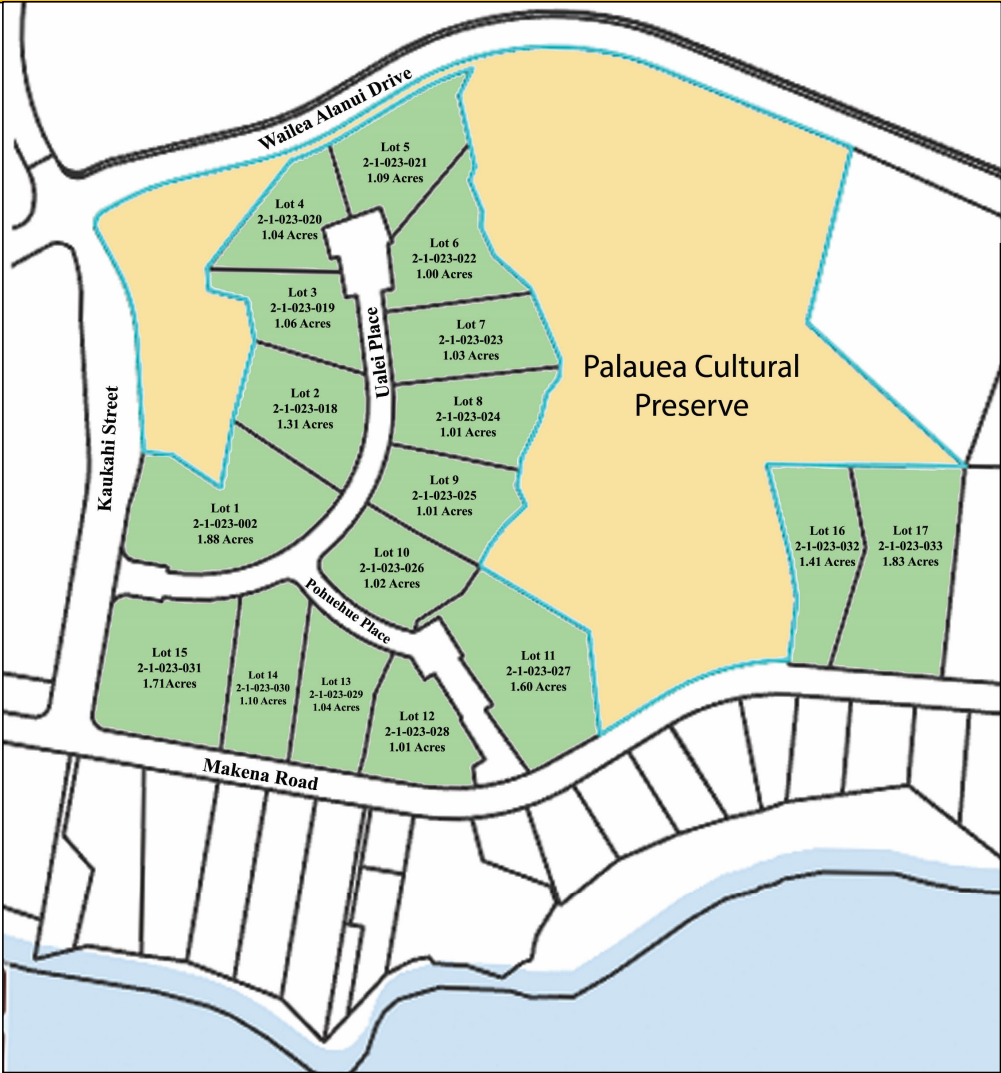
Planning for Palauea, South-West Maui

22

1. Create a preservation plan as a basis for management of the 20.8- acre property in alignment with OHA's purpose of acquisition. Palauea contains evidence of a fishing village of the area, contains a significant traditional structure and is home to one of the last known wiliwili groves in the area. OHA is also responsible for monitoring a drainage easement on property; managing the vegetation on, and an 896 sf structure that exists on the property.
 - **The Palauea Cultural Preserve** [Maui; Conservation; 20.7 acres; Fee];
Purpose of Acquisition: Protect and preserve cultural sites; Enable stewardship that integrate the Native Hawaiian community.
2. The intention was to create a preservation plan (PP) that would become the basis for a comprehensive Management Plan centered on Native Hawaiian principles for this site. In partnership with the University of Maui's Hawaiian Studies Department, OHA works to manage the site in a culturally appropriate manner (in alignment with the draft PP). Thus far, OHA has been managing many of the compliance and risk management issues; and UH has been utilizing the property for educational purposes, has been assisting with security, maintenance, and management issues, and has started a native planting program with their students.



Revenue Mecahnism for Palauea: The Palauea Preserve Fund



FUNDING:

When OHA received the property in 2013 it came with “Palauea Preserve Fund” of approximately \$144,875.00 Additionally each time one of the 17 properties shown in green is sold, 0.5% of the gross selling price is added to the fund. See the record of sales germane to OHA’s time as the landowner below. (* Exempt = transfers to banks)

Lot #	TMK	Acres	Date	Amount	Revenue (0.5%)
Lot 1	2-1-023:002	1.88	02/23/04	\$ 1,275,000	
	2-1-023:002		09/09/11	\$ 2,000,000	
Lot 2	2-1-023:018	1.31	02/27/04	\$ 1,700,000	
	2-1-023:018		09/22/11	\$ 7,750,000	
Lot 3	2-1-023:019	1.06	05/26/04	\$ 2,092,000	
	2-1-023:019		04/29/13	\$ 8,150,000	\$40,750
Lot 4	2-1-023:020	1.04	05/27/05	\$ 2,675,000	
	2-1-023:020		05/18/07	\$ 4,125,000	
	2-1-023:020		01/30/14	\$ 6,300,000	Exempt
	2-1-023:020		09/26/14	\$ 8,500,000	\$42,500
Lot 5	2-1-023:021	1.09	01/14/05	\$ 2,600,000	
	2-1-023:021		11/15/11	\$ 2,990,000	
	2-1-023:021		11/28/14	\$ 3,500,000	\$17,500
Lot 6	2-1-023:022	1.00	08/11/04	\$ 2,265,000	
	2-1-023:022		06/21/13	\$ 2,950,000	\$14,750
Lot 7	2-1-023:023	1.03	06/13/05	\$ 1,915,000	
	2-1-023:023		07/27/17	\$ 6,300,000	\$31,500
	2-1-023:024		05/04/05	\$ 1,825,000	
Lot 8	2-1-023:024	1.01	04/21/14	\$ 1,750,000	\$8,750
	2-1-023:024		11/09/16	\$ 5,950,000	\$29,750
	2-1-023:025		06/18/04	\$ 1,299,000	
Lot 9	2-1-023:025	1.01	09/22/05	\$ 2,250,000	
	2-1-023:025		11/10/11	\$ 2,788,000	
	2-1-023:025		06/03/13	\$ 5,000,000	\$25,000
	2-1-023:026		06/08/04	\$ 1,250,000	
Lot 10	2-1-023:026	1.02	02/15/05	\$ 1,250,000	
	2-1-023:026		03/28/08	\$ 2,650,000	
	2-1-023:026		04/24/08	\$ 1,000	
	2-1-023:026		05/02/14	\$ 2,500,000	Exempt
	2-1-023:026		10/16/14	\$ 3,500,000	\$17,500
Lot 11	2-1-023:027	1.60	07/20/18	\$ 8,175,000	\$40,875
	2-1-023:027		05/28/04	\$ 2,000,000	
	2-1-023:027		10/18/07	\$ 3,500,000	
Lot 12	2-1-023:028	1.01	04/26/11	\$ 4,500,000	
	2-1-023:028		11/12/04	\$ 2,250,000	
Lot 13	2-1-023:029	1.04	06/30/05	\$ 2,100,000	
	2-1-023:029		03/23/09	\$ 2,120,000	
	2-1-023:030		06/30/05	\$ 2,100,000	
Lot 14	2-1-023:030	1.10	06/04/08	\$ 5,550,000	
	2-1-023:030		06/04/09	\$ 1,000	
	2-1-023:030		06/23/09	\$ 2,200,000	
	2-1-023:030		10/09/09	\$ 1,835,000	
Lot 15	2-1-023:031	1.71	05/11/05	\$ 2,194,500	
	2-1-023:031		01/12/07	\$ 2,800,000	
	2-1-023:031		06/04/08	\$ 5,550,000	
	2-1-023:031		06/04/09	\$ 1,000	
	2-1-023:031		03/15/10	\$ 1,000	
Lot 16	2-1-023:032	1.41	12/26/03	\$ 1,900,000	
	2-1-023:032		04/18/06	\$ 1,900,000	
Lot 17	2-1-023:033	1.83	05/25/05	\$ 8,000,000	
Totals		41.89		\$156,502,500	\$268,875

