

Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

DATE: Wednesday, January 8, 2025

TIME: 2:00 p.m.

PLACE: Remote Meeting by Interactive Conference Technology
and in-person at OHA Maui Ola Boardroom
Nā Lama Kukui
560 N. Nimitz Hwy.
Honolulu, HI. 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477 Webinar ID: 837 7991 5375

This meeting can be viewed via livestream on OHA's website at www.oha.org/livestream or listened to by phone using the call-in information above. A physical meeting location, open to members of the public who would like to provide oral testimony or view the meeting, will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817.

- I. Call to Order
 - II. Approval of Minutes from the Committee on Resource Management
 - A. October 16, 2024*
 - B. October 23, 2024*
 - III. Unfinished Business –None
 - IV. New Business
 - A. Administrative reports
 - 1.) Informational Briefing on the Memorandum of Understanding between the Hawaii Seaglider initiative, Regent Craft Inc., and the Office of Hawaiian Affairs regarding collaboration on renewable maritime transportation and sustainable development.*
 - 2.) Informational briefing on proposed Land Transfers in relation to OHA's first phase of due diligence for the following areas:*
- Mauna'ala, Nu'uuanu, O'ahu
 - Kānei'olouma Heiau Complex, Kōloa, Kaua'i

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- Kahana Valley, Kahana, O'ahu
- Nation of Hawai'i, Waimānalo, O'ahu

3.) Informational Briefing on Limited Liability Companies in relation to OHA's Real Estate Strategies and status updates on real estate governance. *

V. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at everetto@oha.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

In the event that the livestream public broadcast is interrupted and cannot be restored, the meeting may continue as audio-only through the phone number and Webinar ID provided at the beginning of this agenda. Meeting recordings will be made available on OHA's website <https://www.oha.org/about/leadership/board-of-trustees/> as soon as practicable after the meeting.

Public Testimony will be called for each agenda item and must be limited to matters listed on the meeting agenda. Community Concerns and Celebrations is not limited to matters listed on the meeting agenda. Hawai'i Revised Statutes, Chapter 92, prohibits Board members from discussing or taking action on matters not listed on the meeting agenda.

* Document(s) associated with this agenda item are anticipated to be included in the board packet for this meeting. The board packet will be available for the public to inspect at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817, OHA's neighbor island offices, and on OHA's website <https://www.oha.org/ilm/> no later than two business days before the meeting. The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

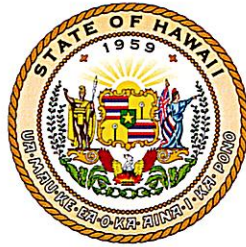
Testimony can be provided to the Board of Trustees either as: (1) **written testimony** or (2) live, oral testimony online or at the physical meeting location during the remote meeting.

- (1) Persons wishing to provide **written testimony** on items listed on the agenda should submit testimony via **email** to botmeetings@oha.org or via **postal mail** to Office of Hawaiian Affairs, Attn: Board of Trustees Meeting Testimony, 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Testimony is requested to be received at least twenty-four hours prior to the scheduled meeting to allow board members with sufficient time to review the testimony before the meeting.
- (2) Persons wishing to provide **oral testimony online** during the remote meeting, please use the link below:
<https://us06web.zoom.us/webinar/83779915375>

To provide oral testimony online, you will need:

- (1) a computer or mobile device to connect to the remote meeting;
- (2) internet access; and
- (3) a microphone to provide oral testimony.

Persons wishing to provide **oral testimony at the physical meeting location** can sign up the day-of the meeting at the physical meeting location.



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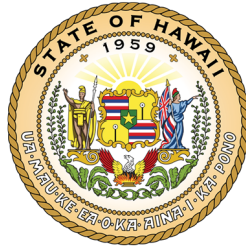
Once your oral testimony is completed, you may be asked to disconnect from the meeting. If you willfully disrupt the meeting or do not disconnect on your own, support staff will remove you from the Zoom meeting. You can continue to view the remainder of the meeting on the livestream or by telephone, as provided at the beginning of this agenda.

Oral testimony online or at a physical meeting location will be limited to five (5) minutes. Oral testimony by telephone/landline **will not** be accepted at this time.



Trustee Keoni Souza
Chairperson of the
Committee on Investment and Land Management

1/2/25
Date



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
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BOARD PACKET

- II. Approval of Minutes from the Committee on Resource Management
 - A. October 16, 2024*
 - B. October 23, 2024*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)
COMMITTEE ON RESOURCE MANAGEMENT
MINUTES**

October 16, 2024 10:00 a.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brickwood Galuteria
Trustee C. Hulu Lindsey
Trustee J. Keoni Souza
Trustee Mililani Trask

EXCUSED:

Trustee Dan Ahuna

BOT STAFF:

Amber Kalua
Anuheia Diamond
Crayn Akina
Kalista Mitchell
Kanani laea
Kauikeaolani Wailehua
Kyla Hee
Lehua Itokazu
Lei-Ann Durant
Mark Watanabe
Melissa Wennihan

BOT STAFF (cont.):

Morgan Kau Robello
Nathan Takeuchi
Pohai Ryan
Sommer Soares

ADMINISTRATION STAFF:

Stacy Ferreira, CEO / Ka Pouhana / Administrator
Kēhaulani Pu'u, COO / Ka Pou Nui
Daniel Santos, IT
Elena Farden, Sr. Director of Strategy Implementation
Everett Ohta, Interim General Counsel
Hailama Farden, Sr. Director of Hawaiian Cultural Affairs
Ilima Kela, Beneficiary Services
Kahea Iwamoto-Palencia, Intern
Kevin Chak, IT
Lauwaeomakanakualoha Clayton, Sr Exec Assistant
Micah Kuhiwa, Intern
Ryan Lee, Director of Endowment
Sandra Stancil, Sr Exec Assistant

GUESTS:

Gerry Flintoft, Consequent Capital Management
Vijoy Chattergy, Consequent Capital Management
Germaine Meyers
Kealii Makekau

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Wednesday, October 16, 2024 to order at **10:00 a.m.**

Chair Waihe'e notes for the record that **PRESENT** are:

MEMBERS			AT CALL TO ORDER (10:00 a.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE-CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	Arrived at 10:04 a.m.
TRUSTEE	BRICKWOOD	GALUTERIA	PRESENT	
TRUSTEE	C. HULU	LINDSEY	PRESENT	
TRUSTEE	J. KEONI	SOUZA	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	

At the Call to Order, **EIGHT (8) Trustees are PRESENT**, thereby constituting a quorum.

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
TRUSTEE	DAN	AHUNA	MEMO – REQUESTING TO BE EXCUSED

II. APPROVAL OF MINUTES

A. September 11, 2024

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Trustee Lindsey moves to approve the minutes of September 11, 2024.

Vice-Chair Alapa seconds the motion

Chair Waihe'e asks if there is any discussion.

There is no discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION							10:02 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

A. Consequent Capital Management – Independent Board Investment Advisor / Consultant 1. Introduction and Investment education related to Discretion in a Box Implementation Review and Projected 4Q Schedule*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

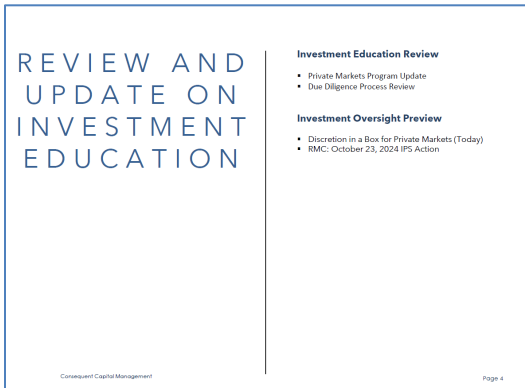
Chair Waihe'e calls Independent Board Investment Advisor Vijoy Chattergy to the table.

Independent Board Investment Advisor Chattergy: Thank you, Chair and Trustees, pleasure to be here in front of the Trustees again at the RMC Meeting. As you know, my name is Vijoy Chattergy, I represent Consequent Capital Management, which is the Board Consultant for the Native Hawaiian Trust Fund and investment matters, excluding kind of the real estate activities, although we collaborate with your real estate folks. I'll try and move through the material quickly, I know you have a lot of things on your agenda, but, as usual, I refer first to the Consequent Capital Management slide deck presentation.



Independent Board Investment Advisor Chattergy: For today, October 16th, we'll start on the second page, the general agenda is very similar to what we usually see there's a little background information about Consequent, I'd like to update a little bit on activities, talk some investment education as related to what's going on with the private markets, and in particular investment process diligence or due diligence, as it's sometimes called, and then there's some glossary. And then I'd like to review a little bit about the investment policy statement, now coordinating with staff, we've decided that it's probably better to ask for action in terms of approval or next steps regarding the Investment Policy Statement at your next RMC Meeting, which I believe will be next week, and so staff will prepare, as it does, the recommendation at that time. So, there's still time to consider and to talk about the Investment Policy Statement, and, as was indicated previously because of the real estate component, there will be an ongoing sort of additions or development of the IPS to conform to what you, as a Board, agree how to integrate real estate, and how to think about the real estate component with the Native Hawaiian Trust Fund going forward. And so those conversations are ongoing, and therefore you can expect sometimes to have revisions and sort of more fine tuning, as it relates to the Investment Policy Statement.

Moving forward with the education material, page three is just background.



Independent Board Investment Advisor Chattergy: Page four is the sort of overview of things we've worked on, we've talked a lot about the private markets and look to update the Trustees on developments or ongoing activities there, and then talk a little bit about what you expect in terms of the due diligence process, because that due diligence process is what's going on now, as we coordinate with the staff in the sense of how we're identifying and trying to fulfill the *discretion in a box* that was provided to staff at the previous meeting. We'll talk more about that, and then you can expect while this is going on over the next few months, as was reported before, Staff will come back and tell you what they've been doing and where they've been able to implement your policy, probably around year-end or early in the beginning of next year. In addition to that, we'll talk a little bit about *discretion in a box* as well today and look for the Investment Policy Statement action. Probably at your next RMC meeting, which I believe is in about a week.

There may be some comments related to the performance of the Portfolio, but I may provide that to the Board members individually in between meetings, and then we can bring that up, if necessary, elsewhere. But overall, just to make clear, portfolio performance, especially over the last year, has been very, very good, so you can feel good about that. You're participating in these positive markets, but there's always room for improvement, and we'll talk about that over time.

So, if we move on to page five, this is the Private Markets update, for the most part what you see here are things that have been shown to the Board before in terms of the nature of the current program and sort of the key elements going forward. I just want to highlight, the last bullet in both columns there talk about the weekly meetings that staff has been having with your Board consultant, and those have gone very well. So, we're very aware of what staff is trying to accomplish in terms of executing the policy, and we're making sure that those are happening according to what our understanding is, a best practice, so that the Board should be very pleased with hopefully where staff ends up at the end of this year, and then going forward in Private Markets. Because, as you know, there's a pacing model, and there's a discipline to investing in private markets that needs to happen over multiple years. And that is just right now, being designed to get back to that 19% commitment level that you, as a Board of Trustees committed to in your asset allocation, because that's where you're most under allocated at the moment, so we see that as an acute need to sort of rectify.



Independent Board Investment Advisor Chattergy: The other thing that I'll talk a little bit about just to remind everyone, the *discretion in a box* is the policy that you have implemented to allow staff to move forward and to continue to engage in the private markets. So, we have on the other page as we presented before; *What is discretion in a box*, and we can talk about, as a Board where you have the ability to adjust that policy at the appropriate time, and where you have the accountability and expectation that your staff is implementing according to that policy. So, that's just a tool we're using especially to try and get back to your targeted allocation to this particular asset class.

I think that Gerry Flintoft is on the line, so what I'd like to do is have Gerry give a quick update in terms of how we've been coordinating our activities with staff, just so that you know, and have in mind what exactly we are working on. So, Gerry, if you are there, I will turn it over to you to make your comments, and then I'll proceed with the rest of the education document.

Gerry Flintoft, CCM: Sure, Aloha, everyone and thank you for the opportunity to present to you today. I just wanted to share with you that our weekly interactions with OHA investments, Ryan Lee have been progressing nicely in line with the initial steps for the pacing plan. Just as a quick reminder, that is approximately 45 to 60 million for anchoring the 2024 exposure. You may recall back in August, we looked at the report, and our exposure to private equity now is approximately 12%, which is down from and off the target of 19%. The weekly meetings have been Ryan, Vijoy and myself, and there's a consensus to move forward with those strategies that give us the greatest near term exposure to the asset class, namely, in the secondaries markets and in co-investment strategies. As I mentioned, they give us the near-term benefit of getting us some 2024 vintage year exposure and we're still in that calendar year.

The other thing we're working on, and this is more in my pocket with oversight, with Vijoy and Ryan is working on a Board education piece, so as to discuss these strategies with you at the next meeting, October 23rd, primarily, secondary investments, co-investments, quick reminder on what buyouts are, and venture capital, real assets, which you've been talking about a lot lately, and then private credit.

On the due diligence side of things, as we are examining different funds, the process has really sort of three major areas, we're identifying available funds for investment that are currently open in the marketplace. Secondly, we're conducting due diligence, we're utilizing various checklists. We're wanting to tease out information about the general partners and their firms, their history, their track record, their operations, their reputation, amongst other institutional LP's and the like, I can discuss more of that at the next meeting.

Gerry Flintoft, CCM: And then, thirdly, the other area is in benchmarking relative to their peers. You may recall, last spring and summer I was chatting with you a lot about, we want to ensure that we're committing to top quartile, investment managers that are performing in the top 25% of the asset class.

Gerry Flintoft, CCM: So that's pretty much in a nutshell what we are currently doing, and we're sort of prosecuting this in a quick fashion, but not hurried. And with that I'm done, unless there are any questions.

Independent Board Investment Advisor Chattergy: Thank you, Gerry, that's great. Appreciate that summary and sort of overview of how the implementation of the private markets program is proceeding so far, and while you can expect the staff to report on their progress and their activities, again toward the end of the year or early next year, you're always welcome to, obviously, you always can talk to staff when you want to, but you're always welcome to also check in with your board consultant in between meetings or at any point if you have questions or concerns regarding that particular asset class and implementation. As well as well as everything else with the investment, I guess I have to say it like that.



Independent Board Investment Advisor Chattergy: If we continue on with page six, this is the *discretion in a box* page, I've made a couple changes, but on the right-hand column that first section, series of bullet points is exactly what was approved previously. So that gives you an idea, this is the discretion that you've allowed in a box, the limitations is what the box is about, so that it stays within a policy that you're comfortable with. And that's what we're sort of working with staff in terms of implementation, looking at managers, looking for opportunities, and then there will be also a process of approving and committing assets to start to get back to that level. And, as Gerry indicated, by making commitments toward the end of this year, we can get into what's called the vintage year 2024 private markets, to think like vintage years are years when the money starts to be invested, and it's important to have diversification of that over time. So, you would be committing to hopefully this vintage year 24, but then also 25, 26, 27 going forward. And as I think it was indicated previously, we expect you to pace into your target allocation around 29 or 30. Of course, that allocation commitment level could change based on Board policy and decisions. But that would happen after we have done a review, staff has done a review, and made a proposal to make any changes. But right at this point, we're just trying to fulfill your existing commitment and mandate that you have asked for as a Board.

The bottom of page six, on the right-hand column, I just talk a little bit about the due diligence process and procedures, and the idea there is I again want to make sure the Board is aware of and understand sort of the process, and how you go about understanding opportunities and making a commitment, particularly in the private market arena because of the focus at the moment. So, the important thing there at the bottom of this page on the right-hand column is that we want to establish a repeatable process that can be governed, that you can see is transparent in terms of the approach, and therefore, as policymakers as decision makers, you have something that you can then turn to your staff, to your board consultant and say, are our policies being implemented the way we expect them, and want them to, and if not, what are the challenges, what are the obstacles? Do we need to make any changes or decisions?

Independent Board Investment Advisor Chattergy: So, on the left-hand side of the column there, the *discretion in a box* description is basically the same as what you've seen before. The 2 bullet points down which I'll go into a little more detail now, and this is kind of part of the education aspect of today's presentation, are the diligence processes. In general, the way to think of it in round figures is that you've got an investment due diligence process, and then you have an operational due diligence process. So, investment due diligence is to identify the investment strengths and weaknesses of the manager, the opportunity set in front of you, we'll go into a little more detail about that. And basically anything that has to do with affecting the assets and the strategies implementation and ability to achieve the outcome that you expect as investors. Operational due diligence, the differentiation here is more focused in on things like the actual either manager or fund, how it's structured, its ability and skill to execute on the strategy. So that's looking at people, structure, legal, entity. And again, there's sometimes a differentiation that's made and slightly different skill sets. We believe that your staff is able to handle both types of due diligence process now, at some point you may want to supplement that with either additional expertise or additional staff. That's really your decision as an organization on how to proceed there, but the purpose today is to make sure that you're aware of this process that is established and transparent in how we make the investment.

Chair Waihe'e: Sorry, Vijoy. Trustee Akina has a question.

Trustee Akina: Thank you, Mr. Chair. Vijoy, thanks for the clarification regarding *discretion in a box*. I wanted to ask a little bit about that, could you perhaps elaborate, and maybe provide some practical examples of the type of investments or partnerships that OHA's consultant might pursue, and the kinds of investments and secondary strategies, and funds of funds.