Palauea: Impact Potential²⁴

Health/Social Impact Opportunities:

Site-Based Interactions:

- Provide access to a major cultural resource to support traditional cultural practices. [AINA/CULTURE]
- Increase on-site use to support the protection and preservation of the property via programmatic use and sustained cultural resource regeneration. [AINA/CULTURE]
- Enable on-site intergenerational education/interaction/relationship building [CULTURE/EDUCATION]

On/Off- Site Cultural/Education:

- Provide consistent information re: History and Significance [CULTURE]
- Support traditional and contemporary cultural protocols, and rights [CULTURE]
- Facilitate conservation leadership training and demonstration [CULTURE/EDUCATION/GOVERNANCE]

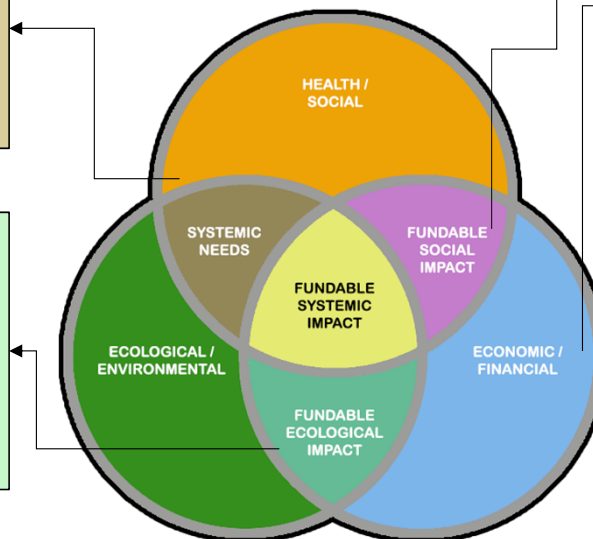
Systemic Impact Opportunities:

- Culturally focused approach to: [AINA/CULTURE/GOVERNANCE]
 - An eco-cultural historic preservation
 - Community-based stewardship of one of the last in-tact sites of the area.
 - Culturally nuanced natural and cultural resource management

Ecological/Environmental Impact Opportunities

Native Habitat Preservation and Regeneration:

- Remediate years on invasive species proliferation [AINA]
- Regenerate native habitat [AINA]
- Work toward the restoration of the Wiliwili Grove [AINA]
- Demonstrate eco-cultural revegetation models that can be considered amidst an suburban residential environment. [AINA/CULTURE]



Economic Impact:

Potential economic impacts that support the development, implementation, and long-term sustainability of the project.

Revenue Generation Modes:

- Continue collecting % of conveyance fees.
- Explore the opportunity to set neighborhood association fees to assist with the management, protection, and re-vegetation of Palauea
- Explore aligned visitor related business cases to provide guided access to Palauea for educational purposes in exchange for fees that offset the maintenance and management of Palauea (without compromising its cultural integrity).

Plans: Palauea

PROGRAMS & INFRASTRUCTURE

I. Finalize Preservation Plan

- Provide basis for comprehensive management plans and actions

II. Educational Programs:

- UH Maui HWST and Archaeology
- Community integrated education

III. Protect the Cultural Features:

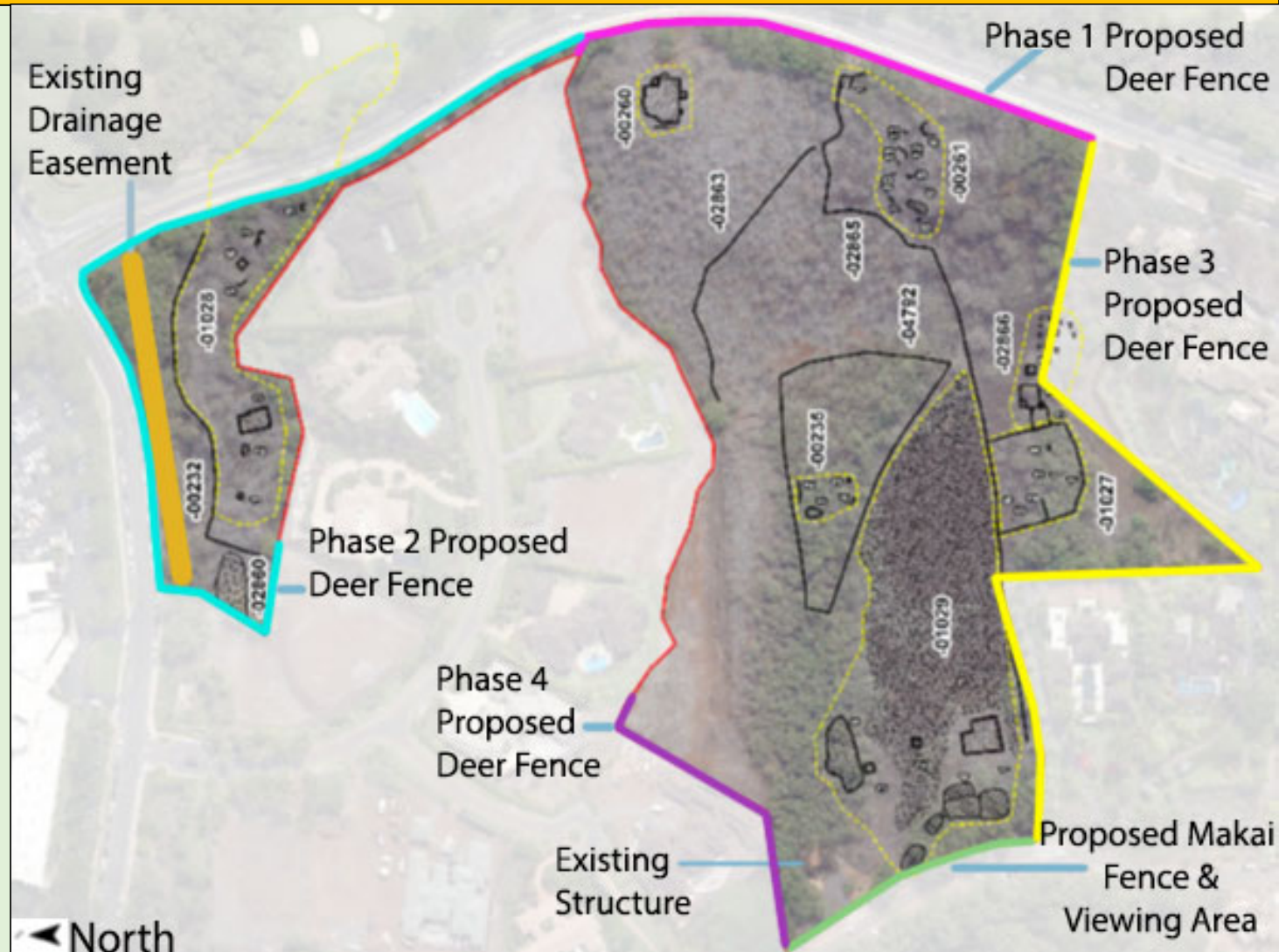
- Archaeological sites
- Wiliwili grove
- Create walking/maintenance trails

IV. Barriers

- Deer Fence
 - Phase 1 ●
 - Phase 2 ●
 - Phase 3 ●
 - Phase 4 ●
- Makai Fence and Viewing Area ●
- Working trails in accessible areas

IV. Landscaping

- Revegetation and irrigation
- Firebreak
- Drainage Inspection and Maintenance ●



Palauea Phasing

PROGRAMS & INFRASTRUCTURE

- I. Finalize Preservation Plan** *P-1*
 - *Provide basis for comprehensive management plans and actions*
- II. Educational Programs:** *P-1*
 - *UH Maui HWST and Archaeology*
 - *Community integrated education*
- III. Protect the Cultural Features:** *P-1*
 - *Archaeological sites*
 - *Wiliwili grove*
 - *Create walking/maintenance trails*
- IV. Barriers**
 - *Deer Fence*
 - *Phase 1* *P-1*
 - *Phase 2*
 - *Phase 3*
 - *Phase 4*
 - *Makai Fence and Viewing Area* *P-1*
 - *Working trails in accessible areas* *P-1*
- IV. Landscaping** *P-1*
 - *Revegetation and irrigation*
 - *Firebreak*
 - *Drainage Inspection and Maintenance*

Phase 1: Planning, Education, Improvements, & Landscaping

FY20-21

- 1. Finalize Planning:**
 - a) Obtain preservation plan approval from SHPD (submitted 3/4/2019).
 - b) Create comprehensive management plans and actions.
- 2. Continue and Expand Educational Programs:**
 - a) Continue and expand educational opportunities with UH Maui and the community.
 - b) Work with UH-Maui HWST on shared stewardship responsibilities.
- 3. Property Improvements:**
 - a) Construct deer fence (Phase 1).
 - b) Design and construct makai fence and viewing area.
- 4. Landscaping**
 - a) Create planting and irrigation plans and begin to implement.
 - b) Manage and extend new firebreak along neighboring residential properties.
 - c) Continue to conduct bi-annual drainage inspections.

Palauea Phasing (cont.)

PROGRAMS & INFRASTRUCTURE

- I. Finalize Preservation Plan**
 - Provide basis for comprehensive management plans and actions*
- II. Educational Programs:** P-1/2/3/4
 - UH Maui HWST and Archaeology*
 - Community integrated education*
- III. Protect the Cultural Features:** P-1/2/3/4
 - Archaeological sites*
 - Wiliwili grove*
 - Create walking/maintenance trails*
- IV. Barriers**
 - Deer Fence*
 - Phase 1*
 - Phase 2* P-2
 - Phase 3* (if needed) P-3
 - Phase 4* (if needed) P-4
 - Makai Fence and Viewing Area*
 - Working trails in accessible areas*
- IV. Landscaping** P-1/2/3/4
 - Revegetation and irrigation*
 - Firebreak*
 - Drainage Inspection and Maintenance*

Phase 2: Education, Improvements, and Landscaping FY22-23

- 1. Continue and Expand Educational Programs:**
 - Continue and expand educational opportunities with UH Maui and the community.
 - Work with UH-Maui HWST on shared stewardship responsibilities.
- 2. Property Improvements:**
 - Construct deer fence (Phase 2).
 - Continue to implement Preservation Plan.
- 3. Landscaping**
 - Continue to implement planting and irrigation plans.
 - Manage and extend new firebreak along neighboring residential properties.
 - Continue to conduct bi-annual drainage inspections

Phase 3/4: Education, Improvements, and Landscaping 3: FY24-25

- 1. Continue and Expand Educational Programs:**
- 2. Property Improvements:**
 - Construct deer fence (Phase 3 if needed; Phase 4 if needed).
- 3. Landscaping**
 - Continue to implement planting and irrigation plans.
 - Manage and extend new firebreak along neighboring residential properties.
 - Continue to conduct bi-annual drainage inspections

4: FY26-27

Highlighted WKOP28
Project Budget

Palauea	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	
Phasing	Phase 1		\$ 181,000.00						
			Phase 2		\$ 142,000.00				
					Phase 3		\$ 97,000.00		
							Phase 4 and On		\$ 102,000.00
	Total Preliminary Estimate for Development Development for Phases 1-4								\$ 522,000.00
Detailed Activities by Phase	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Budget	FY27 Budget	Estimated 8-YearBudget
Highlighted Project Totals	\$ 109,500.00	\$ 71,500.00	\$ 93,500.00	\$ 48,500.00	\$ 53,500.00	\$ 43,500.00	\$ 58,500.00	\$ 43,500.00	\$ 522,000.00
Grants: UHMC Stewardship Collaboration	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 200,000.00
Grants: Stewardship Sponsorship	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 70,000.00
Install Deer Fencing Phase 1 (paired with 20k from FY19)	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00
Design and Construct Perimeter Barrier (Makai)	\$ 15,000.00	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00
Design and Install Entry Gate (Makai)	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
Implementation of Preservation	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 60,000.00
Furniture and Fixtures: Signs Regular	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 10,000.00
Furniture and Fixtures: Signs Interpretive	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ 15,000.00
Design and Install Native Plant Irrigation	\$ -	\$ 7,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000.00
Drainage Easement Inspection	10,000.00	\$ -	10,000.00	\$ -	10,000.00	\$ -	10,000.00	\$ -	\$ 40,000.00

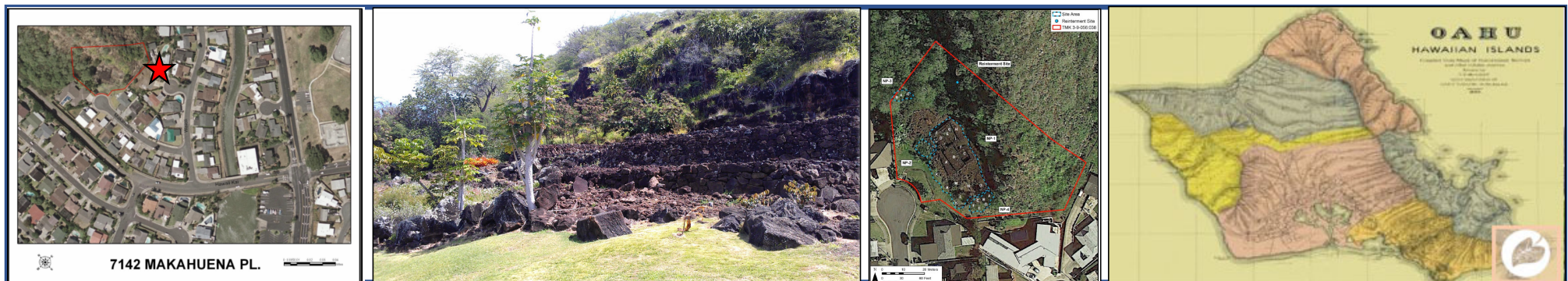
Planning for Pahua Heiau, East O'ahu

1. Created a preservation plan as a basis for management of the 1.55-acre property in alignment with OHA's purpose of acquisition. Pahua heiau is thought to have been an agricultural or husbandry site as the area is famous for the sweet potatoes that that once flourished there. The property contains five archaeological sites with 24 features.

- **Pahua Heiau** [O'ahu; R-5 Residential; 1.55 acres; Fee]; (gifted from KS 1988)

Purpose of Acquisition: Educational/cultural opportunities for Native Hawaiians

2. The intention was to create a preservation plan (PP) that would become the basis for a comprehensive Management Plan centered on Native Hawaiian principles for this site. OHA needs to address trespassing/unauthorized access and traversing of the site; enable cultural and educational uses; create a cultural landscape plan; create interpretive and warning, and regulatory signage; create a designated viewing area; conduct regular and consistent maintenance; and consider multiple forms of revegetation for the site.