Independent Board Investment Advisor Chattergy: Yes, absolutely. Thank you for the question, Trustee, and I'm happy to have Gerry jump in if he'd like to, at some point. But if you go back to page six on your presentation, and you look at the right side of the column, generally the types of private market managers are going to be in a GP structure. So, they're going to be a general partner, that manages the fund which sometimes belongs a firm that then oversees that. So, you've got a firm that has a manager that has a fund, and you're investing in the fund is what would be considered a limited partnership. And then the amounts that you can commit at this point are sort of delineated here, and also the types of strategies, there's return expectation, there's a geography focus, and then there's the fund series in terms of making sure that these are established managers who have experience doing what they're doing. In terms of the so-called fund of funds, the secondaries, co-investments, primaries, let me just say that essentially what OHA is trying to move to in moving away from a manager of manager approach is to have a more direct relationship with your underlying investment manager, and in that, primarily that would consist of what is called primary funds. So, these are the managers that are the GP's that have initially started a strategy, created a fund and then LP's like yourselves, institutional investors will then make commitments, and those commitments will be drawn down and invested in opportunities over a given set period of time, and then, once that period is done, they don't make any more investments, but then they start to what they call harvest those investments, and they're given another several years in order to find the right exit to actually realize the returns that they originally promised. And so, the investment period, that initial, can take anywhere from, say three to five years, depending on the strategy it could be more or less, and then ultimately you expect to have your capital that you've committed returned to you in about the next five to six years, so a 10 year overall.

There are often provisions that allow for that to be extended for a couple of years, and again depending on the strategy, commitments, and return of funds can be even longer.

Independent Board Investment Advisor Chattergy: But through that whole process, as is shown in the diligence thing, which talks a little bit about monitoring your staff, your consultants are continually having a relationship with that manager, monitoring those investments, making sure that, in fact, they are doing what they said they would do, and that they are executing the strategy as you see fit. So, I hope that answers the question, Trustee Akina, but I'm happy to clarify further or answer it in a different direction, or maybe Gerry would jump in if that wasn't helpful.

Trustee Akina: Vijoy, that was very helpful, and it's a good structure, I think I understand it. But what would be more helpful for me is, if you could give an example as to a type of investment that the consultant or managers might pursue, and what kinds of decisions they would make versus the decisions we would make when it hits the Board. I just want to see that interface there, maybe an example would be helpful.

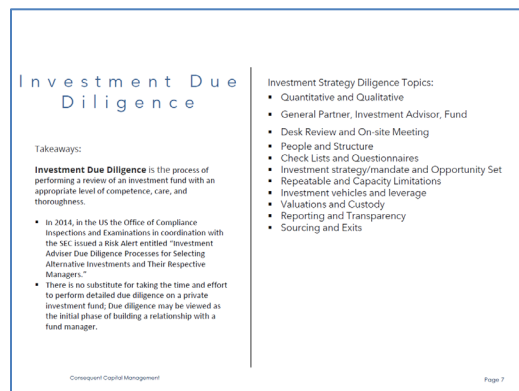
Independent Board Investment Advisor Chattergy: Sure, Gerry, maybe you could give a specific example from one of your investments, but let me just say that at a high level in terms of decision making as a Board, you're setting the policy, the commitment level and ultimately any restrictions on the types of investment that you'd want to make into this asset class, and that's done at a policy level. And then the idea is, because of the way these markets are even faster moving sometimes in terms of transactions and the needs for commitments and response times to the investor, the GP's. You then are, again delegating in a box here to your staff, to execute, to your Trustees, to your consultants, who have may have certain expertise, and you may hire specific consultants that have narrow expertise to help you with certain investments, and then they're implementing that. And then, in addition to your investment staff, as you go through the commitment process, there may be other experts, either on staff or external, that you rely on to do like legal reviews. Sometimes some aspect of operational reviews require certain specific knowledge, you're going to want to make sure that the managers themselves have experts and audits, and what have you, in order to be comfortable with that sort of investment. So, there's a process, but the Board again, is kind of setting those broad parameters, you need to feel comfortable, and that the process is transparent and accountable to all of you, and that it then is executed according to your expectations. And then a lot of the actual execution takes place, but again, there's that feedback loop. Gerry, do you want to give an example of a fund or strategy that you've invested in.

Gerry Flintoft, CCM: Actually, what I'd like to do is just sort of jump in and give you an overview Trustee Akina, if you if you will. Basically my expectation is that everyone would follow the same deep due diligence process and review and making decisions, and what's been going on is, there have been fund to fund commitments, there have been commitments made through investment consultants, and then there can be commitments made by your own staff. So, the processes across all three of those different structures I would hope to be very, very similar, deep due diligence, legal review, understanding reputations of the individuals involved, making numerous reference calls, because you're about to commit to a 10-year relationship. The difference between the three is it comes down to agency costs, my expectation is that you, as a Board and your staff are the ones that are going to be in the best position to look after your interests, and the more you involve consultants who can be very good, the more you incur agency costs in the form of not only expense, but also they have different business interests, and you want to make sure that they are, completely aligned. The further you get into fund of funds, they're managing fund of funds on behalf of a number of other institutional LP's, plus their own business interests, so it gets a little bit diluted. So that's how I would respond to it, but the processes are very similar. You would look to, if you were going to commit to a fund of funds, you would do the same deep dive on the on the manager of the fund to funds as you would for the GP of a fund, and if you were to engage an investment consultant to help you in the

space, you would run a deep RFP process and a deep due diligence dive on those investment consultants. At the end of the day it really comes down to having control over your portfolio.

Trustee Akina: Well, Vijoy and, Gerry, I appreciate the overall structure and commitment to certain principles. I'm just wanting to make sure that we strike the right balance, between on one side, our fiduciary duty as Trustees to have control and ultimate oversight, but on the other side, I want Administration and our consultants to have the freedom and liberty to take initiative and to act. And so, I guess we'll work it out, but it's important to know where those two dynamics meet, so that we don't end up in endless wrangling on the Board or delay taking opportunities we need to take, or fail to give oversight. It's just an important balance, I think, that we have to work toward. Thank you.

Independent Board Investment Advisor Chattergy: Understood, thank you Trustee, and that makes a lot of sense, and we'll continue to communicate with everyone regarding those concerns.

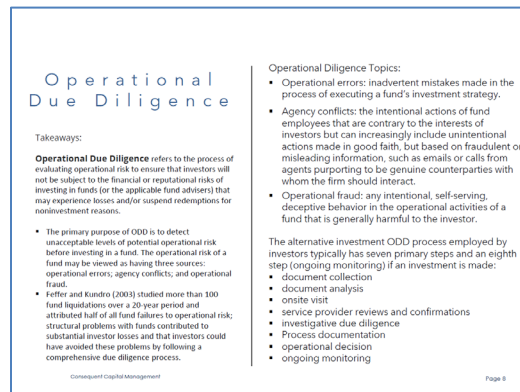


Independent Board Investment Advisor Chattergy: If I could move forward to page seven, just quickly, in terms of investment, due diligence, what you see here are some issues on the right-hand column in terms of diligence topics, there are qualitative and quantitative approaches to investigating an investment opportunity. You have to understand the relationship between the general partner, the investment advisor, the fund, and I might add to this, other LP's that are in the funds, LP's would be what the Native Hawaiian Trust Fund is, what you as OHA would be, and there are other entities that would be similarly making commitments and being Limited Partners, that's what LP stands for Limited Partner, in the investment, and so getting to know them as your peer group is an advantage that you should be able to enjoy over time.

So, there's desk reviews, meaning this is information that you use analytics systems, that you can do sitting here in Honolulu. There's also interest or need for on-site meetings, periodically, certainly when you're going into the process of making an investment, and there are different ways of handling that, people and structure related to the investment. A common approach is to use checklists and questionnaires, either of the manager or for yourselves internally, and I won't go through every bullet point here, but that was one that I wanted to emphasize, because that's likely to be something that you, as Trustees, will eventually see, again, as I mentioned at some point, there has to be an accountability for the discretion you've given, and sort of a report back, so you'd see some kind of a summary in terms of the types of investments that are made. You may see some of the due diligence documents underlying how the commitment decision was made, and then, as a Board, and this maybe goes back to Trustee Akina's question, as a Board, you have the ability not necessarily to reverse those sorts of decisions, but to say, okay, this is being done the way I want it to be done, or if it's not, then I need to adjust the discretion in the box to make sure that we're getting the kind of investment opportunities that as an organization you're interested in. And that's generally how I think it would be done with most institution investors that have exposure to private markets.

Independent Board Investment Advisor Chattergy: The other part I want to emphasize on this page, on the left-hand side, kind of the takeaways, is that especially as more retail, which are like individuals, family offices, as well as institutions, continue to commit into the private markets, the SEC is the regulatory body for all securities and all investment, I mean, there are a lot of regulatory bodies, but they're the primary regulatory body in terms of what you're seeing here in the private markets, and they have issued reports and requirements or guidelines on how to go about making sure that as investors commit or invest in this part of the market, that they're given the proper transparency and consideration for the type of investor they are. So, this is something that the highest regulators in the US are keeping close tabs on, and so you want to make sure that you understand that part of the environment.

The other part of the due diligence process, the second bullet point there I want to mention, and Gerry just made comments along these lines about the relationship with the manager. And the thing about investing in private markets, that's maybe a little bit different than when you're investing in what we call public markets, or more liquid markets, or stocks and bonds, mutual funds, ETF's, that's a little more transactional, you can always hire or fire a manager there, and then find another manager. In the private markets, oftentimes the specific people, the organizations, have a higher weighting in terms of their importance in the decision making. So, there's what I call kind of a relationship pivot that happens through the investment process. When you're investing in a private markets manager, and you're doing the diligence, you kick the tires, you be skeptical, you ask the hard questions, just as you would for any investment, but because, as Gerry had indicated, you may be committing 10 years or more in terms of your capital and the relationship with the manager, and, in fact, you may re-up with the manager and new funds over time. So, these can be very long-lived relationships, and because of that, once you've made that pivot, you want to make sure that you can be also supportive of the manager, because you're not as likely to be able to get out of those commitments as you would in the private markets. Now, there are ways, there's secondary sales, and we talk about investing in secondary managers, and I think we'll do a little more education on what is a secondary manager versus a primary manager at our next meeting. But, the important thing there is to know because of the nature of private markets and the commitment period, that, in addition to asking the hard questions, you also want to be supportive of that manager, you want to work with managers that you are comfortable and feel good about working with, because you're going to be working with them for a long time. And at the end of the day, they're trying to do their best job to deliver the returns that you need to run OHA. So, I just want to emphasize that in terms of, this process is a relationship building process, so even though you're doing due diligence on the hard questions, over time you want to have even a stronger relationship than you do with some of your stock and bond managers, because you will be committed and working with them for significant period of time.



Independent Board Investment Advisor Chattergy: Moving on to page 8, which is the operational due diligence page, I just want to highlight a few things here. So, on the left-hand and the right-hand side of the page, they kind of drill down to three types of operational due diligence risk. One is operation errors due to operation activities, then there's agency conflicts which Gerry had just mentioned, and then there's just outright fraud that you're looking at and considering.

So, on the right-hand page, the operational errors and kinds of executing the fund or the strategy, those are the kinds of things, you want to make sure that they have a solid infrastructure and teams that are able to execute the said strategy, beyond the investment professionals that might be working in the organizations. You also want to make sure again, because you have this long-term relationship, this agency conflicts and issues that Gerry had mentioned, there is a need to make sure that you have an alignment of interest, so that when they do well, you also do well, and they don't work in conflict to your ultimate interest in delivering high returns, given risk. And then, finally, there's the idea that operational due diligence can find sort of more fraudulent or deceptive behavior, and that's always the hardest thing to detect with any manager, and you've seen that, but it is important and possible.

I'll just give two examples in terms of agency and then fraud; so agency, a lot of asset managers now have become public entities in terms of like they're part of a parent group that is publicly traded, and that's great, and that can be very helpful for them, being able to access capital markets and implement strategies and grow their business, so that's very positive, but I think we all know that sometimes shareholder values are put above clients or employees in terms of what you're trying to optimize, so you just sort of need to keep that in mind. That's a very powerful thesis and reason for why companies exist and operate, is to provide the highest shareholder value. So, if you're a shareholder, that's great, but if you're not a shareholder, you have to just be aware of that and monitor to make sure that things are still being done in your interest, so that's just an example of an agency issue. I had mentioned several meetings ago that anytime you give money to someone else to manage on your behalf, there's an agency issue, because the reason was, and Vice-Chair Alapa, I remember you asking the question, is because, they want to maximize returns as much as they can, because that's how they grow their assets, that's how they build a reputation. But you, as the investor, want to make sure that they get the highest risk adjusted returns, meaning that they have an idea that they're not going to bet the farm, so to speak, on an opportunity, and if it works out, they make a ton, but you're taking undue risk that wasn't part of your policy. So that's what you need, and sort of your expertise, your staff and consultants and people to be advising you on so that you can adjust your policy to make sure that's being implemented.

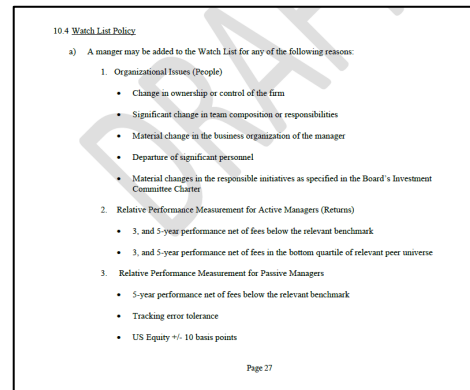
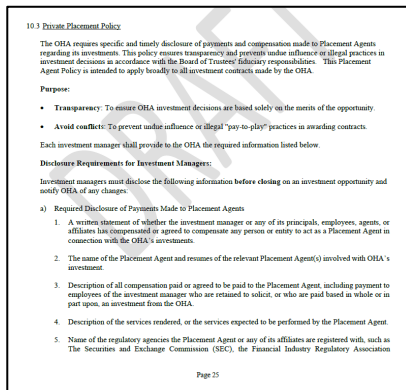
Independent Board Investment Advisor Chattergy: The second example of fraud, that is something that you look for when you're doing operational due diligence, you want to make sure things make sense, but it's always it's hard, it's never foolproof. Examples I would give where you want to be a little bit cautious, is investing in organizations where you have related parties in different functions, maybe on the investment side, the private side particularly, I think, of examples of where, like you have relatives working in different parts of the organizations or married couples. And I know when you're talking to small businesses, that's often how they're organized, maybe it's a family business or something, but a lot of the investment organizations that you would invest in as an institution would be professionally managed as opposed to those, so that's a potential conflict. And then I'll just note real quickly, that I once worked for a man in Japan who actually kept his client, which was this Japanese company from investing in the Madoff Fund, and largely that was not, I don't know what kind of due diligence he exactly did, but he kind of looked at the strategy and looked at the returns and the returns were stellar, and so all of his clients were just saying we should invest, we should invest, this is great. But he couldn't understand how that the particular strategy that was stated was resulting in the kind of returns, and so he steered them clear of that particular investment opportunity, and I always had a lot of respect for him because he had managed to keep his client out of trouble, even though there was a lot of pressure to invest, his diligence allowed him to say, I don't understand something. I'm not comfortable, so I don't think we're going to invest in that particular manger, and it actually worked out remarkably well years later, when that scheme sort of came to light. There's no guarantee that we'll be that good, your staff may be that good, but as your Board consultant, you know, we just try our best.

So, let me conclude there, there's some (ODD) Operational Due Diligence processes there in terms of collecting documents, that's what you can expect, these would be things that would be then held in your database or in however, you maintain electronic correspondence and documents from your investors, and that would be available for Board to inspect or to have reported on over time, even for future Boards, because of these long-term commitments. That's generally what I wanted to talk about in terms of general Board education, and I'm happy to answer questions there.

I would like to spend a couple of minutes on the Investment Policy Statement, even though we're not taking action on it today, it was an attachment to this slide deck.

Chair Waihe'e: Go ahead, Vijoy.

Independent Board Investment Advisor Chattergy: Okay, so if you view the attachment, it's marked as a draft as of October 16th 2024. This is the basically the new Investment Policy Statement, and we've talked about this previously, including the idea that you're moving away from a manager of manager style. But I want to highlight a couple things, and again it'll be more for discussion next time, when staff has had a full opportunity to review as well as yourselves.



Independent Board Investment Advisor Chattergy: Essentially, there's a section 10.3 on page 25 of the document, and I want to highlight that because that wasn't in the August version that was in front of you. This is talking about Private Placement Policy, so Private Placement agents are entities that help investment managers to raise assets from different clients like Native Hawaiian Trust fund, like OHA. And they serve a specific purpose. It's maybe sometimes even more prevalent in the private markets, because a lot of times private market firms don't have marketing groups, they don't have fundraising groups. So, they go to these outside groups that have relationships to help them get in front of potential LP's and raise capital. Now, on the continent there's definitely been previous examples where placement agents have got Boards into trouble, because in order to build relationships, they have sometimes done things like the so-called pay to play type activities, and that has led to very severe consequences for Board members in very large and public investment asset owners. So, I feel it's important to include a private placement policy in your investment policy statement to clarify those conflicts. So, the purpose of this policy is not to necessarily exclude using placement agents in the investment process, but it's to make sure that that process is transparent and that conflicts are avoided. I think it's especially important as a way for the Board to make sure that it's educated and able to work in that environment as elected officials. You don't want to be in a situation where someone is questioning an investment because of the placement agent, which they have nothing to do with the investment itself or the opportunity. So, by having the disclosure, by having explicitly in advance, outlined the ways that you would work with this sort of an entity in the marketplace, I think, allows the Board to show that you have that concern, and that you're not interested in situations where you have conflicts of interest, especially of this nature. So that's an important one, for I think all of you to take a look at that section, and if you would like to provide feedback, we certainly can incorporate and discuss that in terms of any final or additional revisions going forward of the investment policy statement.

The next section, 10.4 section on 27 is actually just about watch list policy, and again, this is something that your staff is very aware of, but I wanted to add it in, and we had presented it previously in a Board meeting, because it should be very clear to not only your stakeholders and other interested parties in OHA, but to your managers and to you as policymakers. Why and when you might change out a manager or terminate a manager, because that can always turn into a sticky situation, and you want to make sure that these are the considerations you have. They're generous in terms of allowing managers like, if they're underperforming in performance to not just make a hasty decision, but to allow them the process to show that, they haven't lost a skill, or maybe they're in a market environment that's not favorable to them. And it does also allow, though under certain circumstances, if you have to make a quick decision because something is going wrong like, say, there's fraud or something you don't want to be with a manager more than you need to if you discover something that requires immediate attention.