Pahua: Impact Potential 30

Health/Social Impact Opportunities:

Site-Based Interactions:

- Provide access to a major cultural resource to support traditional cultural practices. [AINA/CULTURE]
- Increase on-site use to support the protection and preservation of the property via programmatic use and sustained cultural resource regeneration. [AINA/CULTURE]
- Enable on-site intergenerational education/interaction/relationship building [CULTURE/EDUCATION]

On/Off- Site Cultural/Education:

- Provide consistent information re: History and Significance [CULTURE]
- Support traditional and contemporary cultural protocols, and rights [CULTURE]
- Facilitate conservation leadership training and demonstration [CULTURE/EDUCATION/GOVERNANCE]

Systemic Impact Opportunities:

- Culturally focused approach to: [AINA/CULTURE/GOVERNANCE]
 - An eco-cultural historic preservation
 - Community-based stewardship of one of the last in-tact sites of the area.
 - Culturally nuanced natural and cultural resource management

Ecological/Environmental Impact Opportunities

Native Habitat Preservation and Regeneration:

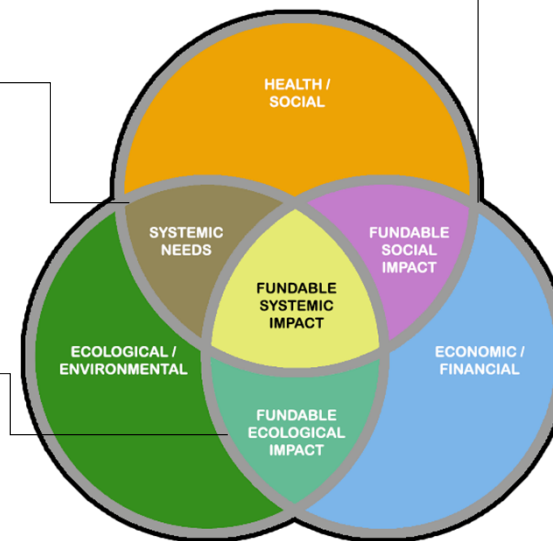
- Demonstrate eco-cultural revegetation models that can be considered amidst an suburban residential environment. [AINA/CULTURE]

Economic Impact:

Potential economic impacts that support the development, implementation, and long-term sustainability of the project.

Revenue Generation Modes:

- Receiving donations
- Explore aligned visitor related business cases to provide guided access to Pahua for educational purposes in exchange for fees that offset the maintenance and management of Pahua (without compromising its cultural integrity).



Planning for Pahua Heiau, East O'ahu

PROGRAMS & INFRASTRUCTURE

I. Culture and Education

- *Work with Stewards to continue and increase on-site education*

II. Landscaping

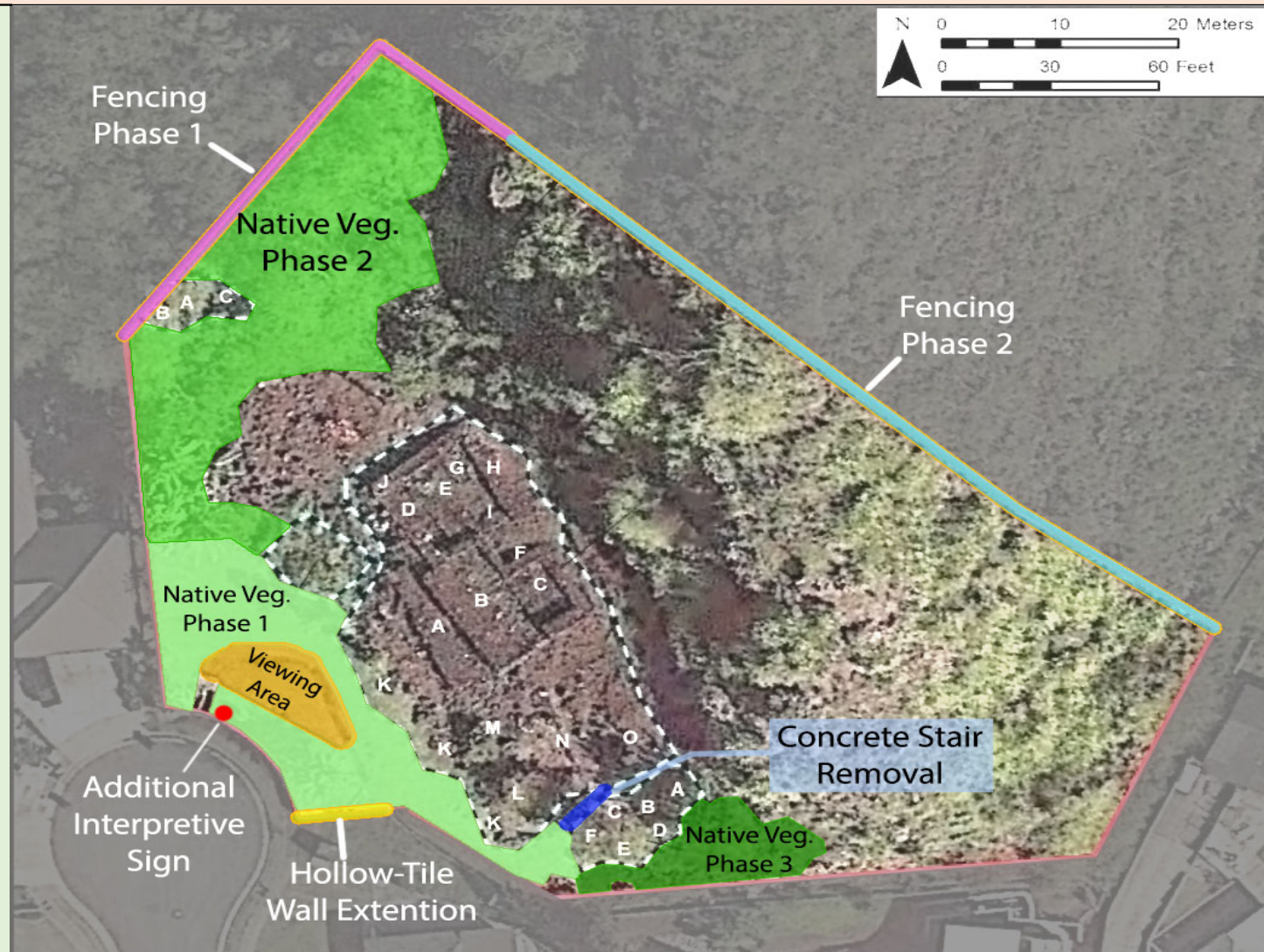
- *Native landscaping and irrigation*
 - *Three Phases* ① ② ③
- *Mitigate invasive species*

III. Access

- *Construct a fence at back edges of property*
 - *Two Phases* ① ②
- *Extend hollow-tile wall* ●
- *Create viewing area* ●
- *Remove existing concrete stair* ●
- *Create/Reposition signs* ●

IV. Preservation of Site

- *Build cultural site maintenance acumen*
- *Create a site plan for the treatment of the site*
- *Update burial treatment plan*



Pahua Phasing

PROGRAMS & INFRASTRUCTURE

- I. Culture and Education** P-1/2
 - *Work with Stewards to continue and increase on-site education*
- II. Landscaping** P-1/2
 - *Native landscaping and irrigation*
 - *Three Phases*
 - *Mitigate invasive species*
- III. Access** P-1/2
 - *Construct a fence at back edges of property*
 - *Two Phases*
 - *Extend hollow-tile wall*
 - *Create viewing area*
 - *Remove existing concrete stair*
 - *Create/Reposition signs*
- IV. Preservation of Site** P-1/2
 - *Build cultural site maintenance acumen*
 - *Create a site plan for the treatment of the site*
 - *Update burial treatment plan*

Phase 1: Planning, Education, Improvements, & Landscaping

FY20-21

- 1. Finalize Planning:**
 - a) Finalize Landscape Design. *(FY20)*
- 2. Continue and Expand Educational Programs:**
 - a) Continue and expand educational opportunities w/Stewards and community.
 - b) Conduct historic site maintenance.
- 3. Property Improvements:**
 - a) Construct fence *(Phase 1)*; Construct/install litter receptacle.
- 4. Landscaping**
 - a) Native vegetation landscaping and irrigation. *(Phase 1)*
 - b) Continue invasive species control.

Phase 2: Education, Improvements, & Landscaping

FY21-23

- 1. Continue and Expand Educational Programs:**
 - a) Continue/expand educational opportunities w/ Stewards & community
 - b) Review/amend Burial Treatment Plan; Create arch site treatment plan.
- 2. Property Improvements:**
 - a) Construct viewing area; Extend hollow-tile wall; Remove existing stair.
- 3. Landscaping**
 - a) Native vegetation landscaping and irrigation. *(Phase 2)*
 - b) Continue invasive species control.

Pahua Phasing

PROGRAMS & INFRASTRUCTURE

- I. **Culture and Education** P-1/2/3/4
 - *Work with Stewards to continue and increase on-site education*
- II. **Landscaping** P-1/2/3/4
 - *Native landscaping and irrigation*
 - *Phase 3*
 - *Mitigate invasive species*
- III. **Access** P-1/2/3/4
 - *Construct a fence at back edges of property*
 - *Two Phases*
 - *Extend hollow-tile wall*
 - *Create viewing area*
 - *Remove existing concrete stair*
 - *Create/Reposition signs*
- IV. **Preservation of Site** P-1/2/3/4
 - *Build cultural site maintenance acumen*
 - *Create a site plan for the treatment of the site*
 - *Update burial treatment plan*

Phase 3: Education, Improvements, & Landscaping

FY24-25

1. **Continue and Expand Educational Programs:**
 - a) Continue and expand educational opportunities w/Stewards & community.
2. **Property Improvements:**
 - a) Additional interpretive signage *(if necessary)*
3. **Landscaping**
 - a) Native vegetation landscaping and irrigation *(Phase 3)*
 - b) Continue invasive species control

Phase 4: Education, Improvements, & Landscaping

FY26 & on

1. **Continue and Expand Educational Programs:**
 - a) Continue/expand educational opportunities w/ Stewards & community.
 - b) Review and update burial treatment plan.
2. **Property Improvements:**
 - a) Construct fencing phase 2 *(if necessary)*
3. **Landscaping**
 - a) Continue invasive species control

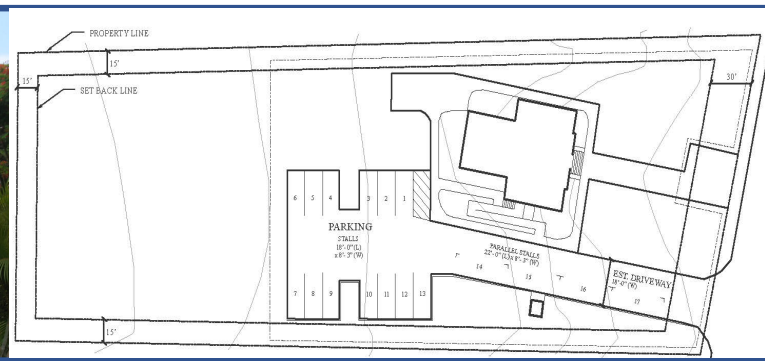
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Planning for The Waialua Courthouse, Haleiwa O'ahu

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1. The Waialua Courthouse is leased from the DLNR by OHA until 2033. It is the only property that discussed in this booklet (that OHA does not own in fee) due to its considerable project costs. The Courthouse (approximately 2000sf) sits on 1.06 acres in Haleiwa town.
2. OHA has been sub-leasing the Courthouse to Hi'ipaka LLC for several years now. As a part of Hi'ipaka's responsibilities, they manage the property, provide presence and manage many of the day to day needs of the property. Hi'ipaka also enables members of the community to use the property to gather, meet, and practice Hawaiian Culture. Additionally, The Civic Club of Waialua subleases from Hi'ipaka and utilize the Courthouse in alignment with the purpose of acquisition.
3. Note: The DLNR does not contribute to the maintenance/improvement(s) of the property in accordance with their lease policy.

- **The Waialua Courthouse** [O'ahu; R-5; 1.06 acres; Lease from DLNR];
Purpose of Acquisition: *Provide a base for beneficiary organizations to gather, meet, plan, practice and participate in Hawaiian culture*



Planning for The Waialua Courthouse Haleiwa, O'ahu

PROGRAMS & INFRASTRUCTURE

I. Culture and Education

- Continue to enable on-site use of facility.

II. Landscaping

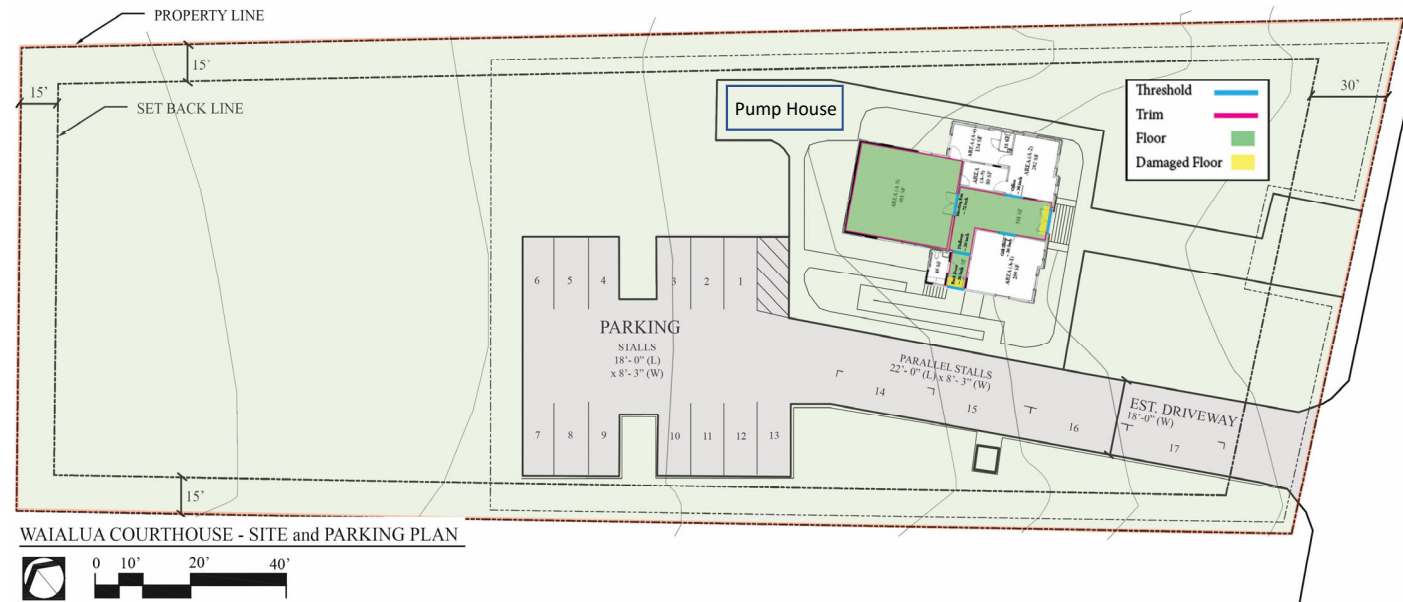
- Continue to revegetate with native plants.

III. Site and Building Maintenance

- Refinish wooden floors ●
- Address parking lot and driveway ○
- Secure Stewards/Building Managers

IV. Other Structural Considerations

- Courthouse foundations/jail cells
- Pumphouse rehabilitation



WCH Phasing

PROGRAMS & INFRASTRUCTURE

- I. Culture and Education P-1/2/3
 - Continue to enable on-site use of facility.
- II. Landscaping P-1/2/3
 - Continue to revegetate with native plants.
- III. Site and Building Maintenance P-1
 - Refinish wooden floors
 - Address parking lot and driveway
 - Secure Stewards/Building Managers
- IV. Other Structural Considerations P-2/3
 - Courthouse foundations/jail cells
 - Pumphouse rehabilitation

Phase 1: Planning, Use, Improvements, & Landscaping

FY20-21

1. **Finalize Planning:**
 - a) Finalize parking and driveway renovation plans. (FY20)
2. **Continue and Expand Educational Programs:**
 - a) Continue to enable access and use.
3. **Property Improvements:**
 - a) Conduct asbestos analysis and refinish floors.
4. **Landscaping**
 - a) Continue to revegetate with native plants.

Phase 2: Use, Improvements, & Landscaping

FY22-23

1. **Continue and Expand Educational Programs and Landscaping:**
2. **Property Improvements:**
 - a) Plan for Pump House and Jail Cell repair; Consider fence design

Phase 3: Use, Improvements, & Landscaping

FY24-25

1. **Continue and Expand Educational Programs and Landscaping**
2. **Property Improvements:**
 - a) Renovate Pump House and Jail Cell; Build fence.