Independent Board Investment Advisor Chattergy: So, this watch list policy is to accommodate both of that. I think again, it's important to translate in advance to the marketplace why, you may keep or terminate a manager over time, and it helps staff and consultants to be able to understand, what are your concerns in terms of when you've when you're losing or have lost confidence in, one of your investment managers.

Chair Waihe'e recognizes Trustee Trask

Trustee Trask: Up to this point, our Board has had a standing committee for years. So, we now will have a Private Placement policy, what do we do from where we are now? I mean, I have investment managers right now, I have investment managers, they have been operating for years without this language. They're currently under a contract, all of them are, and several of them have made big money and still are. But here you're advising me that this is a critical thing that's missing, I can see it. What I can't see is how I'm going to correct it now for the Board.

Independent Board Investment Advisor Chattergy: Thank you, Trustee. That's a terrific concern, and I'm glad you're asking this question. I think the thing to keep in mind in terms of where the policy document and the structure of the Native Hawaiian Trust Fund is going is that there's a change, you're going from a Manager of Managers approach where a lot of those sort of opportunities and the investments in the portfolio were sort of made through that Manager of Manager process, or sometimes with some consultation back to OHA.

Trustee Trask: But generally not, and that's my concern.

Independent Board Investment Advisor Chattergy: But so now, what's happening is that because you're taking a more direct responsibility and accountability for the investment portfolio, those decisions are something that you're making at a policy level, and then you're relying on your staff and consultants to help you find those opportunities more directly. So before where you kind of said, okay, we have the Manager of Managers, and we rely on those managers to find us the opportunity and build a portfolio, a lot of like a private placement policy you could expect that to be conducted by those Manager of Managers because of that relationship. But as you move away from that, and you have more transparency and more control into the portfolio and how it's managed and the results that you expect, now you have to add these kinds of policies in, because you're having a more direct and impactful relationship with the portfolio. So it's a change, I don't know if you were missing this policy, really, because again, the structure and the governance was different up to this point. And now, as you're transitioning into it...

Trustee Trask: That's the very heart of my question, Vijoy. This language was not here prior to this, as I move from where this Board is now to where we need to be in the future, or where we want to be in the future, I'm in a situation where I have not one but a number of placement agents who are under contract to this agency, and they are not doing this. When I adopt a policy, they will still be on my payroll, and it will not be in their contract. Given that situation, is it time to just terminate their services, how do we amend the contracts to make sure that the people doing this are going to start doing it because we have several, and we're paying them hundreds of thousands per year. I can't get a report from them. I understand what you're saying Vijoy to correct it, but we have to move from where we are now.

Independent Board Investment Advisor Chattergy: I just want to make a point of clarification, though, and I think your concerns are very legitimate and important, because these are the kinds of conversations and the understanding we need to have.

Independent Board Investment Advisor Chattergy: One point to clarify is that I'm not sure exactly what the managers or the relationship you're talking with, but it's important to understand that a placement agent isn't hired by an LP or by an asset owner. A placement agent's role is really to support the fund manager and the asset manager. So that is who is hiring and paying the manager, and the part that the policy tries to clarify is to understand who exactly is paying for that placement agent and their activities and is that placement agent operating above board and not trying to build relationships with Trustees, with politicians, with other stakeholders in a given community, not just Hawaii, but anywhere in the world. Again, I mentioned that this was a problem on the Continent, so what this allows you to do, as you transition to this new way of managing your trust fund, that you have the now supplemental policy and important safeguards and guardrails to do that appropriately. So, I'm not saying that what you're saying is not correct, I'm not quite sure of the contracts, but...

Trustee Trask: I'm not sure to how to implement your advice, but I understand your response. That's where we are.

Independent Board Investment Advisor Chattergy: Thank you.

So, with that in mind, I'll just mention quickly, like we are having some conversations with Trustees, with staff, and the real estate consultant who's doing, I think, a very nice job, and they presented at your Board meeting last week. We expect that they will also have input in terms of policy into this document, because, as you integrate some of the real estate activities into the Native Hawaiian Trust Fund, whether that's reporting or investments, then we will want their recommendations and policy to be included. And again, that's all under your as Trustees approval. But I do want to mention that there is interest, and I've had some conversations about including things like housing into the policy, and I think that conversation needs to take place and it wasn't ready for this document today. But if we want to include Housing investments, defining what that is, what the parameters are, what should be included or not included, that's a Board level, that's a policy decision that you need to be having and doing internally, and then we can accommodate that in terms of what makes sense as an organization.

So, I want to put that out there, because maybe we will share some language that's been shared with us in terms of what that might mean, and I'm happy to have that sort of a conversation going forward. So, I think that generally concludes my presentation and comments, and I'm happy to answer any questions. And again, like I mentioned, we'd like to come back to the next RMC meeting with the staff to make an action item. Thank you.

Chair Waihe'e: Thank you, Vijoy. *Are there any further questions for Vijoy?*

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: Vijoy, thank you. This is more to do with, we're flying at 30,000 feet here overall, so for my benefit, perhaps some of the others as well, if we moved a little bit closer to the ground and talk about specific markets, specifically to how are markets embracing artificial intelligence? And if so, how and what is a product that we're either involved in or are looking at? Could you provide brief examples?

Independent Board Investment Advisor Chattergy: I don't have specific examples at the moment in terms of artificial and intelligent investments, other than to say that you know you're going to be invested through your managers into Nvidia and groups like that. I don't know what the exact exposure is, but that's something that I can talk to staff...

Trustee Galuteria: *Are the markets embracing AI is what I'm asking?*

Independent Board Investment Advisor Chattergy: So more generally than in terms of the embracement of AI, over the past year or two, AI and technology has absolutely driven markets, and a lot of that is the promise that AI may revolutionize the way we do business and activities. Now, a little bit of that is, I think we're all old enough to remember the original dot-com bubble, well at least those of us at the table are old enough, I look around at the room, I'm not sure if everyone here is as old as we are. There is some sort of I guess irrational exuberance, there's a little bit of hype right around it, so the market is now trying to figure that out. And so you've seen some pullback, in names like Nvidia and other big tech stocks this year. Last year was the magnificent 7 big tech driving the markets and doing incredibly well. They're still doing well, but they're not all doing well. So there is more skepticism in terms of will AI be as revolutionary, will technology be as impactful as the markets have priced in. I would say that that's kind of the normal way you expect markets, when a new shiny object is in the in the playpen it tends to get a lot of attention and do real well, and then, after a while, there seems to be coming to a reality of it. Now, that is to say, that there is a lot of interest in AI, it may be a bit overhyped, but there are technologies and changes that are continuing to go on that you want to be exposed to it.

Now as a policy decision maker of a large institutional investor, you don't want to throw all your eggs into the basket, so what you do, and in particular, the way you're investing is you're investing through managers who give you some diversification. Now you may say, okay, we want to invest in a manager that has more exposure to technology, and that's fine. But even in the technology sphere they might not invest only in the big 7 tech companies, they may invest in a whole trail of maybe 20, 50, 80, or 500 stocks that have to do with technology, and that's a way that they diversify the risk. And as an institution it's not your hope to invest in, like I said before, with the agency problem, you don't need to get the highest return, the best returning stock every year, but over time you need to get returns that meet your investment objectives, because your investment objectives are your best hope or probability of fulfilling your mission goals with portfolio funding.

Trustee Galuteria: Pretty much just looking for the temperature of the water out there in the markets. We'll let Admin figure it out when they deal with you guys, but I just wanted to know where that particular market was. Thank you.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Mahalo, and Mahalo, Trustee Galuteria for bringing up the conversation on AI. That is something that is a part of our future, and how it's been revolutionized, and how we can maximize on that as well, and for those that were at the Commonfund investment training earlier this year that we had, and for those that were not, that was a lot of the focus on what that conference was about, and seeing how you can really capture that, and there are entities companies out there that really are harnessing this AI potential and teaching other companies on how they use it. Now, a lot of these companies do use it, it's just a matter of how you make it more efficient for what your mission is and what you have to do. So for us, I think it makes sense for us to see how we, not just with investments, but in what our kuleana is, our mission is to be in the forefront in providing the proper information in terms of our language, our history, and what that means in terms of what is out there. So, for instance, when somebody Googles something, whatever a supercomputer is going to pull out through AI or whatever system they're using, that is something that people take as correct information, oftentimes it is not pololei, it is not correct, but that is part of the kuleana, too, to make

sure that there is proper information, correct information out there, and that hopefully, we will invest in companies that provide that proper information and that service. Mahalo.

Trustee Akaka: I'm sorry, one more example I want to give, we interacted with a what was it, John, a super genius robot Sophia, and in interacting with her and asking her questions, questions related to Hawaii, she had paused, and she paused for about a few seconds, and I realized that she was sourcing anything that she could from online, processing that and then responding. And she had some pretty good responses, however, her pronunciation of certain Hawaiian words, and whatever she was pulling up, maybe it wasn't the most accurate, but for me that was good, because I knew what little information is out there that she is sourcing. So, it told me that we have to be at the forefront at this. Mahalo.

Chair Waihe'e recognizes Trustee Trask

Trustee Trask: The recommendation on the geographic is North America, when I look what is happening now, the American and other business flee China. There's a focus on places like South Korea and India, and I bring it up because I'm tracking the IT. It moves in that way, but when I looked at your recommendation, I wanted to ask you why, because I kind of see it happening differently. The thing is that there's other concerns like militarism, the problem the ships piling up off of Taiwan and these kinds of things. So, as we're sitting over here in Hawaii, trying to invest our people's funds, and I see that kind of a warning. The thing is, how do we judge that kind of thing Vijoy.

Independent Board Investment Advisor Chattergy: Thank you for the question, Trustee. Yes, so the current *discretion in a box* that was asked for is focusing on North America opportunities, because it's sort of a truncated year, and we're just trying to get through 2024. As a Trustee, you can change the *discretion in a box*, and the process we have for that is that when staff comes back, it'll be just in a few months for this year, but it'll be annually going forward unless you want it other than annually. But annually, when they present. Okay, we've taken your policy, your *discretion in a box*, and these are the commitments we're making. This is the way we're implementing; it's been very successful here, it's been challenged over here. And now, in addition to that they will ask you for a new *discretion in a box*, that new *discretion in a box* may be exactly what the previous one was, but it could be changed a little bit. So, if there was an interest in looking for opportunities, or maybe loosening that restriction to say North America, but also, maybe the rest of world or Europe, or other places where you think that potentially there could be opportunities, you can add that to that discretion, that's sort of where as Trustees, where you're making your policy and decision making. You can write it in a way where you want to see more international, or you can write in a way where the opportunity allows you to investigate that, because, as you mentioned, there's a lot of change going on in those marketplaces, and so it takes some effort for your staff and for consultants and other experts to assess and make sure that there are really good and strong opportunities there. In the case of North America, it's one of the most established, deepest markets with the most talented investors in this area exist and are based, so it's a natural and an important area for any institution investor, let alone OHA to have exposure to. So, we're saying, as you're building out this transition and building out the program, that's where the initial interest should be.

And I think there are opportunities elsewhere in the world. I'll note that like, when I was living and working in Asia, we went to look for investments in places like Vietnam, which was terrific because Vietnam was growing, and it's an opportunity set, and people have done very well operating in Vietnam. But, when we dug in a little bit more, and especially with the economy and the government of not Vietnam, but also with the specific fund managers, we found that it's easy to get your money into the country, it's almost impossible to get your money out.

Independent Board Investment Advisor Chattergy: And in the case of the particular fund manager we were working with, the provision in their contract made it possible that they would never return our money because of waste, so again, those shiny objects, they're really interesting, and you want to go and look at them, and they're worth exploring. I mean, we went there, and we did an onsite meeting and then learned about the opportunity set. But in the end, after we completed our due diligence, we said may be appropriate, for other investors, long-term are going to be in the country, but it wasn't appropriate for us as an Asia based asset manager, just an example.

Chair Waihe'e asks if there are any further questions

There are no further questions.

Chair Waihe'e: Thank you again, Vijoy

IV. NEW BUSINESS

B. Action Item RM #24-40: Approve of OHA funding for an Event Sponsorship for the 2024 Papa Alii – Royal Order of Kamehameha I Convention*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Germaine Meyers.

Chair Waihe'e recognizes beneficiary Germaine Meyers

Germaine Meyers: Aloha, my name is Germaine Meyers. I'm an OHA beneficiary for beneficiary advocacy and empowerment, I'm also a Nanakuli Hawaiian homestead lessee.

Thank you for the opportunity to testify this morning regarding Action Item RM 24-40 to award \$5,000 to the nonprofit, Pohai O Kamehameha, \$5,000 for their event, Royal order of Kamehameha I convention scheduled for next week, Friday and Saturday.

The event happens in nine days, why is this request being honored nine days prior to their event. It's clearly a non-competitive discretionary award, I'm concerned that OHA is going back to awarding noncompetitive grants that the State Audit, Report 18-03, highlighted in 2018, that OHA, unfairly and inequitably were dispersing funds based on who you know at OHA principles. Organizations that request for an Ahahui grant for their event, must plan at least six months prior to their event, to fill out a solicitation for grant application and go through the entire process with transparency. OHA cannot sustain financially for future generations if it's not focused on its strategic plan. Also, OHA cannot be everything to everybody. The packet didn't show why this group was requesting funds nine days prior to their event, the packet was also missing the compliance component. Where in the packet does it show this nonprofit have their HCE, Hawaii Compliance Express certificate. The HCE certificate proved the nonprofit received clearance with the following agencies, IRS form 8821, DLIR for LIR#27, DCCA form COGS, Department of Taxation form A-6, under Hawaii law you must provide proof of compliance in order to receive a contract worth \$2,500 or more, with State and county government entities in Hawaii. The HCE certification are also a requirement that applies to both State and County grant and aid programs. Also, do they have an event insurance, that was missing in the packet, do they have a budget to show how they plan to use these funds, will the funds be used for expenses that Ahahui grant applicants are told they cannot use the funds. Chair, what are the policies and procedures for non-competitive Grant awards?

Germaine Meyers: For these reasons, Chair, I humbly ask the RM Committee to deny this Action Item. Ke Akua Pu, God bless all of you!

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e asks if there is anyone else is signed-up to testify on this agenda item.

RM Staffer Akina: There are no further speakers this time.

Chair Waihe'e: So, the Action Item we're speaking of is the approval of a funding for an event, sponsorship for the 2024 Papa Alii Royal Order of Kamehameha Convention. *Before we get into this discussion, is there a motion.*

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: My questions are, how did this request come to us, when did it reach us and when was the last time we awarded a sponsorship to this group, or when was the last ask from them?

Chair Waihe'e recognizes Ka Pouhana Ferreira

Ka Pouhana Ferreira: Mahalo, Chair. Before we get to Trustee Akaka's question, I just want to clarify that typically grants are going to be for program service delivery, whereas sponsorships are one-time events which this is the request for. I'm going to ask Kēhau Pu'u, COO and also Hailama Farden, Senior Director of Hawaiian Cultural Affairs to join us at the table to respond.

Ka Pou Nui Pu'u: Aloha Committee Chair Waihe'e, Chair Lindsey and Trustees. I will address Chair's question, regarding this specific application, I believe we did actually receive it earlier this year, maybe shortly after I came on, I can't recall the exact month. When we did receive it earlier, I'm going to be very transparent that, having come into the organization, we did need to do some revamping of our processes for sponsorships. So, just before I came in there was a transition of sponsorships from one division to another, and it was with Keala, with grants, and there was a lot going on along with Kanaaho. So, in the time that I've been here, and from when I started Stacy had asked, what's going on and wanting to get information out earlier. So, we've actually just revamped our SOP process, but it has taken time. And in that transition, we have not been as expedient in reviewing and providing decisions for applications. We feel like we've gotten there, we have assigned sponsorship owners to all of the legacy sponsorships and have a process for assigning new sponsorships that come through to different sponsorship owners depending on what their oversight is. So, if it's a certain strategy, we will deploy and have that sponsorship owner, vet, review, and make the recommendation. Regarding this one, I will let Hailama speak a little bit to the timing. I'm going to be honest, I'm not sure when the last time was, I think this is considered a new sponsorship, so I don't think it's considered a legacy. I'll let him speak to a couple of the details.

Senior Director of Hawaiian Cultural Affairs Farden: Aloha Chair, Vice Chair, and Trustees, as well as our beneficiaries and our 'ohana of the Office of Hawaiian Affairs. I think this type of sponsorship, it's a little more different. It's not a legacy to be clear, but it also allows OHA working relationship, with groups like the royal societies that OHA had built relationships back in 2003, 2004, 2005, and 2006. And then, for some reason, I guess some of those relationships have ceased. But the organization and the other organizations that have applied some of them are doing so in a very humble manner, and they didn't really expect anything, but were encouraged to do so that we can start to build better bridges with our royal societies that are established in the Hawaiian kingdom.

Senior Director of Hawaiian Cultural Affairs Farden: And thus allowing some of the civic engagement work that they're doing, that OHA would be also engaged in, but it allows us to build those relationships so that we could do so. So, that's really the essence, and yes, the I believe the application came in several months a few months ago. As our COO already shared, with the revamping of our standard operating procedures, we're able to move on some of these which we weren't able to do before and assist our kānaka 'ōiwi, and their Native Hawaiian organizations that, like, I said, go back to the kingdom to be able to receive some support for the work they're doing in civic engagement.

Vice-Chair Alapa recognizes Trustee Souza

Trustee Souza: Mahalo, Trustee Alapa. Germaine, thank you for inquiry, and your comments, I know I cannot respond to you, but I have a question for Ka Pouhana and her team. We're assuming, and that's why we have this discussion prior to us making the decision overall as the Board to approve these grants, whether it be event grants or legacy grants, or whatever it may be. My question, when it comes to us, the process has already been vetted. I know Germaine had referred to the Hawaii Compliance Express, and we all know that process. So, when you guys bring the recommendation to the Board, all that is vetted already, and I'm assuming the timeline, especially for this one, especially if it's the first time for the Royal Order, or whoever it was to come to us. Maybe that's why the timeline was a little longer in vetting them this time around, can you confirm what the process was.