Highlighted WCH Project Budget

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Waialua Courthouse	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
Proposed Phasing for Development Projects	Phase 1		\$ 98,000.00						
		Phase 2			\$ 136,000.00				
				Phase 3		\$ 230,000.00			
	Total Preliminary (High-Level/Conservative) Estimate for Development for Phases 1-4						\$ 464,000.00		
ACTIVITY	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Budget	FY27 Budget	Estimated 8-YearBudget
Maintenance Category									
Total Anticipated Budget Request	\$ 48,000.00	\$ 50,000.00	\$ 80,000.00	\$ 68,000.00	\$ 115,000.00	\$ 115,000.00	\$ -	\$ -	\$ 476,000.00
Asbestos Inspection	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000.00
Refinish Courtroom Floor	\$ 1,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000.00
Plans for Pump house Repair ●	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00
Plans for Jail Cell Repair ●	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00
Plans for Fence/Barrier ●	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00
Permitting and Construction of Pump house Repair ●	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ 60,000.00
Permitting and Construction of Plans for Jail Cell Repair ●	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ -	\$ 150,000.00
Permitting and Construction of Plans for Fence/Barrier ●	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ 20,000.00
Site Drainage and Parking Lot Paving (2 years \$50k from FY20/ \$50k from FY21	\$ 45,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,000.00

- If OHA deems necessary

Moving to FY20 under maintenance of Building



ACTION ITEM

COMMITTEE ON RESOURCE MANAGEMENT

May 24, 2017

RM #17-05

Action Item Issue: Approval of an OHA Board of Trustees Policy Amendment relating to an allocation of revenue from OHA's Kaka'ako Makai properties.

Prepared by:

5/17/17

Date

Olu Campbell
'Aho Pueo Kumuwaiwai 'Āina, Natural Resource Management Specialist

Reviewed by:

5/18/2017

Date

Miles Nishijima
Ka Pou Kihi Kanaloa, Land & Property Director

Reviewed by:

5/17/2017

Date

Albert Tiberi
Ka Paepae Puka, Senior Legal Counsel

Reviewed by:

5/17/2017

Date

Kamana'opono Crabbe, Ph.D.
Ka Pouhana, Chief Executive Officer

Reviewed by:

Not available for signature

Ke Kua, Trustee Hulu Lindsey
Luna Ho'omalua o ke Kōmike RM

Date

Chair of the Committee on Resource Management

I. Action. Approval of a Board of Trustees Policy Amendment to the Kaka'ako Makai Policy, Section 3.A.2), originally adopted on September 20, 2012, to state (deleted language is stricken; new language is bold and underscored):

Allocate 10% of ~~gross~~ net revenue for grants and 30% of net revenue for OHA's Legacy Property Management (net revenue equals gross revenue minus direct operating expenses, excluding Kaka'ako Makai planning and development-related costs) (*policy to be revisited in two years)

II. Issue. Whether the BOT should approve a Board of Trustees Policy Amendment to the Kaka‘ako Makai Policy, Section 3.A.2), to allocate 10% of the net revenues from Kaka‘ako Makai (KM) to OHA’s grants program and 30% of the net revenues to OHA’s Legacy Property Management.

III. Discussion

A. Purpose of the Policy Amendment.

The purpose of this Policy Amendment is to: (1) provide additional funding to OHA’s Legacy Property Management, thereby allowing OHA to improve on its Strategic Priorities through its ownership and management of Legacy and Programmatic lands, while addressing the need for increased funding through a sustainable and currently unutilized source, beyond OHA’s core budget; and (2) make allocations out of KM’s net revenues, versus its gross revenues, to ensure KM’s budgetary needs for management and operation are met before making allocations to other OHA programs.

B. Current Status of the Kaka‘ako Makai Revenues

The current Kaka‘ako Makai Policy allocates ten percent (10%) of gross revenue for OHA’s grants program. OHA’s Commercial Property Management (program code 8210) uses a portion of the remaining ninety percent (90%) to manage the KM parcels and reserve funds for potential future development.

In Fiscal Year 2017 (FY17), the projected revenue from KM properties is \$4.2M. KM’s FY17 budget is \$2.6M for expenses, or 62% of projected gross revenue. The unexpended KM revenue accumulates in a CBRE trust account. Upon OHA’s request, unexpended revenue is transferred to an internal holding account, a portion of which is used to reimburse the OHA core account for KM program expenses. The unexpended revenue in both the CBRE trust account and internal holding account currently totals \$3.9M as of December 31, 2016.

C. Why the Policy Amendment is Necessary.

OHA’s Land Division has been evolving the way that we manage our Legacy and Programmatic lands with aims to both mitigate risk and demonstrate exemplary stewardship and management. This includes conducting pro-active, risk-adverse, land management and maintenance activities, such as planning, development, and implementation of various plans and studies. As OHA continues to improve and advance its responsible land management strategies, the costs related to such efforts will increase. This is particularly the case for land management plans related to legal compliance and risk management where OHA will be compelled to take certain actions, but also applies to implementing use or development plans poised to advance OHA’s mission. Overall, these actions will equate to an increased demand for financial inputs towards Legacy and Programmatic properties that the organization has not experienced in the past.

Therefore, the proposed apportionment of KM revenue to OHA’s Legacy Property Management is intended to:

- 1) Provide some relief to the use of OHA's core funds for upcoming land management activities (specifically large budget line items);
- 2) Access a funding source that is readily available and regenerative in nature to enable OHA to fund its overall land management actions in a sustainable manner; and
- 3) Enable more precise planning and phased implementation of property management actions due to a greater certainty in available funds at a scale that is currently unavailable.

Additionally, this Policy Amendment is necessary to provide sufficient funding, now and into the future, for exemplary management and operation of OHA's KM properties. This Policy Amendment ensures the budgetary requirements of KM's management are deducted out of its gross revenues first, thereby prioritizing the protection of the income source before using such income to support other currently non-income generating uses. Only after KM's budgetary needs are met will an apportionment of the net revenues be distributed to OHA's Grants and Legacy Property programs.

In September 2013, a report to the Governor and the Legislature of the State of Hawai'i published by the State Auditor entitled, "Audit of the Office of Hawaiian Affairs and Report on the Implementation of State Auditor's 2009 OHA Recommendations," stated, "...OHA's real estate portfolio is unbalanced, with revenues generated from commercial properties unable to offset expenses from legacy and programmatic land holdings." The changes this Policy Amendment proposes for KM revenue allocations helps to address this specific concern by first, prioritizing the protection of OHA's KM revenues and second, distributing a portion of such revenues to OHA's Legacy Property Management to sustainably offset the costs associated with legacy and programmatic landholdings without additional reliance on OHA's core budget.

IV. Funding. This policy amendment will not directly incur any additional expenses, although the newly allocated funds would likely be expended in accordance with OHA's Legacy Property Management plans and other needs.

V. Alternative Actions:

- A. Approval of an amended version of the Policy Amendment as stated in I. Action above.
- B. Decline approval of the Policy Amendment as stated in I. Action above and take no other action.
- C. Take no action.

VI. Recommended Action. Approve the Policy Amendment to Section 3.A.2) of the Board of Trustees Kaka'ako Makai Policy as stated in I. Action above.

VII. Timeframe. This Policy Amendment to Section 3.A.2) of the Board of Trustees Kaka'ako Makai Policy will take effect immediately upon approval by the BOT after the second reading.

	Biennium Budget					
	FY14	FY15	FY16	Year 1- FY17	Year 2 - FY18	Year 3 - FY19
TOTAL RENT	\$ 1,674,332.27	\$ 2,103,238.04	\$ 2,505,008.04	\$ 4,159,836.29	\$ 4,150,144.03	\$ 4,217,514.08
CAM	\$ 27,610.00	\$ 119,700.00	\$ 119,700.00	\$ 119,700.00	\$ 119,700.00	\$ 119,700.00
Potential Gross Income	\$ 1,701,942.27	\$ 2,222,938.04	\$ 2,624,708.04	\$ 4,279,536.29	\$ 4,269,844.03	\$ 4,337,214.08
Prior Year Surplus	\$ 760,000.00	\$ 962,061.04	\$ 1,081,172.03	\$ 96,362.46	\$ 926,843.82	\$ 1,517,789.83
10% Allocation to Grants (<i>Current Policy</i>)	\$ 167,433.23	\$ 210,323.80	\$ 250,500.80	\$ 415,983.63		
Vacancy and Collection Loss	\$ -	\$ -	\$ 262,470.80	\$ 342,362.90	\$ 341,587.52	\$ 346,977.13
Percent Vacancy			10%	8%	8%	8%
EFFECTIVE GROSS INCOME	\$ 2,294,509.04	\$ 2,974,675.28	\$ 3,192,908.46	\$ 3,617,552.22	\$ 4,855,100.32	\$ 5,508,026.78
TOTAL EXPENSES	\$ 1,332,448.00	\$ 1,893,503.25	\$ 3,096,546.00	\$ 2,690,708.40	\$ 2,325,450.61	\$ 2,264,321.28
NET OPERATING INCOME	\$ 962,061.04	\$ 1,081,172.03	\$ 96,362.46	\$ 926,843.82	\$ 2,529,649.71	\$ 3,243,705.50
10% Allocation to Grants (<i>New Policy</i>)					\$252,964.97	\$324,370.55
30% Allocation to LPM (<i>New Policy</i>)					\$758,894.91	\$973,111.65
Annual Surplus (Deficit)	\$ 962,061.04	\$ 1,081,172.03	\$96,362.46	\$926,843.82	\$1,517,789.83	\$1,946,223.30

Total KM Contribution

\$1,011,859.89

\$1,297,482.20



OFFICE OF HAWAIIAN AFFAIRS
Interoffice Memorandum

Date: May 24, 2017

To: BOT; BOT Staff

Via: Email

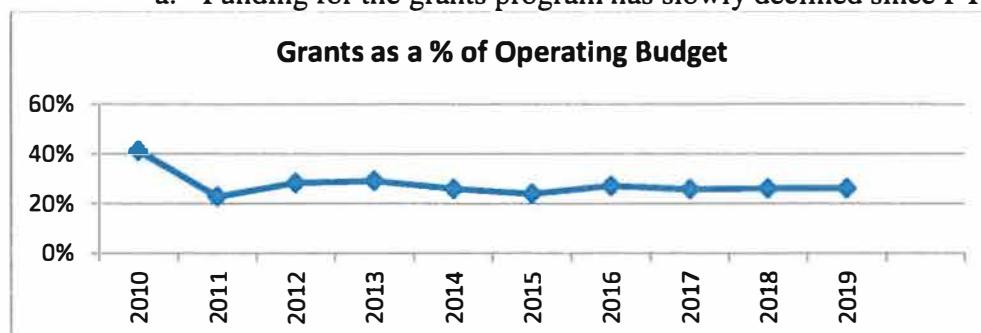
From: Trustee Hulu Lindsey

Subject: **Concerns about RM#17-05**

Aloha Trustees:

This is to alert you that the RM Committee will be proposing an amendment to the proposed action item RM#17-05. The action item proposes the following amendment to the Kaka'ako Makai Policy:

1. Change the computation for the 10% allocation for the grants program from **gross revenues** to **net revenues**.
 2. Allocate 30% of the net revenues for OHA's Legacy Property Management program.
- 1. Using the net revenues as the basis for the calculation of the 10% allocation to the grants program will have a negative impact on the available funding for grants.*
- a. Funding for the grants program has slowly declined since FY 2010.



- b. Based upon a trend analysis of the current Kaka'ako Makai revenues and expenses for FY 14-19, the negative fiscal impact for the grants program funding could grow to as much as \$2M annually in FY 2027.

FY	Grants Program
2019	(226,432)
2020	(380,901)
2021	(413,821)
2022	(582,619)
2023	(734,249)
2024	(968,615)
2025	(1,238,787)
2026	(1,590,345)
2027	(2,017,912)

2. *Allocating 30% of the net revenues for Kaka’ako Makai to the Legacy Properties Program (LPM) would double the size of the LPM budget over next two years during a time when other program budgets are being cut.*

- a. Based upon a trend analysis of the current Kaka’ako Makai revenues and expenses for FY 14-19, the LPM budget would exceed \$7M annually in FY 2027 if the proposed policy remains in effect.

FY	LPM Budget
2019	973,111
2020	1,108,523
2021	1,769,653
2022	2,220,709
2023	2,965,282
2024	3,757,766
2025	4,804,746
2026	6,049,426
2027	7,604,991

- b. The current action item is problematic because the LPM has not submitted a long-term financial plan that (i) identifies the need for the additional funds as well as a (ii) delineation of how the additional funds would be utilized.

Based upon these two concerns I am proposing the following two amendments to the action item:

1. **Do not amend** the computation for the 10% allocation for the grants program from gross revenues to net revenues.
2. **Insert a clear sunset clause** that stipulates that the proposed 30% allocation of net revenues shall cease to have effect after FY 2019.
 - a. The current action item does include a suggestion that the “policy be revisited in two years.” However, the inclusion of a sunset clause would clearly stipulate that

the intent of the action item is to make a temporary as opposed to permanent change to the Kaka'ako Makai Policy.

APPENDIX

1. Fiscal Impact Analysis
2. Grants Program Analysis

OFFICE OF HAWAIIAN AFFAIRS
Action Item

Board of Trustees
August 31, 2012

BOT # 12-05

Action Item Issue: Kaka'ako Makai Policy

Prepared by:	<u><i>Edward O. Los Banos</i></u>	<u>8-28-12</u>
	Edward O. Los Banos/Chief Operating Officer	Date
Reviewed by:	<u><i>Ernest M. Kimoto</i></u>	<u>8-28-12</u>
	Ernest M. Kimoto/Corporate Counsel	Date
Reviewed by:	<u><i>Kamana'opono M. Crabbe</i></u>	<u>8/29/12</u>
	Kamana'opono M. Crabbe, Ph.D./Ka Pouhana, CEO	Date
Approved by:	<u><i>Colette Y. Machado</i></u>	<u>8/29/12</u>
	Colette Y. Machado / Chairperson, BOT	Date

I. ACTION:

To adopt a Kaka'ako Makai Policy as described in Attachment "A" and approve Attachment "A" for a ~~second~~ ^{first} policy reading.

II. ISSUE

Whether or not the Board of Trustees should:

1. Adopt a policy related to Kaka'ako Makai,
2. Approve or amend the Kaka'ako Makai Policy presented as Attachment "A" for a second reading.

III. DISCUSSION

Background

Act 15, Session Laws of Hawai'i 2012 transferred 10 land parcels in Kaka'ako Makai to the Office of Hawaiian Affairs (OHA) to settle the past due portion of ceded land revenue claims. The 10 parcels conveyed amount to approximately 30 acres of underutilized commercial property with an estimated value of \$200 million. These parcels were substantively conveyed to OHA on July 1, 2012.

Prior to this acquisition, OHA Trust Fund assets were primarily comprised of cash and investments. The settlement, by itself, creates a substantial commercial real estate portfolio for OHA, elevating the Native Hawaiian Trust Fund to new heights. To rise to the new challenges, the Board of Trustees participated in two rounds of workshops from May 22nd-25th and August 20th-21st to establish guiding principles and policies for property management and development of Kaka‘ako Makai.

Policy

The Kaka‘ako Makai Policy included as Attachment “A” are the result of the two rounds of workshops, facilitated by Norma Wong and provide guidance and is organized in the following categories:

1. Relationship to OHA’s Vision and Strategic Priorities
2. Design and Use, including Cultural Values
3. Revenue Generation and Proceeds
4. Timetable and Process
5. Governance and Decision-Making

IV. ALTERNATIVES

A. To adopt a Kaka‘ako Makai Policy as described in Attachment “A” and approve Attachment “A” for a second policy reading.

B. Decline to adopt a Kaka‘ako Makai Policy as described in Attachment “A” and approve Attachment “A” for a second policy reading.

V. RECOMMENDATION

To adopt a Kaka‘ako Makai Policy as described in Attachment “A” and approve Attachment “A” for a second policy reading.