Ka Pou Nui Pu'u: Yes, thank you. Actually, I appreciate the opportunity, thank you. So, I do want to share, we have criteria for our sponsors, which I think we're all about continuous improvement, so we can always make it better. We do have some criteria which includes alignment to our strategic plan or our mission, also they need to be able to articulate impact of their event, how many Native Hawaiians are being served through their event, so that's one thing. And then yes, we don't include in the packet, in the action item, all the other requirements; W-9, HCE Compliance, so on the HCE side, Fiscal checks that, and they will kick it back if they're not HCE compliant, and then we have to go back to the organization to say this is showing up on your record, you need to get it cleared. But again, those aren't normally, at least in my three and a half months here, included as part of the packet. But it is part of our process, so we won't cut a check for people who are not compliant. I also want to say, we have been asking for rushes for these organizations where the approval is coming a little bit later, and I know we're driving fiscal crazy with that, so we're trying to get better at that, too. I think now that we have an SOP in place, we're going to roll it out with all the sponsorship owners. We had to kind of piece together all the past sponsorships, most of us are new. We are hoping we can get better about being able to predict when these events are coming up. So, we've backwards planned the timing for either contacting them or having them contact us, and we're collecting things upfront too, the application, the W-9, all of that is being reviewed before we come to the Board, and that's a little bit of a change, too.

Ka Pouhana Ferreira: I'd like to add that I think it's really critical that we use the right term. So, this is not grants, this is a sponsorship, and there's a very distinct difference between the two. I also want to share that I have directed the executive team to have us look at even the legacy ones, because the Board changes, so what may have been important to the Board, 15-20 years ago may not necessarily be the same, and so, although legacy sponsorships have kind of been approved over and over, without having to come to the Board, I think it's really important that every single sponsorship, even if it's a legacy one, come in front of the Board, because there are Trustees that are not aware of some of these.

Ka Pouhana Ferreira: And we also should be having discussion in terms of its alignment to Mana I Maui Ola, and making sure that it is supporting, uplifting, and amplifying the work that we want to do in our communities through this plan. Mahalo.

Trustee Lindsey moves to approve and authorize the following fiscal year 2025 event sponsorship disbursement totaling \$5,000.

Organization Name	Event	Award Amount Recommendation
1. Pohai 'o Kamehameha	2024 Papa Ali'i - Royal Order of Kamehameha I Convention October 25th – 26th, 2024	\$5,000
Total Recommendations (1)		\$5,000

Trustee Souza seconds the motion

Chair Waihe'e asks if there is any discussion

There is no discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION							11:18 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

IV. NEW BUSINESS

C. Action Item RM #24-41: Approval of OHA funding for an Event Sponsorship for the 2024 'Aha Lomilomi Event*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Germaine Meyers.

Chair Waihe'e recognizes beneficiary Germaine Meyers

Germaine Meyers: Aloha, Again for the record, my name is Germaine Meyers. Chair, thank you for the opportunity to testify on Action Item RM 24-41 to award sponsorship of \$5,000 to the nonprofit 'Ahahui Lomilomi Hawaii. \$5,000 for the 2024 'Aha Lomilomi Event that was held 12 days ago, on October 4th, 5th, and 6th 2024. Why is this request being honored 12 days after the event. The event is pau. Did someone at OHA promise to award \$5,000? Do they have \$5,000 of debt they need to pay? It's clearly a noncompetitive discretionary award, a sponsorship. I hana hou the same testimony I shared with the previous action item concerning HCE certificate of compliance. Chair, this grant sponsorship reminds me of CEO Crabbe requesting funds for Aha Kane, the week of their event, \$20,000, a group that CEO Crabbe was the president and co-founder of. In 2017, I provided testimony in support of the forensic audit, using this noncompetitive CEO Grant award sponsorship as an example of fraud, waste, and abuse, I shared with OHA that Aha Kane's Form 990 clarified that all the practitioners for that event gave their services for free, and the highest expense for the event after the practitioners was the cost for audio and visual services, but according to their Form 990 the AV company donated their services for free. All said and done, the Grant funds were never spent on the expenses claimed were needed by that nonprofit, Aha Kane. Who are the Board members and executive director that's not shown. Does any OHA Trustee or the CEO, or any of the new directors that just got hired by OHA have a conflict of interest with their ED or Board of Director Members. Again, Chair, what is the policy and procedures for non-competitive sponsorship requests? But also, what is the policy for handling grant requests for an event that was already held prior to the RM Committee meeting, and for these reasons, Chair, I humbly ask the RM Committee Trustees to deny this action item. Mahalo, Ke Akua Pu, God bless all of you!

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Thank you, Chair. Same question, and Mahalo, Germaine for your comments. We talked about the process earlier, and by the time it comes to the Board table, I believe in the process, everything was vetted, and you guys are making the best to your knowledge recommendation. This process I know the timeline may have been a little shorter, potentially, so at that point, and again for the record, this is not a grant, it's a sponsorship, event sponsorship. So, what was the timeline for the process for this, did we just receive this, was it three months ago, six months ago.

Senior Director of Hawaiian Cultural Affairs Farden: I received this request from her, and what I'm learning from our beneficiaries is they're calling all the time, they're emailing a lot, and this is one of those examples. I don't have any connection to this group, nor do any of us, I don't think any of us do, but I'm moved by her spirit of engagement and wanting to share this art of lomilomi. This is an anniversary year for them, and I think some of our beneficiaries are not aware of all of the processes that are before us, and the regulations, and this may be the case.

Senior Director of Hawaiian Cultural Affairs Farden: So, this came to us right before the event, and I did share with my contact with this organization that it is considered late and that might be problematic. I had a little longer talk about the tech, and that they're going to be doing zooms to connect with others all over the place. I didn't discourage her from applying, because I didn't feel that that's my role to discourage our beneficiaries from applying, but she knew that she would be beholden to the decision of this committee and Trustees based on the timeliness of it, and I didn't see anything against their favor at all to warn or look for red flags. But we processed it in that in that manner, and agnostically, basically, but not without aloha, of course.

Trustee Souza: Mahalo, Hailama. Great response, because I'm kind of caught right now, because I believe in the process, making sure we're consistent across the board, but if we did receive it late, it may have been our fault, our organization, maybe we didn't get it out in time, or beneficiaries don't know sometimes. So, we're continuing to work on that. So, I kind of don't know if I'm going to support this right now, but I would love to hear from the other trustees, Mahalo.

Chair Waihe'e recognizes Ka Pouhana Ferreira

Ka Pouhana Ferreira: If I may, in terms of timing. So, to Hailama's point, sometimes we will get an application or a request days before an event, but because of Sunshine law and the scheduling of meetings, it just does not allow for that runway. But again, we defer to the Board to decide one way or another. Mahalo

Senior Director of Hawaiian Cultural Affairs Farden: Chair, may I add one more thing? Just because this may be able to give information for our group. When I said that some of our beneficiaries are not aware of the processes or policies or rules, or how we do things, some of them are aware that there was a hold on sponsorships for a few years, and they knew they couldn't apply, but they were watching our meetings and seeing that oh, they are giving sponsorships again. So now they're encouraged, and that's why they're starting to reach out to us. I just wanted to offer that, so you have that information.

Trustee Lindsey moves to disapprove of this sponsorship because the event is over...

Trustee Lindsey: *but I would like to really encourage Ahahui Lomilomi Hawaii to be early for next year's celebration and that we would consider such an award next year.*

Trustee Souza seconds the motion and shares the same sentiments as Chair Hulu, Mahalo

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: I think as we are in this process of improving our process, we have to be diligent in continuing, because if we except a different precedent, than what we're trying to do then can come back in the future and say, well I don't know about this. So, this will be a prime example of how not to proceed in terms of our applicants, and we want to be very clear that we do support what they do, but it's all about the process. We need to be fair and honest to everybody, too. So I'll be voting in favor of the motion.

Ka Pou Nui Pu'u: Aloha, I just wanted to share that yes, I think there's some things that we can do to improve, one is what we don't have right now is a set deadline, like to say, you know you have to at least apply three months prior to your event, that's one thing.

Ka Pou Nui Pu'u: The second thing is, we haven't necessarily made the sponsorship process very transparent, I think, as Germaine has called out, so that's something else that we can work on is making it more transparent, the criteria that we're utilizing so that people know. Because right now, as Hailama shared, it's word of mouth, it's what they're seeing in meetings, coming to island community meetings, and that's how they're finding out, oh, they're kicking up sponsorships again. And so they're awarding, and thus I want to say, that's part of the reason for the timing. But I also think yes, I'm going to say that's on us, because again, we haven't put it out there that sponsorships are back in play, and what our process is. So, I just want to acknowledge that and commit to working on that.

Chair Waihe'e: I don't know all the details for the sponsorship processes, but it seems like it shouldn't get through for events that have already passed.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Mahalo, I think in terms of what the process looks like and also sharing of information, it would only make sense that we, as an organization, make it easy for our beneficiaries to be able to apply and do the due process as necessary. So, I think in the future as with this and any other thing that we're doing or advocating on, it would be essential for us to put it out there by media, by word of mouth, sharing at different events if we have that opportunity. So, that would be via social media, maybe newspaper, maybe gazettes, online, on our website, making our website more easy to navigate and pop ups, especially if things are running closer to a deadline time. Where we have timed, and we have presence on the morning news or evening News time slots so that you have to be living under a pohaku to not know what OHA is up to. I think, that this really brings forth that message on how we can do things differently. Mahalo.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, I would agree with you, Kalei, for sure, that we need to communicate better, and to me this last 9 - 10 months, when we have our new administrative team in place, we've been more engaged, definitely in the community. And Kēhau, thank you earlier for saying that, we have to work on stuff. It takes a true leader to admit that, we're not going to just make up an excuse on the fly, so we appreciate you guys. And Germaine and everyone out there watching, we're working on it and thank you for being engaged. Mahalo

Chair Waihe'e: I do want to clarify before we take the vote, the way the motion is worded, if it fails, it doesn't mean the sponsorships automatically approved either. So, we'll see what happens.

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION							11:26 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			X			
MILILANI	TRASK				X		
CHAIR JOHN	WAIHE'E					X	
TOTAL VOTE COUNT				6	1	1	1

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

Chair Waihe'e notes for the record that six (6) members present vote 'AE (YES), one (1) votes A'OLE (NO), 1 abstains, and the **MOTION to disapprove PASSES**.

IV. NEW BUSINESS

D. Action Item RM #24-42: Approval of OHA funding for an Event Sponsorship for the 2024 Aloha Shirt Festival and Fashion Week Hawai'i*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Germaine Meyers.

Chair Waihe'e recognizes beneficiary Germaine Meyers

Germaine Meyers: Thank you, Trustees. Aloha for the record, my name is Germaine Meyers. Chair, thank you for the opportunity to testify on action item RM 24-42, to award \$5,000 to the nonprofit Nahenahe Farm, LLC. I will be putting out a kahea to all the organizations on the West Side who have never been sponsored by OHA to submit their sponsorship requests to this Administration, even if their event is pau. If they got bills to pay, come and ask. As a matter of fact, last night at our Nānākuli Maili Neighborhood Board meeting, we had a teacher and his students from Ka Waihona o ka Naauao Charter School, shared their class project on rhinoceros beetles. After their presentation their teacher put out a kahea, he asked if we can help him get support from a nonprofit to help him and his students with their class project. They identified almost 100 coconut trees in Nanakuli from 1st road to 6th road that are infested and destroyed. They need funds to continue their project without the teacher putting in his own funds. They want to offer the homeowners funds to purchase trees and to hire a landscaper to replace the destroyed trees. I would expect parity and not disparity, equity and not inequity. This request for \$5,000 is for an event for Aloha Shirt Festival and Fashion week, Hawaii, that was held 13 days ago on October 3, 4, 5, and 6 at the Outrigger Kona Resort and Spa. Again, why is this request being honored 13 days after this event, did someone promise, and I heard the dialogue earlier, but I still have to ask, did someone promise an award? I hana hou the same testimony I did before, and I again am looking forward to watching this committee put together policies and procedures for noncompetitive sponsorship requests.

Germaine Meyers: Also, Chair for this event, the packet folder shows that the \$5,000 gold level sponsorship included VIP seatings for four guests, front row, along with lots of media and advertising benefits for OHA. What would the policy say about who got those four seats, does it include round trip tickets by OHA to go there to Kona? Or is it going to go to the island Trustee? But also who took those four guest seats for OHA sponsorship, if indeed OHA did attend this event. And then again, for these reasons, and for the reason I shared earlier about a kahea to all those who never got sponsorship, I humbly ask for the RM Committee to deny this action item. Ke Akua Pu, God bless all of you!

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e recognizes Ka Pou Nui Pu'u

Ka Pou Nui Pu'u: Aloha, I would like to speak a little bit more to this event. First of all, the sponsorship recommendation is for 2,500, not for 5,000 and although the flyer that's included in the packet does include the benefits that were just named, because this is an after the fact, a retro recommendation, we adjusted for it to be curated marketing through social media and updated branding to marketing material as an event sponsor. So, the benefits that we identified were done keeping in mind that the event has passed. I wanted to share that no, we do not have connection to this requester, this requester actually came to the Hawaii Island Community meeting on September 25th. She shared about her event, which unfortunately was going to be the following weekend, so it was the first weekend of October. So we did communicate with her, sent her the application, the requirements, and we have been in communication with her. It is like one we're following up. If there's anything missing but two, we did let this applicant, as with all of our applicants know one, it's going to go through our vetting process, and the sponsorship owner has to make a recommendation, and it may be that it doesn't pass at this level, and it doesn't make it to you folks, but we have been pushing them forward. And that, two, it's still pending approval by the Board, you folks have the last say so with this applicant we did communicate all of that information. So that's where we stand. I won't address the other things because it's irrelevant. I do want to say, though, that right now, because we have no published deadline, this is why we are getting things when we get them. I'm just going to reiterate again you know the people are learning and finding out about the sponsorships, and so they are reaching out when they reach out, whether that's 1 month, one week before their event. Again, this is something that we can work on. But yeah, just a reminder that this one came through at our Hawaii Island community meeting.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Mahalo, in terms of that silver level sponsorship of 2,500. Did anyone from OHA attend? Did we have a booth, did we have placement on the step and repeat, or any marketing collateral or social media posts?

Ka Pou Nui Pu'u: No, although I will say, this applicant she was really easy to work with, and she offered, she said, maybe if our staff on island could attend. So all of that was on the table and offered, we just did not have the time to have staff go and set up a booth, or even attend, or any of those things. But all of those benefits were made available to us even before the sponsorship approval or recommendation.

Trustee Akaka: Mahalo.

Ka Pou Nui Pu'u: But, they do have a website and social media. Our Director of Economic and Business Resilience vetted and made the recommendation that we get some acknowledgement post event.

Trustee Lindsey moves to disapprove and do not authorize the following fiscal year 2025 event sponsorship totaling \$2,500...

Trustee Lindsey: *and I'd like to encourage Nahenahe Farm LLC to apply in a timely manner next year for our consideration.*

Vice-Chair Alapa seconds the motion

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: So, this is an event sponsorship. This does not preempt the applicant to apply for regular grant status in the event that they have administrative costs is different, this does not preempt them from going that direction, too.

Visual head nods in agreement by Administration

Trustee Galuteria: Okay, very good. That's what I needed to know. Thank you.

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE.**

MOTION							11:40 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			X			
MILILANI	TRASK				X		
CHAIR JOHN	WAIHE'E					X	
TOTAL VOTE COUNT				6	1	1	1

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

Chair Waihe'e notes for the record that six (6) members present vote 'AE (YES), one (1) votes A'OLE (NO), 1 abstains, and the **MOTION PASSES.**

IV. NEW BUSINESS

E. Action Item RM #24-43: Honoring Kalakaua Fundraiser / Queen Kapiolani Night Tours – The Friends of Iolani Palace*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Germaine Meyers.

Chair Waihe'e recognizes beneficiary Germaine Meyers

Germaine Meyers: Thank you, Trustees. Aloha for the record, my name is Germaine Meyers. Chair, thank you for the opportunity to testify on action item RM 24-43 to award, \$15,000 to the nonprofit, the Friends of 'Iolani Palace. \$15,000 for their event, 2024, honoring Kalākaua fundraiser on November 17th at 'Iolani Palace and honoring Queen Kapi'olani night Tours on December 28th and 29th at 'Iolani Palace these two events are coming up within the next two months. The fundraisers will help Friends of 'Iolani Palace raise funds to keep the palace open and operating. Chair, I couldn't find a policy related to 'Iolani Palace. I humbly ask that you and the Trustees create a specific policy related to preserving and protecting 'Iolani Palace. 'Iolani palace is the ultimate and only symbol in the 21st century that physically shows our present and future generations that the kingdom of Hawaiians is our proof that Hawaiians belong on these islands. While OHA carries the important and heavy task of keeping Hawaiians on lands in Hawaii, we need to keep this important symbol physically present on the grounds next to the Hawaii State Capitol. We also need to keep the statue of Queen Lili'uokalani to remain steadfast at its current location at the back of the Hawaii State capital, with her back to her 'Iolani Palace and her face looking at the Hawaii State capital for our people to see as a reminder she is a symbol of the kingdom of Hawaiians. Proof that Hawaiians belong on these islands. OHA should never take on the burden, we got to be everything to everybody. We cannot financially be everything to everybody. But for 'Iolani Palace I believe OHA should stand firm in being a financial support. Princess Kekaulike was that support until she died, I don't know what her trust says, as far as supporting 'Iolani Palace anymore. 'Iolani Palace is a symbol of everything to all of our ancestors, it's a symbol for us and our future. For these reasons, Chair, I humbly ask the RM Committee to urgently create policies to protect 'Iolani Palace and to come back to a future RM Committee meeting to approve this and future 'Iolani fundraisers and funding to start Kia'i o 'Iolani palace. Ke Akua Pu, God bless all of you!

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Chair. Germaine once again thank you very much, and I 100% agree, we do need to support the palace and their efforts. I just want it on the record, and Administration can confirm this is a legacy sponsorship, so it is a reoccurring sponsorship, Germaine. Mahalo.

Trustee Lindsey: I wanted to ask administration is this, in addition to the 15,000 that... this is the regular 15,000.

Visual head nods in from Administration, that this is the \$15,000 listed in Legacy Sponsorships

Trustee Lindsey Okay, thank you.

Trustee Lindsey moves to approve and authorize the following fiscal year 2025 event sponsorship disbursement totaling \$15,000.

Organization Name	Event	Award Amount Recommendation
1. The Friends of Iolani Palace	2024 Honoring Kalākaua Fundraiser November 17th, 2024 5:00 PM - 8:30PM Honoring Queen Kapi'olani Night Tours December 28 & 29th, 2024 5:00 – 9:00 PM 'Iolani Palace	\$15,000
Total Recommendations (1)		\$15,000

Chair Waihe'e recognizes Trustee Trask

Trustee Trask: A few years back OHA was requested to participate in the restoration of the palace. When the Board took action on that, the detail was not in our records. It's not just 'Iolani Palace, but Mauna 'Ala where the Queen and that 'ohana is buried, and also Ali'iolani, which is across the street, when OHA agreed to do that. No Trustee wanted to do it, so I took it on, I'm leaving, and it will pass now to Kalei. It is not just 'Iolani Palace, but we need to put 'Iolani Palace, Mauna 'Ala and Ali'iolani together, which once again it appears on the agenda, we're not doing it. The situation is this, all of the records of the Queen, all of it, are over and were always maintained at Ali'iolani.

So, when we look at these items, we need to put them together. The monarchical records relating to lands that would eventually become the ceded lands were not at the palace, but were at Ali'iolani. I don't mind doing the work, but when I step out and pass it to Kalei, we need to correct the record. Why would we be restoring buildings, and the critical data, months of correspondence between our Queen and America, we're not going to look at it, we're not going to take care of it. I'm saying this because this came up a while back when it was time to do the 'Iolani Palace Restoration, and I've been doing it all this time and trying to explain, we're going to leave the Queens body out, we're not going to look at all the laws. We're going to give up all the records of America to Washington, prior to the overthrow, talking about the plan to overthrow our queen. I'm not going to do that, but when things like this come up, we need to look at the work we're doing in the office. The office recognizes that there's a historical collective, we do, that's why the Trustees that work on it got to do 'Iolani Palace, Ali'iolani and Mauna 'Ala. But when I see something like this it shows a big disconnect, I love the palace and the buildings, I love them but if we don't do the records of our own Queen, we're not going to preserve it. She was taken to prison, you guys got her documents, I do. I'm trying to work with Ali'iolani and Kalei to bring it back. But I don't understand how things like this come on our own agenda when we've been working on it for years, and it's supposed to be, it is the Friends of Iolani Palace, but the Restoration is not just that, and I'll leave you a closing memo. But Kalei and I are going to try work on it this weekend I mean, take a look at what's on our agenda, I don't understand it.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Mahalo, Chair. I also wanted to note that tomorrow we have a tour of 'Iolani Palace, scheduled for 12 noon, and my decision to do these various site visits from Kūkaniloko to 'Iolani Palace, to Mauna 'Ala, to also the Polynesian Voyaging Society, was for a true purpose in our discussions of recent that we've had regarding land transfers of our Native Hawaiian Crown and Government Lands of our Hawaiian kingdom, also known as the Ceded Lands of the Public Land Trust, and what that kuleana means for us and for our people, we at the Office of Hawaiian Affairs. I thought how fitting we are talking about, how do we convey these lands over to OHA with Mauna 'Ala, given the pilikia that has happened there, and how we can do it better. So here we have Kūkaniloko as part of our legacy lands in our portfolio, the birthplace of many of our ali'i, and then we have Mauna 'Ala, the resting place of our beloved Ali'i, and those that have advised them, and then the work for our people through time. And in conversation with Paula Akana, conversations that I've had talking about, how can we kokua, how can we fill in the gaps and collaborate together, on top of what the Kuleana is of the legislature. So, I felt that it was fitting that the Trustees go to visit 'Iolani Palace, so that we could see the literal pukas in the system and in the Palace to see how we can kokua and see what has been done with the DOI through the legislature, through their board and with the the years of kokua from Abigail. So, I just wanted to share that with everybody, there was a true purpose for these different site visits on top of also visiting with the Polynesian Voyaging society, and how they are preserving our navigational paths and continuing that with what the future looks like in terms of our culture. In terms of what Trustee Trask, you were speaking about with Ali'iolani, we are trying to schedule a potential site visit for our Trustees, Mahalo

Chair Waihe'e: Thank you, Kalei

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION							Motion: 11:46 a.m. Vote: 11:52 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

IV. NEW BUSINESS

F. Action Item RM #24-44: Revision to the Office of Hawaiian Affairs Board of Trustees Bylaws – Standing Committees Change -Splitting of the Committee on Resource Management (RM) into the Committee on Budget and Finance (B&F) and the Committee on Investment and Land Management (ILM)*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Aloha hou, Germaine Meyers.

Chair Waihe'e recognizes beneficiary Germaine Meyers

Germaine Meyers: Thank you. Aloha for the record, my name is Germaine Meyers. I had sent my written testimony regarding this action item yesterday, and again, I want to reiterate that, according to OHA's website, the purpose of the RM Committee recommends policies for the management of the agency's investment, portfolio and other fiscal and budgetary matters. It also develops policies and guidelines for OHA's land acquisitions, dispositions, development, and management, and it says that the standing committee meets once a month and is subject to change at the discretion of the committee's chair. I provided you with the figures that show that in 2024 to date RM committee has had 13 meetings in 2023, 17, 2022, 17 and 2021, 20. It shows that on average 1 to 1 and a half meetings a month, which would be 2, but it doesn't go beyond 24. So, it doesn't go beyond meeting twice a month. So, what I'm basically saying is that with the kuleana that you have, which is what you're saying to split into ILM and B&F, you're currently able to manage that in the RM Committee with a Chair and a Vice Chair. When the Chair is not available, the Vice Chair can manage the meeting. It shows that you have 52 weeks in a year that you're able to once a month have this meeting or twice a month have this meeting, you have enough time to put together. But, more importantly, you have a building full of staff, administration to assist you in putting together your submittals. You also, each Trustee has an aide that can also help in accomplishing the RM Committee task. Also with the BAE, I provided in my written testimony to show that there are 9 this year, 14 last year, in 2022, 15 meetings, and 2021, 18 meetings. Again, it shows on average, so even with you, wanting to transport kuleana over to BAE can still be managed because the numbers that I showed with RM includes the Joint Committee meetings. That was the numbers that I included in each month. And so, for these reasons, I humbly ask that the Trustees of the RM Committee denied splitting the RM Committee into two committees, which would mean four trustees. Ke Akua Pu, God bless all of you!

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e: So, guys, before we start, I want to say a few things just so that you guys can direct your feelings toward me because this was my initiative, and it wasn't Stacy's or Hulu's. I'll explain my motivations for this, so currently the RM Committee, it's a management committee that manages the assets meaning our money, stock bonds, or real estate, our equities. It also manages our administrative kind of operational things like our budget, our grants and those programs. And to me, they're very different functions, with different thinkings. When I was talking to my colleagues, one thing that I've heard quite often was that there's a desire for some of us, anyway, for the Board to take a more active role in managing the assets. And to me that's what I thought that if those were in any committee they could focus on. Now how that manifests itself is going to be something we decide later. But if the committee is solely focused to those things, they can do those kinds of decisions and take us in those directions.

Chair Waihe'e: Likewise, if the operational management is focused just on that, that committee can scrutinize the budget and the programs more directly, they can create programs without the distraction of the investments different thinking, and the investment committee won't be distracted by all the admin operational things. The other thing, too, is that when we reduced the number of committees from five to two, and this is my opinion, I don't want to say this is as fact, but in my opinion there was a motivation to do so to maintain functionality, but that's also control as well. So right now, basically, 3 trustees, control the agenda for the entire Board, and I think some people want to have the opportunity to chair a committee. So that that was my motivation behind doing this, I'd be interested in hearing what you guys think.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Chair for your heartfelt testimony. I also do agree that we should split the committee, and number one, because it aligns with what we're trying to do, number one with our investment policy, we're rebranding, we're regrouping, and I think it's going to be crucial that we be a part of that conversation all the time, and directly to deal with investments, real estate. Like you're saying, the RM Committee currently handles technically all of that, it's an umbrella right now with the Grants, with everything, so I don't see the RM Committee being able to have the capacity to take on the real estate and market investments and go back and forth with our consultants as well. Secondly, I do believe that every trustee on this Board should have a role, and no disrespect Kalei, but when I first joined this board I had asked for an opportunity to join the BAE Committee in particular, because I knew there was no Vice Chair. So, to this day, Germaine, to your point earlier, there's only three trustees that run the committees not four, BAE currently does not have a Vice Chair, so when there's times that we can't be here to serve, the Vice Chair, yes, I agree with you does take over, we do designate our powers and responsibilities. Thirdly, I feel, each of our trustees on this board do have their own individual talents that they can contribute, and passions of ours, besides Mana I Maui Ola, the strategic plan of OHA, I believe all of us want to accomplish different things for our community. So I believe, besides the three committees, if this gets passed, there should be more committees in the future to address certain issues. We want to be engaged; we want to be involved. We're not trying to control everything, that's not the point of splitting these committees, just being able to be effective in a timely manner. I support it, so thank you very much, Chair, mahalo.

Chair Waihe'e recognizes Vice Chair Alapa

Vice-Chair Alapa: Yeah, I'd like to add to Trustee Souza's comments, because, it is vitally important that all of us have an opportunity to basically commit to improving our relationships with each other, to be able to take the lead on certain items, because, as Souza said, we all bring special talents to the table, and we should all be able to utilize them to the best of our abilities, because at the end of the day it is always about our people and everything, all the decisions we make is going to affect their lives. The more of us involved in this capacity, I believe we will feel more engaged. I think that's important that we have that opportunity to be engaged in different committees. We all bring, like, I said, a special, unique talent that we can contribute our mana'o to these items that come before us. I'd be more than happy to support you, John in the idea of splitting the committee into two. I think that'd be awesome, so I am definitely in favor of that.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you, Mr. Chair. Thank you, colleagues, for your comments. I appreciate them, and they reflect some of my own thinking.

Trustee Akina: Mr. Chair, thank you for your introduction to this action item. I very much appreciate your reflection, and I agree with you on the need for and importance of splitting the RM Committee. I'm not sure that the proposal before us has spelled out an important split as carefully as it needs to be. The RM Committee should be split into two groups, I believe, one which handles our growth, one which looks to the expansion of the asset base and resources of the Office of Hawaiian Affairs. The second committee should handle accountability. Let me give you an example, we have recently begun to discuss the question of structure for the developmental advance of Hakuone, Kaka'ako Makai, and in that context, it has been proposed that the formation of an LLC be considered. The motivation for that discussion is to find an efficient and effective way in which to be able to grow the resources. I can understand that motivation. But if we really want to be accountable to our fiduciary duty as Trustees, we should have a separate committee whose motivation is not primarily the growth of the assets, but the protection of the assets, so that committee can weigh proposals such as whether there should be an LLC, and on a more general level can assure transparency and accountability in our financial dealings. So that's the way in which I think responsibilities should be divided, do you see it that way, Chair, in terms of your interpretation of the proposal before us.

Chair Waihe'e: Well, I feel like that aspect should be a part of not only the Investment Committee, but the Budget and Finance Committee as well, even BAE that that should just be part and parcel to each committee. I don't see having just a separate committee just to evaluate them, I'm just dividing them based on function, an operational function, I wouldn't be against having that kind of scrutiny, but that should be part of the committees themselves.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Chair. Trustee Akina, I understand your point, but it sounds like this is an Internal Affairs committee or something we're trying to create or suggest. Each subcommittee comes to the Board, the Board overall makes the decision, and so each committee and each individual, as trustees we all hold ourselves accountable. So, at the end of the day the Board takes full responsibility, no matter what happens in these committees or subcommittees, so I will continue to support the split. Mahalo, Thank you.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: I'll be supporting the action item on the table, but I just need some clarity. Are we seeking to create another committee of the whole, or are we going to downsize the committees?

Chair Waihe'e: No, it's a committee of the whole. So, it'd be like this except this one would be let's say, the investment one, and there'd be another committee of the whole that would do the budget and the grants. Then BAE would, of course, still be around as a committee of the whole.

Trustee Galuteria: Sure, I mean, obviously, committees, the smaller they are, the more nimble, they can get business done a lot quicker, if that's the idea. I'll certainly support it.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Chair you had mentioned, historically, that there were five committees. Can you explain to us how that worked and what they were called and their functions.

Chair Waihe'e: So, let's see, Budget and Finance, Policy Planning, Land Management, Programs and Legislative and Government Affairs.

Trustee Akaka: So, when did that all change

Chair Waihe'e: 2002, those were hard, though, they had five members. You would have to sometimes put something through three different committees, just to get to the Board.

Trustee Akaka: Yikes, okay. So, in your current proposal, you would say that with the three standing committees, it would mirror how it was before minus it being five, it would be three, but in terms of the splitting RM in half to Budget and Finance and Investment and Land Management.

Chair Waihe'e: To me the committees would reflect the major functions that we undertake, which is investments, operations management and advocacy.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: I support you in this, having been for a short period of time serving in the Chairmanship of the Land Committee a few years back, when Chair Bob Lindsey created it, and then bringing it back to RM, so I can relate on the different subject matters, that's a little bit more intricate when you're focused on a particular issue, for example.

In our presentation before the Board, I'd like to turn your attention to page two of four, and I'd like to make a recommendation of amendment at the very bottom, one and two. It refers to the BAE Committee and also to the OHA BOT Chairperson, but we are not agendized to discuss those two, one committee and the chairperson today. So, I'd like to amend this for today so that it can get passed, if that is the desire of the Board and throw it back into the ILM Committee, and whoever chairs the ILM Committee can rectify this at a later date. In order for this to be approved today.

Chair Waihe'e: Okay, that's fine.

Chair Waihe'e recognizes *Interim Board Counsel Everett Ohta* to clarify procedure

Interim Board Counsel Ohta: Good morning, Chair Waihe'e, and Trustees. I understand Chair Hulu Lindsey's point regarding the move of those two responsibilities to the responsibilities of the BAE and BOT Chairpersons, and that doesn't fall within the splitting of the RM Committee between those two new standing committees. So, I think that's a fair point. Because I don't believe there's a motion on the table, it could be part of the actual motion with those responsibilities listed to be moved to the ILM Committee. So, approve that split of the committee to the new two standing committees with those two sets of responsibilities moved under the ILM Committee for the time being.

So, I would say, maybe make the motion, and then have those two committees as identified in the action item as by Chair Lindsey to be moved under the responsibilities of the ILM Committee.

Vice-Chair Alapa moves to approve a revision to the Office of Hawaiian Affairs (OHA) Board of Trustees (BOT) Bylaws to split the Committee on Resource Management (RM) into the Committee on Budget and Finance (BF) and the Committee on Investment and Land Management (ILM), as set forth in Attachment A.

Trustee Souza seconds the motion

Interim Board Counsel Ohta: I just thought of another way to approach this, and maybe it's to exclude the movement of those two responsibilities to the BOT Chair and BAE Committee Chair, and instead, maybe take that up as a later action to move those two responsibilities over.

Trustee Lindsey: No, we should do it now, because it will be sitting up in the air, we're throwing away RM Committee, so where are these two going to sit?

Interim Board Counsel Ohta: I guess I would suggest that this is also going to have to go back before the Board for two readings. So, in doing so, that's when the movement of these two responsibilities could get moved into the responsibilities of the BAE Chairperson and the BOT Chairperson.

Trustee Lindsey: I think it's cleaner to move now, Everett. We'll just do it, so that after this it'll be consistent as to just voting for the motion.

Interim Board Counsel Ohta: Okay, very well.

Trustee Lindsey moves to amend on Page 2 - III. BACKGROUND & DISCUSSION Section 1. and 2. :

1. Proposed move of the RM Committee responsibility to “develop policies on land use, native rights, and natural and cultural resources, including: the inventory, identification, analysis and treatment of land, native rights and natural and cultural resources;” to be added to the responsibilities of the ILM Committee;

2. Proposed move of the RM Committee responsibility to “develop training and orientation programs for Trustees roles, fiduciary responsibilities, and ethical obligations, as provided by HRS Chapter 84, as amended” in consultation with the BF or BAE Chairperson and “other resources (e.g., Corporation Counsel, Ethics Commission)” to be added to the responsibilities of the ILM Committee; and

And whoever Chairs that Committee has the responsibility to change it back to BAE & BOT Chairperson.

Vice-Chair Alapa seconds the motion

Trustee Akaka posed a question regarding training in 2. (was not recorded)

Interim Board Counsel Ohta: To address Trustee Akaka's question, I think this is relating to trainings when maybe the subject matter relates to the subject purview of another standing committee. That's when you would do that training or orientation and consultation with that respective committee's Chairperson.

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE** on the **AMENDMENT**.

AMENDMENT							Motion 12:17 p.m. Vote 12:20 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

MAIN MOTION AS AMENDED

Approve a revision to the Office of Hawaiian Affairs (OHA) Board of Trustees (BOT) Bylaws to split the Committee on Resource Management (RM) into the Committee on Budget and Finance (BF) and the Committee on Investment and Land Management (ILM), as set forth in Attachment A.