VI. TIMEFRAME

Policy Effective Date

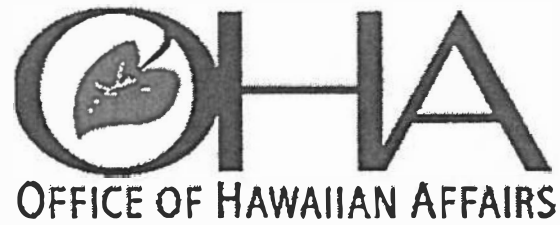
To take effect, the policy presented as Attachment “A” must pass without amendment through two readings. All amendments proposed and agreed upon by the Board shall result in another first policy reading and presentation – no immediate Board action will be necessary. All amendments shall be contained in Attachment “A” and clearly indicated in any future presentations, as needed.

VII. FUNDING

No funding requested at this time.

VIII. ATTACHMENTS

Attachment A – Kaka‘ako Makai Policy



OFFICE OF HAWAIIAN AFFAIRS

KAKA‘AKO MAKAI POLICY

First Reading: August 30, 2012

**Kaka‘ako Makai Policy
of the Office of Hawaiian Affairs**

Contents

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C. Collaboration with other Native Hawaiian organizations	4
3. Revenue Generation and Proceeds.....	4
A. Near-term kuleana	4
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4. Timetable and Process	4
A. Key planning considerations	4
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C. Transparency and communication kuleana	5
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A. Vision for master planning and property management.	5
B. Accountability	5
UPDATE AND MAINTENANCE	5

Status/Effective Date

Kaka‘ako Makai Policy of the Office of Hawaiian Affairs

PURPOSE

The purpose of this policy is to set forth guidelines for the management and development of its Office of Hawaiian Affairs’ (OHA) Kaka‘ako Makai parcels received through Act 15, Session Laws of Hawai‘i, consistent with the existing Real Estate Vision, Mission, and Strategy Policy. The Real Estate Vision, Mission and Strategy Policy currently provides for real estate best practices and world class caliber developments. Factors affecting management and development of the Kaka‘ako Makai parcels focus upon five objectives:

- 1) Relationship to OHA’s vision and strategic priorities;
- 2) Design and use, including cultural values;
- 3) Revenue generation and proceeds;
- 4) Timetable and process; and
- 5) Governance and decision-making

The following set of policy guidelines reflects the objective of maximizing revenue and total returns to increase OHA’s programmatic reach without compromising OHA’s kuleana to perpetuate Hawaiian culture in OHA’s management and development of the parcels.

POLICY GUIDELINES

1. Relationship to OHA’s Vision and Strategic Priorities

Create synergy between OHA’s Kaka‘ako Makai parcels and OHA’s vision and strategic priorities.

- A. Commercial kuleana to maximize revenues while providing economic development opportunities for Native Hawaiians.
 - 1) Create a sustainable revenue stream to support OHA’s strategic priorities
 - 2) Create opportunities for Native Hawaiian self-sufficiency
 - 3) Create programmatic opportunities for employment of Native Hawaiians
- B. Cultural kuleana to incorporate Native Hawaiian culture in both intrinsic and extrinsic design elements and purposes.
 - 1) Proceed in a way that has in mind the transfer of the assets to the Nation

- 2) Raise an architectural landmark/signature that signifies Kaka‘ako Makai as a Hawaiian place
- 3) Create a sense of Nation - acting boldly

2. Design and Use, including Cultural Values

Ensure that cultural and stewardship values drive/provide the base for design and use decisions.

A. Create a Hawaiian sense of place – a cohesive Hawaiian identity that creates a place in which the physical structures and environment are connected to the socio-psychological, cultural and spiritual aspects of living Hawaiian that reflects the past, present and future.

- 1) Understand that history can guide us – consider the trajectory of historical uses of the area
- 2) Incorporate cultural uses
- 3) Introduce Kaka‘ako Makai as a meeting place for Native indigenous leaders of the Western hemisphere and Pacific Islands
- 4) Encourage uses and activities that attract Hawaiians and locals to Kaka‘ako Makai
- 5) Incorporate the cultural identity of the area - stories, names, guardians, wind and elements – as a guide for planning, design and use
- 6) Proceed with our cultural/kanaka foot
- 7) Create a signature architectural Hawaiian landmark

B. Balance pono and commerce.

- 1) Encourage cohesiveness among parcels/projects
- 2) Establish priority for qualified Hawaiian businesses and professionals
- 3) Incorporate mixed uses
- 4) Use green (environmentally friendly) technology
- 5) Prioritize the use of indigenous plants

C. Collaborate with other Native Hawaiian organizations

- 1) Work with Kamehameha Schools on potential partnerships with KS's adjoining properties
- 2) Work with other Ali'i Trusts

3. Revenue Generation and Proceeds

Balance near-term revenue stream and/or with long-term financial and strategic goals and decisions.

A. Near-term kuleana to balance near-term revenue generation for programmatic use with long-term vision.

- 1) Create a sustainable revenue stream for strategic priorities
- 2) Allocate 10% of gross revenue for grants (*policy to be revisited in two years)
- 3) Set leases and other contractual arrangements at market value; anything below market value should be exceptions, and will require Board approval

B. Long-term kuleana to balance revenue generation with OHA strategic goals.

- 1) Maximize revenue generation, consistent with design, use, and cultural values
- 2) Balance pono and commerce

4. Timetable and Process

Develop a timely, accountable process.

A. Key planning considerations

- 1) Have an overall conceptual plan before considering or initiating major proposals
- 2) Establish a timeline for tasks that need to be accomplished

B. Key execution considerations

- 1) Engage professionals – finance, real estate, marketing, development, etc.
- 2) Maintain the momentum, in keeping with fiduciary duties

3) Proceed in ways that grow, preserve, and protect the assets to the Nation

C. Transparency and communication kuleana

1) Embrace community engagement – ensuring dialogue with the community and neighbors

2) Have a robust communications and information-sharing infrastructure

5. Governance and Decision-Making

Exercise appropriate leadership and management.

A. Vision for master planning and property management.

1) Implement knowledge-based decision-making

2) Establish efficient management

3) Act in ways that are consistent with Kaka‘ako Makai being a flagship of actions, values and leadership

4) Create a sense of nation - acting boldly

5) Retain policy direction at the level of the Trustees

B. Accountability

1) Lead with people who have financial, management, and development expertise

2) Complete an annual budget and a 5-year management and operating budget

UPDATE AND MAINTENANCE

The OHA Chief Executive Officer shall be responsible for the update and maintenance of these policies. A review shall be done at a minimum annually to insure that amendments or changes in the laws are duly incorporated or as requested by the Chairperson of the Board of Trustees or Chairperson of a Standing Committee.

Status/Effective Date:

Office of Hawaiian Affairs
Board of Trustee Meeting
September 5, 2019
10:00 am

VI. New Business

A. Committee on Resource Management

- 2. Action Item RM #19-13: Approval of and authorization to amend page 1 of the Investment Policy Statement and Sections 4 (“Delegation of Authority”), Section 13 (“Procedure for Selecting and Reviewing Investment Advisors”) and Section 16 (“Adding new Asset Classes”). (1st Reading) ***

** - The committee report for item V.A.2. will be forwarded to the Board of Trustees following its approval at the RM Committee Meeting scheduled for September 4, 2019.*

**Office of Hawaiian Affairs
Board of Trustee Meeting
September 5, 2019
10:00 am**

VI. New Business

A. Committee on Resource Management

- 3. Action Item RM #19-16: Action Regarding a Fiscal Stabilization Policy including Withdrawal Guidelines and the related Elimination of the Fiscal Reserve Withdrawal Guidelines contained within the Native Hawaiian Trust Fund Spending Policy. (1st Reading) ***

** - The committee report for item V.A.3. will be forwarded to the Board of Trustees following its approval at the RM Committee Meeting scheduled for September 4, 2019.*

Office of Hawaiian Affairs
Board of Trustee Meeting
September 5, 2019
10:00 am

VIII. BOT Workshop*

**A.OHA Strategic Planning 2020+ Phase III,
Workshop Three, BOT Review of the
recommended strategies and timeline**

**Any material will be distributed at the table.*