Where Page 2 - III. BACKGROUND & DISCUSSION Section 1. and 2. now reads as:

- 1. Proposed move of the RM Committee responsibility to “develop policies on land use, native rights, and natural and cultural resources, including: the inventory, identification, analysis and treatment of land, native rights and natural and cultural resources;” to be added to the responsibilities of the ILM Committee;**
- 2. Proposed move of the RM Committee responsibility to “develop training and orientation programs for Trustees roles, fiduciary responsibilities, and ethical obligations, as provided by HRS Chapter 84, as amended” in consultation with the BF or BAE Chairperson and “other resources (e.g., Corporation Counsel, Ethics Commission)” to be added to the responsibilities of the ILM Committee; and**

Chair Waihe'e asks if there is any discussion

There is no discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MAIN MOTION AS AMENDED							Motion 12:14 p.m. Vote 12:20 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA	1		X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Mr. Chair. I had my hand up before the vote, but it's not a problem. I'll just express my thought; I voted in favor of this for the reasons you gave in terms of function. I agree with you. Secondly, I just want to underscore that the creation of a second committee does help to enhance our ability as fiduciaries to have checks and balances in the organization. Thank you. Thank you for this. new action. I look forward to it.

Chair Waihe'e recognizes Senior Director of Hawaiian Cultural Affairs Farden

Senior Director of Hawaiian Cultural Affairs Farden: Just a quick announcement inviting all of our Trustees as well as our ohana to join us out in the front as we celebrate the first I guess, in a long time, piko, we call it Kau Ka Lā I Ka Lolo, where the sun is centered above us, and we'll be doing it actually, the first day and the last day of every week we started on tonight today at the recommendation of our CEO, because it's a good moon today. So, we start the first one today, but going forward, it'll be the first day of the week and the last day of the week, which means, if Thanksgiving, it's going to be on a Wednesday, and if it's Memorial Day it's going to be on a Tuesday. We rotate with paia to take leadership, and we invite the Trustees to be a part of that and it's really our time to center ourselves in our piko.

And finally, before I leave, I wanted to just remind us all today is a very significant day in our Hawaiian history, our Kingdom history. 140 years ago, sadly, we lost Princess Pauahi, and we know that the event of her death caused a major impact in Hawaii, and that's the creation of the Kamehameha Schools a few years later, and also today is the 149th birthday of Princess Ka'iulani. So, I wanted to

share those little points since I have the microphone. I'll see you all out at Kau Ka Lā I Ka Lolo at 1230.

Chair Waihe'e: Thank you.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Mahalo Chair and Mahalo Hailama for sharing that. Also to share that again, we have our Polynesian Voyaging society site visit today at 3 pm, as well as tomorrow, having the site visit at 'Iolani palace at 12 noon, we'll be touring the palace, and visiting the head at the burial mound at 'Iolani Palace, as well as our site visit at Mauna 'Ala at 2:30pm, followed by our O'ahu Island Community Meeting here at Nā Lama Kukui, at the boardroom at 6pm. And also to touch on the culture and history and what Hailama had shared in us, placing maile lei on the different burial places at Mauna 'Ala and at 'Iolani Palace, celebrating the birthday of Ka'iulani. And so we are trying to source Lei Pikake, as well as celebrating the life of a Princess Pauahi, with her favorite color red, and so placing a red lei there, Mahalo!

V. ADJOURNMENT

Trustee Souza moves to adjourn the RM meeting.

Vice-Chair Alapa seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is zero discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

						12:24 p.m.
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN AHUNA						EXCUSED
KALEIHIKINA			X			
KELI'I			X			
VICE-CHAIR LUANA		2	X			
BRICKWOOD			X			
CARMEN HULU			X			
J. KEONI	1		X			
MILILANI TRASK						Departed mtg. at 12:22 p.m.
CHAIR JOHN			X			
TOTAL VOTE COUNT			7	0	0	2

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

Chair Waihe'e adjourns the RM meeting at 12:24 p.m.

Respectfully submitted,

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Investment and Land Management (ILM) on January 8, 2025

Trustee John Waihe'e, IV
Chair
Committee on Resource Management

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)
COMMITTEE ON RESOURCE MANAGEMENT
MINUTES**

October 23, 2024 10:00 a.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brickwood Galuteria
Trustee C. Hulu Lindsey
Trustee J. Keoni Souza
Trustee Mililani Trask

EXCUSED:

Trustee Dan Ahuna

BOT STAFF:

Amber Kalua
Crayn Akina
Kalista Mitchell
Kanani Iaea
Kauikeaolani Wailehua
Lei-Ann Durant
Mark Watanabe
Melissa Wennihan
Morgan Kauai Robello
Pohai Ryan
Ruben Sierra
Sommer Soares

ADMINISTRATION STAFF:

Kēhaulani Pu'u, COO / Ka Pou Nui
Arlene Aguinaldo, IT
Elena Farden, Sr. Director of Strategy Implementation
Everett Ohta, Interim General Counsel
Hailama Farden, Sr. Director of Hawaiian Cultural Affairs
Kelcie Wade, IT
Kuikeokalani Kamakea-Ohelo, Oihi Wellbeing
Kuuleianuhe Awo-Chun, Education
Lauwaeomakanakauaoloha Clayton, Sr Exec Assistant
Nietzsche Ozawa, CC
Ramona Hinck, CFO
Ryan Lee, Director of Endowment
Sandra Stancil, Sr Exec Assistant

GUESTS:

Gerry Flintoft, Consequent Capital Management
Vijoy Chattergy, Consequent Capital Management
Jamee Miller, 'Ekolu Mea Nui
Kalani Kalima, Na Kua Aina o Waimanalo
Hans Mortenson, Keauakaha Community Association
Larae Mortenson, Keauakaha Community Association

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Wednesday, October 23, 2024 to order at **10:02 a.m.**

Chair Waihe'e notes for the record that **PRESENT** are:

MEMBERS			AT CALL TO ORDER (10:00 a.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE-CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRICKWOOD	GALUTERIA	PRESENT	
TRUSTEE	C. HULU	LINDSEY	PRESENT	
TRUSTEE	J. KEONI	SOUZA	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	

At the Call to Order, **EIGHT (8) Trustees are PRESENT**, thereby constituting a quorum.

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
TRUSTEE	DAN	AHUNA	MEMO – REQUESTING TO BE EXCUSED

Chair Waihe'e states that he will take Item IV. J. Action Item RM 24-35 out of order, directly after the presentation of the Investment Policy Statement

II. APPROVAL OF MINUTES

None

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

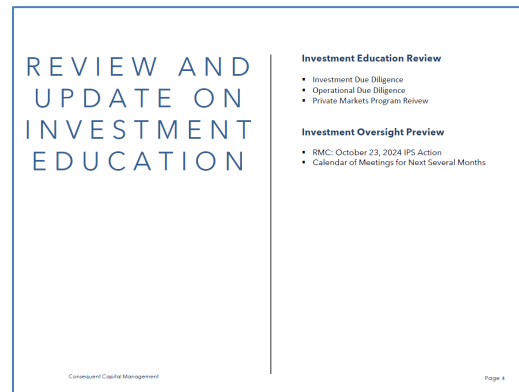
A. Consequent Capital Management – Independent Board Investment Advisor / Consultant **1. Education Discussion of Private Markets Concepts and Strategies***

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e calls Independent Board Investment Advisor Vijoy Chattergy to the table.

Independent Board Investment Advisor Chattergy: Aloha, Chair and Trustees. Aloha staff, beneficiaries, invited guests. Thank you, again I am Vijoy Chattergy. I represent Consequent Capital Management, who is the Board consultant on the Native Hawaiian Trust Fund, and today's session I'm going to be fairly brief in my comments, and Gerry Flintoft, my colleague, who is online will do the bulk of the presentations, particularly in terms of private markets, where he'll cover things like strategies and motivations and different kinds of documentation, all related to the investments in private markets. Which, again, is one of the areas where you're currently underweighted according to your policy. So, we're making every effort with staff to get you invested and on the right track in terms of getting back to your target allocation. So that'll be the bulk of the presentation, and then the other part of the meeting, where again, we'll hopefully move more toward the Investment Policy Statement Action Item, which is presented by Staff. With the idea of formally adopting the Investment Policy Statement that we will also be moving forward with then in terms of structuring the portfolio, not just on the private market side, but in terms of traditional liquid investments, like stocks and bonds, and some of the other allocations that you have in there. So, my presentation sort of follows the same format and is in your booklet, but there's a second presentation that covers the private markets in more detail, and that's when I will see my time over to Gerry.



Independent Board Investment Advisor Chattergy: So, if you go to the first page, that's just the intro, the outline of the meeting today. So again, we have our background information about Consequent Capital Management, a little bit of an activities update, and then the bulk of the education relates to private markets. And then the Investment Policy Statement was also submitted again with some fairly minor edits. There are some issues there, as I mentioned last time, about using placement agents. There is a section on termination of managers which relates to when you're hiring and firing, as you take a more direct involvement and ownership of the Portfolio as Trustees. That's an important addition to the policy statement. And then, while we are waiting to hear more in terms of policy related to your Real Estate Investments with the work and collaboration of staff and your real estate consultant there is some interest in adding language where it explicitly notes that one of the investment opportunities that's in front of OHA in terms of your Trust Fund would include residential properties, and that's one of the four main groups that institutions invest in when it comes to real estate opportunities. And we can go into more depth in terms of education, around real estate, and again, that's just policy language, anything where we are actually making commitments and investments, that's a board level discussion, and we'll come back to that in terms of conversation, discussion, and debate before making any sort of commitments in that area. Again, we're kind of looking at the whole portfolio, we're starting in private markets, private equity, venture capital, those sorts of strategies; we'll be moving more into the liquid markets going forward. And that is like stocks, bonds, and other types of more liquid instruments, including hedge funds, so we'll come back and talk more about that at that time.

I'll skip over to just for your reference. Page 4. There's not a lot there. But as I talk about the structuring of the portfolio going forward, in the private markets as we've discussed, and you may hear a little bit more about, we talked about that *discretion in a box*; so, what's the role of the Trustees, what's the role of staff, where do the managers come in, and we can continue to have that as an ongoing communication and discussion, because I think that's fair, and that's what other institutions do. I just wanted to bring up and note that as the Investment Policy Statement is adopted, and then we start to look at these other asset classes, the stocks and bonds, part of the portfolio, that will probably involve a different investment process. I wouldn't anticipate the Board giving discretion over, I would anticipate a formal due diligence, just like we discussed on the private side process, and then some kind of a review or participation with the Board in terms of the types of managers and the specific names that we would bring in front of you. And that will entail, I don't have the calendar, I think, going forward, I think the Board that convenes after the election would set the calendar going forward. But, in those meetings going forward these strategies I would expect to either do education sessions, bring managers like we did over the past year that have certain expertise, not endorsing anyone but just groups and entities with expertise to help educate the Board about the strategies, and then staff would be able to go out and identify strong candidates and put that in front of the Board in terms of investments.

Independent Board Investment Advisor Chattergy: Another important note, I think going forward when we're talking about investing those asset classes in the portfolio is that we'll be moving away from a process where your manager of managers were moving assets in and out of strategies or funds at their own discretion. There'll be more of a feedback loop accountability and transparency to the Board in terms of those portfolios and those strategies that we would use, and I think you'll also see less turnover in terms of the funds you invest in going forward. So, it'd be a different kind of relationship and a different kind of approval process than what you've had in the past, and also different than what's happening in the private markets at the moment. But again, that's something that we're going to come back over time and continue to have conversations and educate, and ultimately the Board will want to opine and decide what process you're comfortable with, and we can give you a couple of different ways of doing that, and that process will involve coordination and work with staff. So that's kind of what I wanted to preview, although I know we don't have the dates there.



Independent Board Investment Advisor Chattergy: The next couple slides, the Private Market Education and the Investment Policy Statement Proposal which you've seen a couple times now are the remainder part of this education, and then, I think, Chair indicated that we would move to staff and the action item.

So, at this time, what I'd like to do is to turn over the microphone over to my colleague, Gerry Flintoft, who will walk us through the second presentation that was distributed and highlight some of the important aspects of the private market investments.



Gerry Flintoft, CCM: Aloha, thank you for the opportunity to present to you this morning. Today, we're going to explore some additional private market concepts and strategies. On slide 3, specifically secondaries and co-investments, and then we're going to briefly touch on the investment

process currently undertaken, and we're going to highlight a sample fund that is currently under review.

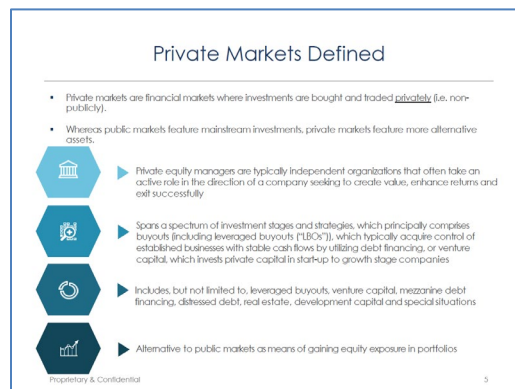
Gerry Flintoft, CCM: I will be picking up on concepts that we discussed last March, introduction to private markets, private equity, and a preliminary investment pacing model, and concepts that we discussed in June and July, discussion of historical performance and recommended changes.

Today it's my hope that you take away four key takeaways; one that it's good market timing for reentry into the private markets through secondaries and co-investments. And at this juncture I'd really like to applaud your investment professional on the portfolio, Ryan Lee, early on in our meetings he identified those as two strategies to work our way back in as we move forward. Current market conditions make it an opportune time to invest in both secondaries and co-investments, while at the same time addressing some shortfalls in our current portfolio. It makes it a very good time, to invest in this strategy and a good reentry point into private markets. So that's number one, good market timing.

Number two accelerated exposure with J Curve mitigation, this is secondaries and co-investments accelerated exposure to the asset class, reducing the J curve effect and will allow us to get closer to our 19% target allocation to private markets. This will be up from our current 12% under exposure to the asset class. So, number two accelerated exposure.

Three, improved portfolio control and diversification, secondaries allow us to backfill gaps in missed vintage year investment opportunities, and co-investments while working through a fund manager provide enhanced control, better insights into GP's and stronger relationships with top tier GP's. So, number three improved portfolio control and diversification

And number four, cost efficiency, both secondaries and co-investments present opportunities to reduce management fees and carried interest and represent a more cost, effective exposure to private market and private equity investments.



Gerry Flintoft, CCM: Jumping to slide 5, we'll go fairly quickly through the next few slides, they're from our March 2024 discussion and I pulled them in here for your reference, so that you can reflect on them over the next few days, weeks, or whatever. Private markets, are where investments happen outside of the current stock exchanges, focusing on alternative assets like Private Equity, Private Debt, Real Estate and Infrastructure. Today, we're focusing on private equity, buying and selling shares in companies that aren't listed publicly, and we're going to discuss different methods of affecting those investments through private equity funds, specifically secondaries and co-investments.

Private Markets Sectors & Strategies			
<ul style="list-style-type: none"> The four (4) basic Private Market Sectors are Private Equity, Private Debt (aka Private Credit), Real Estate, and Infrastructure. Today, we are going to focus our discussion on Private Equity. 			
PRIVATE MARKETS SECTORS			
PRIVATE EQUITY	PRIVATE DEBT	REAL ESTATE	INFRASTRUCTURE
<ul style="list-style-type: none"> Buyouts Venture Capital & Growth Equity Energy Distressed & Restructuring 	<ul style="list-style-type: none"> Corporate Real Estate Infrastructure 	<ul style="list-style-type: none"> Core Core Plus Value Added Opportunistic 	<ul style="list-style-type: none"> Power & Utilities Transport Social Natural Resources Leasing

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Gerry Flintoft, CCM: Slide 6, again, this is from our March 2024, discussion, and provides more detail on the sub asset classes within the strategies of Private Equity, Private Debt, Real Estate, and Infrastructure.

Private Markets Strategies	
PM investments' characteristics result in different risk/return profiles	
Private Market Strategy	Distinguishing Characteristics
Buyout	<ul style="list-style-type: none"> Buyouts involve the acquisition of a controlling portion of a mature business, and may include public companies taken private in the buyout process Managers create value by: Consolidation, operational improvement, alignment of managers' incentives, structural changes, financial optimization Capturing value through financial engineering is a common practice among buyout managers, resulting in an optimal capital structure
Growth Equity	<ul style="list-style-type: none"> Most often a minority investment in a relatively mature company Purpose can be to expand or restructure operations, enter new markets or finance a significant acquisition without a change of control of the business
Venture Capital (VC)	<ul style="list-style-type: none"> VC provides financial backing to young companies and entrepreneurs looking to expand Types of VC investments: Seed stage, Early Stage, Late Stage, Pre-IPO
Co-Investment / Direct Co-Investment	<ul style="list-style-type: none"> Investments made directly in companies, typically alongside other private equity fund managers Can be leveraged in proprietary investment programs, including funds of funds
Mezzanine	<ul style="list-style-type: none"> Usually invests in middle-stage companies, and is a less hands-on strategy A form of debt financing with equity features (usually in the form of warrants) Bridges the gap between funds provided by a senior lender, and funds provided by the company's management and private equity backers

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Gerry Flintoft, CCM: The next two slides, eight and nine are the definitions that we discussed back in March. Both Buyout and Growth Equity represent strategies investing in mature companies that are profitable and growing. Venture Capital represents investments in young companies that are just getting off of the ground. Today we're going to be discussing Co-Investments; Mezzanine is also known as private credit, and that is providing private credit to existing companies.

Private Markets Strategies	
Secondaries, Funds of Funds, and Listed Private Equity offer alternatives for achieving exposure	
Private Market Strategy	Distinguishing Characteristics
Secondaries	<ul style="list-style-type: none"> Secondary market for interests in limited partnerships before the limited partnership terminates for a variety of reasons: liquidity, a change in investment strategy or focus, or a re-balance of the portfolio Shorter period of investment than with primaries, providing early return of capital Secondaries can often be purchased at significant discounts to net asset values Provides access to earlier vintage years to diversify a new portfolio
Funds of Funds (FoF)	<ul style="list-style-type: none"> A private equity fund of funds is set up to distribute investments among a selection of private equity fund managers creating a diversified portfolio (the PE industry's closest relative to a mutual fund) Fund of funds managers have existing relationships with firms, providing investors with a route to invest in funds that may otherwise be closed to them Controls risk and volatility and generally provides a more stable long-term return proposition than an investment in a single private equity fund
Listed Private Equity	<ul style="list-style-type: none"> Includes listed private equity firms like KKR, Blackstone and Apollo Includes listed private equity fund of funds like Conversus, HarbourVest and SVG Includes BDCs like American Capital, Ares and Prospect Capital

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Gerry Flintoft, CCM: Again, today, we're going to be discussing Secondaries, and we have in the past chatted about the pros and cons of Fund of Funds, a fund that in turn, invests in other private funds, and Listed Private Equity, we can discuss when we get into discussions around the liquid portfolio at a future date.

Private Markets Focus Today

- **Secondary Funds / Secondaries**
 - Secondary market for interests in limited partnerships before the limited partnership terminates for a variety of reasons: liquidity, a change in investment strategy or focus, or a re-balance of the portfolio
 - Shorter period of investment than with primaries, providing early return of capital
 - Secondaries can often be purchased at significant discounts to net asset values
 - Provides access to earlier vintage years to diversify a new portfolio
- **Co-Investment Funds / Direct Co-Investment**
 - Investments made directly in companies, typically alongside other private equity fund managers
 - Can be leveraged in proprietary investment programs, including funds of funds

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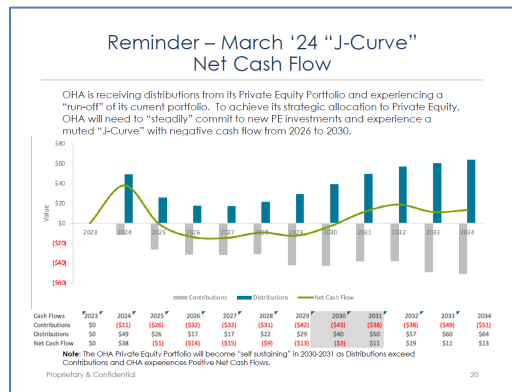
Gerry Flintoft, CCM: Slide ten, I've lifted out the definitions from the previous two slides for Secondary Funds and Co-Investments. Secondary funds or secondaries, the secondary market are for interests and limited partnerships and in funds where the limited partner seeks to terminate their involvement with the fund. Essentially the LP's are selling their interests, and they do so for a variety of reasons; they may need to raise liquidity, like an endowment at a university, may need to pay for a building. Or they have a change in investment, strategy or focus. They want to run a more liquid portfolio, and they want to divest more illiquid assets. Or they want to rebalance their portfolio because of declining stock markets, there may be a denominator effect, and they seek to rebalance their portfolio, selling off some of their illiquid investments because they're over allocated and reduce their exposure to the asset class.

Co-investments or direct co-investments are investments that are made directly in companies. Typically, and frequently they're alongside a private Equity fund manager who needs additional capital to close on an investment transaction. The key benefit of co-investments is avoiding the full load charged for these investments, which through a fund is typically a 2% annual management fee and a 20% carried interest, or stated another way, 20% of the upside profits from the investment. As we will discuss, Secondaries and Co-investments allow investors to enter private equity more flexibly and more cost effectively.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: Gerry, thank you very much. We're following you as best as we can, but I heard something back there that I'm not familiar with; J-curve effect, what is a J-curve effect? Explain that to the Board.

Gerry Flintoft, CCM: Yeah, actually, I'm really glad you brought that up because I did plan to chat about it at a later time, but let's talk about it now, if we could jump to slide 20, please. This, again, is a slide that we discussed back in March, and to provide context, it was during a discussion regarding a portfolio investment pacing model and modeling out the pace of investments could be made, and the projected which are investments to be made are basically the contributions. And then the profits and cash flows coming off of the portfolio are the distributions, and forecasting the net cash flow. And this was a preliminary model. And by the way, you update these as frequently as twice a year, and certainly no less than annually.



Gerry Flintoft, CCM: So, this was the preliminary model that I did back in March. And if you recall, I explained, see, the green line is the projection of the net cash flows, and the J-curve effect, and that's not exactly a great looking J-curve. But imagine that that dip goes down and stays down low, and then it comes up and winds around, hence, looking like the letter J. This is a fairly muted one, but this is the J-curve.

J-curve is also called the Valley of Tears, where your cash flows are negative and you're paying out to build up the portfolio and increase your exposure, by investing in co-investments and in secondaries. The idea is to mitigate this because you're investing in funds that are already, two or three years in, and you're closer to realizing profits or distributions off of the portfolio. So, this J-curve would then be mitigated by bringing some of those cash flows forward. And maybe we break even, two years closer, maybe in 2028, as opposed to 2030 as forecasted here. *Was that helpful.*

Trustee Galuteria: Yes, Thank you.

Private Markets - Secondaries

What are the Key Benefits to including Secondaries investments in a Private Market / Private Equity portfolio?

Incorporating secondary investments into a private equity portfolio offers several distinct advantages:

Accelerated Exposure to the Asset Class: Secondary investments involve acquiring existing stakes in private equity funds or companies, allowing investors to bypass the initial investment phase and gain immediate exposure to a mature portfolio. This approach facilitates quicker capital deployment compared to the longer timelines associated with primary fund investments.

Mitigation of the J-Curve Effect: The "J-curve" effect describes the typical trajectory of private equity fund returns, where initial investments may show negative returns due to management fees and expenses, with positive returns materializing in later years. By investing in secondaries, investors can enter at a point where the portfolio has already progressed, thereby reducing or avoiding the initial negative phase of the J-curve.

Reduced Management Fees: Secondary funds often have lower management fees compared to primary funds. For instance, while a primary private equity fund might charge a management fee of around 2% per annum of committed capital, a GP-led secondary fund might have fees ranging from 0.5% to 1.25% per annum of drawn capital.

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Gerry Flintoft, CCM: Okay, great. If we can go back to slide 12, please. Secondaries involve buying into a private equity fund that is already up and running. It's like jumping into a moving train, you skip some of the early stages and get straight to the mature part of the investment. The key benefits of secondaries. There are 3 big ones. One, you get into the action faster. You get a quicker, accelerated exposure to the asset class, so the 12% will move up faster towards the 19% exposure. You get to avoid or mitigate the J-curve, which we just discussed briefly, so there's less waiting for the profits, less waiting for the distributions to come off in the portfolio. And, thirdly, a major benefit is paying lower fees because the fund is already well along. You avoid some of the early management fees associated with the investment in the earlier years.

Private Markets - Secondaries

What are the Key Benefits to including Secondaries investments in a Private Market / Private Equity portfolio (continued)?

Incorporating secondary investments into a private equity portfolio offers several distinct advantages **(continued)**:

Enhanced Diversification: Secondary investments provide an opportunity to diversify across various vintages, strategies, industries, and fund managers. This diversification can help mitigate risk and enhance potential returns.

Improved Liquidity: For existing investors, the secondary market offers a pathway to monetize their private equity holdings before the fund's maturity, providing flexibility and the ability to rebalance portfolios as needed.

By integrating secondary investments, investors can construct a more balanced and mature private equity portfolio, benefiting from quicker exposure, potential fee savings, and improved liquidity management.

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Secondaries Current Market Environment

Compelling market opportunity

The current secondary market opportunity is the most favorable StepStone has seen since the Global Financial Crisis, benefiting from a "perfect storm" of factors:



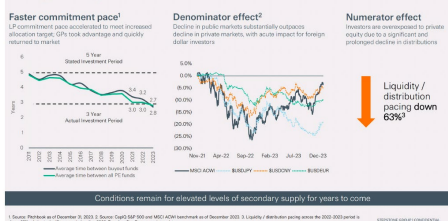
We believe these market factors will drive a strong pipeline of high-quality assets at cyclical low prices through near-term macroeconomic headwinds

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Gerry Flintoft, CCM: Slide 13, additional benefits include better diversification, which is basically spreading risks and through a Secondaries Fund Manager, you can develop relationships in the marketplace, so there's improved liquidity. You're going to be able to cash out sooner of your existing investments, and if you should OHA ever get to the point where they want to rebalance their portfolio or sell some of their interests, they will have relationships within the market through which to realize some liquidity if that ever were needed.

Secondaries Current Market Environment

LPs globally remain overallocated



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Secondaries Current Market Environment

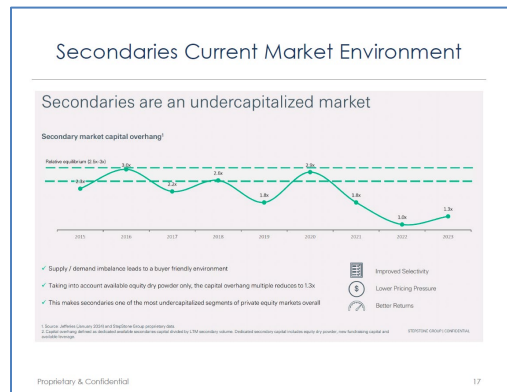
High-quality GPs increasingly leveraging secondaries

- First and second quartile GPs are increasingly leveraging the secondary market
- Single Asset transactions are particularly attractive to top quality GPs who seek
- Pre-2018, GP-Led market was primarily a solution for GPs searching to restructu

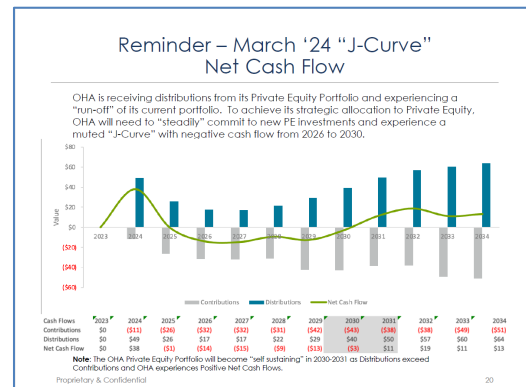


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Gerry Flintoft, CCM: The next few slides, 14 through 17, really documents the current market environment for secondaries, in summary the market is favorable for secondaries right now, with opportunities to pick up investments at a discount and get immediate exposure to seasoned portfolios. I would be happy to go through and explain each one of these slides, but in the interest of time I will summarize the market conditions as follows. There is a favorable supply and demand imbalance that favors OHA. Limited partners, other institutional investors globally remain over allocated to private markets, thus there are quite a few sellers, hence more supply is in the marketplace. General partners and managers of private equity funds are increasingly involved in the secondary market. First and second quartile GP's are trying to remain and get additional value out of their trophy assets. So, in order to extend, they go into the secondary market to help cash out existing LP's who want to exit an investment. Hence, yet again, there's more supply in the secondary market. Then, lastly, the secondary market is undercapitalized.



Gerry Flintoft, CCM: Slide 17, typically, in the marketplace there is three times the capital, secondary capital available to invest in opportunities, but because of the increased supply which we just discussed, there's only a 1.3 times supply of capital. So right now, market dynamics are such with an oversupply of secondary interests, and sort of a relative undersupply of secondary capital, it is a buyer's market, so it is a good time to step in and invest in the secondary's market. Bottom line, current market and secondaries is favorable to OHA.



Gerry Flintoft, CCM: Now, if we could go to slide 19, that'd be great. Co-investments allow you to invest alongside a private equity firm in a specific deal. You're getting a seat at the table, and you're able to invest directly in the company. Now OHA, most likely would invest in co-investments through a co-investment fund manager. However, OHA would still benefit from the lower fees, because you're skipping the usual fund charges and only paying a modest management fee and putting up with a modest carried interest cost with your co-investment fund manager. The key benefits to co-investments are quick exposure, as soon as you make the investment you have exposure to the asset class, and this is very similar to what is happening with secondaries. And again, this helps us increase our exposure to the asset class from 12%, closer to our target of 19%. There are low lower fees because you're skipping the usual fund fees. Frequently co-investments are done at no management fee and no carried interest, and we would only have to pay a modest sum of each of those to a co-investment fund manager, and there is J-curve mitigation which we have discussed before. We're getting closer to the profitable years of distribution, the money goes to work, the asset is enhanced over a three, four, possibly five year period, then sold. So, we get closer to the cash flows. I think what's really noteworthy is the highlighted item down at the bottom, which indicates that a portfolio that allocates 20 to 30% of their portfolio to co-investments can shorten the J-curve by 12 to 18 months.

On the next slide, you may recall earlier we discussed this J-curve slide. So, between secondaries and co-investments, if we were to allocate approximately, 20 to 30% of OHA's portfolio in total to

these strategies we might be in a position to shorten this as much as a year to two years of hitting our cash flow, break even, and shortening or mitigating the J-curve effect.

Private Markets - Co-Investments

What are the Key Benefits to including Co-Investments in a Private Market / Private Equity portfolio (continued)?

Co-investments have become an increasingly prominent feature in private equity portfolios due to several compelling benefits (continued):

Enhanced Diversification and Control: Co-investments offer investors the opportunity to diversify their portfolios by selecting specific deals that align with their investment strategies and risk tolerance. This targeted approach allows for greater control over portfolio construction compared to traditional fund investments, where investors have limited influence over individual investment decisions.

Strengthened Relationships with General Partners (GPs): Participating in co-investments can deepen the relationship between investors (Limited Partners, or LPs) and private equity firms (GPs). This collaboration provides LPs with greater insight into the GPs' investment processes and can lead to more aligned interests, potentially enhancing the quality of future investment opportunities.

Incorporating co-investments into a private equity portfolio can thus offer accelerated exposure to the asset class, cost efficiencies through reduced fees, a mitigated J-curve effect, enhanced diversification, and stronger GP-LP relationships, collectively contributing to improved investment outcomes.

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Private Markets – Benefits of Co-Investments

The Role of Co-Investments in a Portfolio

 Attractive Risk / Return Profile <small>Superior returns with lower risk given greater diversification and due diligence</small>	 Flexibility Capital <small>Ability to identify, allocate, acquire industry, lead sponsor, region, deal type, vintage, etc.) and invest opportunistically</small>	 Differentiated Access to High Quality GPs <small>Ability to gain exposure and partner with a diverse set of leading GPs</small>
 Fee Efficiency <small>No management fee, no carry paid to GPs in nearly all our deals</small>	 Dual Diligence <small>Acts as a "double filter" double level of independent deal screening and understanding performed by lead sponsor and co-investor</small>	 Diversification Benefits <small>Strategic complement to private equity programs</small>





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Gerry Flintoft, CCM: Slide 21, some additional benefits to co-investments, you get a little more control over your portfolio. When we get to the point where we're direct investors and co-investments, we can select which companies we want to invest in and when we get to that stage investing closely alongside GP's, we can strengthen our relationships with top tier GP's within our portfolio.

Slide 22, is a good visual summary of the benefits of co-investments which we just discussed, and you know I'll leave that for your reference.

Co-Investments Current Market Environment

Current market environment is driving increased co-investment opportunities

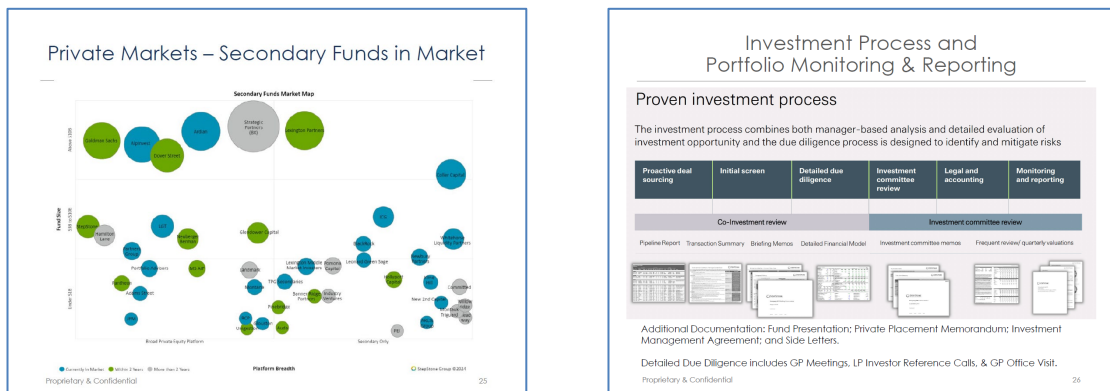
- 
Difficult fundraising environment leading to co-investment deal flow
- 
Volatile debt markets and higher rates require more equity to complete deals
- 
Many LP co-investors have stepped back or are capital constrained
- 
Favorable environment for LPs that can move quickly

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Gerry Flintoft, CCM: Slide 23, is a good summary of the co-investments current market environment. So, we'll take a moment and work through this. The current market environment for co-investments is favorable those who can invest and provide capital. As recently as 2021, there were 900 US companies that issued IPO's. However, in 2022 there was a bear market, a declining market which slowed IPO activity significantly. Now, stock market went down in 2022, significantly, but then it came storming back later in 2023, and has risen 15% through the end of July in 2024. However, IPO activity is down significantly from 2021 levels. Now, why is this important, with a muted IPO market, or arguably a closed IPO market, it makes it difficult for GP's to sell their companies via the IPO route. And the return of capital or distributions that we looked at earlier become difficult to make to private equity investors. So, with lower distributions and with LP's likely over allocated to private markets due to the declining market in 2022, LP's have been competing less capital to private markets. Thus, it makes it for a difficult fundraising environment. You take that difficult fundraising market, and you couple it with higher interest rates and volatile debt markets, the banks are requiring the general partners to contribute more equity to do deals and acquisitions. So, GP's have been

increasingly turning to co-investors to complete deals, so there's an increased demand for co-investment capital.

Gerry Flintoft, CCM: As I briefly alluded to, because of the over allocation of private markets by other institution LP's and otherwise capital constrained markets, many LP co-investors have stepped back from the market decreasing the supply of co-investment capital. So, we have an increased demand for co-investment capital, right at a time when there is a decreased supply of co-investment capital. So, the bottom line is now is actually a good time to be a co-investment capital provider, you get better pricing and all that, so it's very good market timing.

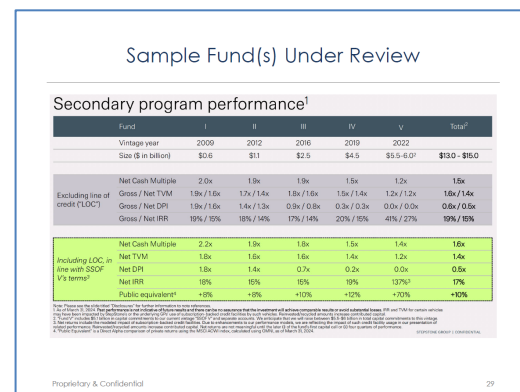
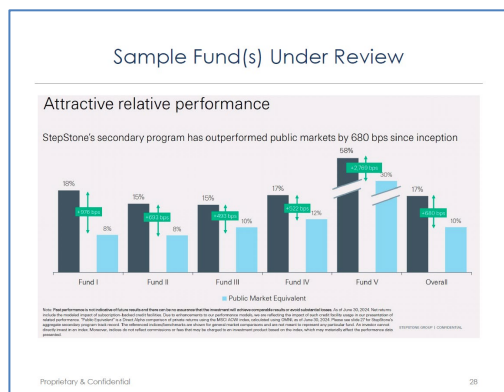


Gerry Flintoft, CCM: Slide 25, we're going to discuss briefly the investment process and portfolio monitoring, that is currently underway, and I'll explain a second while we're looking at this slide, and this is just a sample slide. The investment process first begins with review of the funds in the market, and here is a sample market map, if you will. It can be done in a picture like this, or it could be done in table form, but you basically survey the market and find out which funds are available. Here, along the left-hand side we're looking at different fund sizes, small being in the lower left, and larger being in the upper left. Then you have differentiated platforms, broad private equity platforms on the left-hand side, whereas, secondary only funds are on the right-hand side. The idea is you basically want to get a picture of the funds that are in the marketplace that are available for investing. In this market map, the blue ones are currently available, and the green ones are available within the next two years, and the gray ones a little further out. The size of the bubble equates to the size of the fund that they are actually raising. I personally like funds that are in the lower left-hand corner, because the broader platform tends to inform them as to who are the good GP interests to buy in the marketplace, in the secondary market. Also, it's easier to double the return on your investment with a smaller investment and fund than necessarily a larger one. But, that's a bit of an aside, but you survey the marketplace to see which funds are available.

Slide 26 is a good summary of the investment process, and it's a good investment process you'd want to see, not only your internal investment staff pursuing, but some of the managers that you're actually interviewing for their processes. This would flow from left to right; what is their proactive deal sourcing methods, how do they go about conducting initial screens, to what depth do they conduct due diligence, and what do their investment committee reviews look like, how well do they document their investment processes and considerations, and then, very importantly, are the legal all in good shape, and is the accounting appropriate and maintained regularly. And then monitoring reporting allows for enhanced risk management, as follow your investments and make a determination as to whether or not to stick in there. Additional documents along the way that you're examining, or the funds, presentations, their private placement, memorandums, their investment management

agreements, and any side letters which are unique investment requirements for individual LP's, such as restrictions on certain types of investments.

Gerry Flintoft, CCM: Detailed due diligence would also include things like GP meetings, it's very important to go and actually meet with the GP, not only at your offices, but at their offices to see, do they have an office, how well are they staffed, and you want to talk to more than just the general partners, you want to get a sense of what are the next tier down of investment professionals. Do they really enjoy working there, you want a healthy working environment with low turnover and a high degree of investment expertise and skill, and want to see how they actually document things. I think it's also very important to reach out to other fellow LP's, perhaps through the Institutional Limited Partners Association, you can find out who else is invested alongside with this General Partner, and make reference calls, because frequently other LP's have been investing with them for a period of time, and have come to know the GP and their processes well, and those calls can be very insightful.



Gerry Flintoft, CCM: Slide 28, one fund that Vijoy, Ryan and myself have been considering is funds on the stepstones secondary platform, actually fund five, which is second in from the right, has just recently closed. So, we're examining stepstones, platform, because their next fund, fund six will probably come to market late in 2025, or early 2026. But, as you can see, there are reasons to consider this group, going back to the market map, you may recall they were a mid-sized fund in the left hand side of a broad private equity platform, and you can see how their information advantage that's given to them by being a private equity platform, has helped them make good investments, and have outperformed the public markets by close to 700 basis points the full 7%. And across their fund investments they've delivered 17% returns against a public market that would have returned, roughly, 12%. So, that's an example of somebody that we're currently looking into.

Slide 29, is just another way of looking at their performance across different funds. Ryan Lee and other members of the staff, plus your consultants, would be digging in and trying to understand what's behind all the performance that they have generated, and how is it that they create this added value across these different funds, and then try to evaluate going forward, how likely are they to repeat this performance?

That's basically it for a discussion on secondaries and co-investments. I've left my email here and my cell phone number, if you ever want to have a discussion about any topic related to private markets and private equity, I'd be more than happy to spend some time with your personally to ensure understanding. Thank you very much.

Independent Board Investment Advisor Chattergy: Thank you, Gerry, and just let me summarize, so where OHA is, is that you have invested in and you're committed up to 19% of your portfolio to put into private markets, so the different types of private markets that Gerry's described. The effort right now, which is a multi-year effort, is to get back at least to that target 19%. Now, over the course of several years, you may change that target, and that's totally appropriate. But right now, just to get you going in the right direction, because you're kind of under allocated, which is the wrong direction, we want to start making commitments and go in the direction, and that was the pacing model. Importantly, private markets, all that means is that these are all companies that are being invested in that are not listed on an exchange and publicly traded like a stock or a bond security. So, these are privately held, and whether we're talking about primary, secondary, co-investment, or even in some case asset owners will make direct investments, they'll actually buy a company, those are usually the very large sovereign wealth funds or pension plans. All of the underlying investments are basically in different companies in different industries, and because they don't trade on an exchange, that means that they don't have the same regulatory filings and requirements that publicly traded securities do, and the idea is that by being privately held, the managers of these different funds, these different strategies are then able to take a longer term view and to try and create value, long term value for these underlying companies. And then you as an LP benefit by the increase in that value, and then eventually they exit either selling to a strategic buyer, another private market fund, or, as Gerry talked a little bit about the IPO market, they'll go to a public offering, and then usually, that's when you get your money back as an investor. And so, these funds that you're committing to, as I mentioned last time, are long term commitments, you'll make an initial commitment, and then they'll have maybe three, four, sometimes five years to invest all the LP's commitments, and over that time they may sell if they have the opportunity, but more likely they'll hold on, improve the prospects of that company, and then over the second sort of period, maybe another 5 years or so, so now you're getting out to like 10 year life cycle of these funds, not necessarily of the investment, but of the fund, that's when they start to so-called harvest the investment and then return that through IPOs, or selling to other funds your investments, and then that's the time, as Gerry indicated, about funds coming back to market in the future, then you have the opportunity to invest in their follow on funds, their next generation fund, or to switch to another investment, or even move out of private markets altogether, if at that time that's the prospect and the interest of the Board. And so, your oversight is first of all going to be to make a decision about whether to be in private markets or not, how much that should be, and then to create your so-called *discretion in a box* that we've discussed where you give the opportunity for your staff and maybe consultants to work together and find these investment opportunities, and then to come back to you periodically, but on a regular basis, that might be annual, they could be more frequent and explain to you how they've used that discretion to fulfill your policy. And then over time, they will also be coming back and then reporting on the performance of these different commitments and managers, and how the private market program is proceeding in and of itself, but also then in the context of the overall portfolio, which will include your public investments in stocks and bonds and other things. So that's kind of how it will all come together, and I'm happy to take questions.

Chair Waihe'e recognizes Vice-Chair Alapa

Vice-Chair Alapa: What percentage of our portfolio should we really be in the private equity market?

Independent Board Investment Advisor Chattergy: So right now, it's 19%, and that's reasonable. Depending on the nature and the need of liquid assets, for example, universities may know they have a certain amount of their endowment that they need to spend on tuition, support, aid, or faculty research, and so they will make sure that they're invested in public and private, that they have

enough funding to be able to support the mission of the University in this case, but because they're also long term investors, that that they know there's a portion of their portfolio that they won't need for years, or they would like that to grow and compound over generations, they can think about putting it in less liquid investments, so private equity.

Independent Board Investment Advisor Chattergy: So, if you have institutional investors that have that kind of long-term horizon, they will go up and have put as much as maybe 30 to 40%, in some cases I've heard into private markets. We're not necessarily recommending that at this point, we need to do what they call an asset allocation study, but certainly even pensions and other more conservative type of institutional investors have been upping their private market investments from, single digit to maybe 12, 15, even 20%.

Vice-Chair Alapa: So, are we in a comfortable position right now, or we could do better.

Independent Board Investment Advisor Chattergy: So, where you are right now is, you're not at your target and you're below your target, so you're not in a comfortable position in terms of what was done previously, where you'd like to be, you certainly should get, I think, at least back to that target. Can you go beyond that again, I think it is possible because of the long term, horizon and nature of OHA and this portfolio. But, we need to do a little more work to maybe come up with those sorts of number. But even if you stayed at 19%, it's reasonable you're in the ballpark of what institutions like yourselves would probably allocate to private markets, but again, it'll come down to the analysis, and then ultimately the Trustees to make that decision.

Vice-Chair Alapa: Okay, thank you.

Chair Waihe'e recognizes Trustee Trask

Trustee Trask: Thank you, I just wanted to thank Vijoy and Gerry for a really good job. I have some *pukas* I need to fill in, when I went back and looked at our initial training with you folks which was in February of this year, we had talked about training, we have retained you as an Independent Board Advisor, with regards to our investment. When I take a look at all of the presentations which have been excellent, they focus on portfolio assets, but that is not the only asset class of this office, when you were speaking earlier, you had talked about working on these documents, and the work we needed with Ryan Lee. Ryan is also the Director of the Endowment for the office. In your presentations you talked to me about the portfolio investment, did you have a presentation from anyone in my office on the Endowment Fund. It is not the native Hawaiian Trust Fund, but it is certainly part of our assets, did you look at the endowment fund? Can you tell me where the assets came from? The Board did not vote to establish it, and I don't know what the endowment fund is, I do know that Ryan Lee was hired and given a big raise to be the Director of the Endowment Fund. Even when I went back to review your materials to me from the time of your signing as investment advisor, I couldn't find anything with regards to your advisory to me on real property assets or the endowment fund. Your advice to me is on the Native Hawaiian Trust fund, but you're brought in as an investment advisor. Where are the advisories of the endowment fund and on the real property, is this not under your contract? I had requested it all the way back in February, but was not able to get it, even though I'm a Trustee. I'm just looking for clarification.

Independent Board Investment Advisor Chattergy: Thank you, Trustee Trask. That's correct, we are the Board consultant for the Native Hawaiian Trust Fund, and so that's been the focus of our efforts. So, your 600 million dollar portfolio and how to go about educating the board, structuring the

portfolio, and we've been coordinating with staff in terms of policy, execution of the authority of the Board to oversee the portfolio.

Independent Board Investment Advisor Chattergy: We also have coordinated with your real estate consultant, and are looking at the policy and the direction that they're advising the Board in terms of your real estate assets, and that has an impact on the Native Hawaiian Trust Fund in the sense of should we be making investments from the Native Hawaiian Trust Fund allocation into real estate, or is that doubling up or causing, you know, overconcentration in real estate assets?

Trustee Trask: That's exactly right, Vijoy. That's exactly why I'm asking the question, that's really the reason why. When I think about how to manage investments we may be called upon, as you and Gerry have showed us to move things from one asset investment class to another, that is the case for portfolio management. The thing is that I have two other significant assets here, and they are real property, and the other is the endowment. But in your advisory to me, for instance, you proposed to me in February that in your first deep dive you folks had found that all decision making with regards to the assets, are under the Admin and the Chair, and you had advised that it be brought back to the Board. For eight months I haven't been able to get it on the agenda, so I'm wondering in terms of your being the Independent Board Investment Advisor and Consultant, do you have a report for me in terms of your advice for the Endowment Fund management and for the real property, is that not under your contract, I could never get it Vijoy.

Independent Board Investment Advisor Chattergy: Sure thanks, Trustee. So, as we've discussed, the fiduciary responsibility lies with the Board and the policy document, which is also part of today's discussion, is meant to ensure that the reporting and the transparency and the oversight lies with this Board, and that is certainly for the Native Hawaiian Trust Fund, the real estate component which you have a separate Consultant, we are coordinating to understand what of that portfolio should be integrated, and to what level right, is it just a performance reporting, is there asset allocation decisions that need to be made. But because you have that separate Board member that's looking at your real estate assets, we want to be respectful of their work, and coordinate with them what should be put into the Native Hawaiian Trust Fund, what is held separately for other activities that the Trustee and staff are working on, and the main determinant for me, and this is just my point of view is that is, whether the real estate is being managed or held for return purposes, which is the focus of the trust fund, is to generate returns for future benefits.

Trustee Trask: Vijoy, could you just tell me who the real estate advisor is for the office? Who is it? This board has not, on the public record ever hired a separate consultant with regards to real property, but I just would like to know who it is, so that I can follow up with them.

Endowment Director Lee: Hi, Trustee Trask. This is Ryan Lee.

Trustee Trask: I'm not talking to you, Ryan. Do you know the answer to this, Vijoy or Gerry? If you don't know it's okay, just tell me.

Independent Board Investment Advisor Chattergy: We've been coordinating with the Peregrine realty, which is, I think, taking the active role of looking at the portfolio and proposing, as they have, I think, in recent board meetings, a plan to oversee those assets for the Board. So, it's Peregrine that we've been interacting with.

Trustee Trask: When you review the Native Hawaiian Trust Fund data, did you review any of the work of Peregrine, Peninsula or the Schatz group?

Independent Board Investment Advisor Chattergy: We've had some meetings with them, and we've seen the same material that they presented at the Board meetings.

Trustee Trask: I'm just trying to find out how I got an Endowment account and where the funds came from. When you look at the legislative data, there is no allocation there, when I look at the portfolio, thanks to you and Gerry there was no action taken there. You have told me that you have met for months with Ryan Lee, the Director of the Endowment, this Board did not create it. Thank you for your clarification, I will see if I can get assistance elsewhere. But I just want to say, before I go off that you, Vijoy and Gerry have really done a good job on the Native Hawaiian Trust Fund. I don't know what your contract is, but, gentlemen, you know from working with my office that I don't just have one asset class that's in a portfolio, I have also real property and somehow, I have an endowment fund. Now, I don't know if somebody died like Bishop Estate and left the bequest, I just don't know what it is, but I have the obligation to ask these questions. Good job, on your advice to us all the way. I got two asset classes that are not being reviewed and covered, the endowment funding the real property, which is significant, because at some point in the future we may be given the option of getting rid of some stocks to pick up property, or it may be the other, it may be let the property go. Too much problems, let's go with the investment, but only have half the team here, and I've got accounts established in office that were never approved by this Board. Thank you. Thank you.

Independent Board Investment Advisor Chattergy: Mahalo, Trustee Trask.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo Chair, that kind of segues into what I was going to ask earlier. Mahalo, Gerry and Mahalo to Vijoy for being here as well, I wanted to ask, Hawaii direct investments, there's a 20% cap, there's a limitation on that. Is there a reason why, I see that the return on investment should be 5% of our portfolio, I see that 100 million dollars is more than more than enough to allocate. But is there a reason why there's a 20% limitation on that?

Independent Board Investment Advisor Chattergy: There's no specific limitation other than just sort of trying to provide diversification and sort of understanding of ranges and caps for different types of asset classes. I think you're right that probably the 20% is a lot of money that would be going if we were to fully allocate, but there is no indication that you would ever necessarily hit that cap, unless maybe the whole portfolio grew a lot, or there became a lot of opportunity in Hawaii. And again, it's not that your Board consultant, or even your staff would be then upping the allocation to hit those targets. It would be the Trustees at this Board, at this table at that time who would be driving that process and making those decisions.

Trustee Souza: Thank you, Vijoy. So going back to real property, because Trustee Trask had a question about real property. Hawaii Direct investments covers real property, commercial and real estate.

Independent Board Investment Advisor Chattergy: I believe it can, yes.

Trustee Souza: And that is in our proposed IPS, correct.

Independent Board Investment Advisor Chattergy: Right

Trustee Souza: So, I just wanted to make that clear for the record. So that is in our investment policy, *correct?*

Independent Board Investment Advisor Chattergy: It's an option, yes.

Trustee Souza: Thank you very much, Vijoy. Mr. Chair, if I can ask one more question, Ryan, we've been addressed in so many ways and ask, what is an endowment? Are we in an endowment. Your title is Endowment Director, *correct?*

Endowment Director Lee: Yes.

Trustee Souza: Okay, used to be Treasury Directors, tomorrow it can be money man, we can keep changing it. That being said, simple question, *are we an endowment?* Because to my understanding, an endowment can be used in many different ways, the term. So maybe you can explain to us, because I really don't want to have this conversation about endowment again, thank you, Ryan.

Endowment Director Lee: That is correct. I believe Vijoy did a session in terms of clarifying the sovereign wealth funds versus endowment funds in terms of the legal structure. But in terms of actual practice there could be instances in which a public fund, for example, would have assets set aside for investment purposes like the Native Hawaiian Trust fund to generate return to meet beneficiary spending, so it may be called endowment fund in terms of the assets that's held aside for investment purposes. But again, that's not the legal term in terms of legal structure, but it can be used in many ways in terms of the endowment term.

Trustee Souza: Thank you, Mr. Chair. Thank you, Ryan, appreciate it.

Chair Waihe'e asks if there are any further questions

There are no further questions.

IV. NEW BUSINESS

- A. **Consequent Capital Management – Independent Board Investment Advisor / Consultant**
2. **OHA Native Hawaiian Trust Fund (NHTF) Investment Policy Statement Review and Discussion***

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e recognizes Independent Board Investment Advisor Vijoy Chattergy.

Independent Board Investment Advisor Chattergy: Thank you, Chair. So, regarding the Investment Policy Statement, we've come back and shown you a couple versions of that over time, including red lined and clean versions. And today, actually, we're hoping to move that into an action item which staff is presenting and part of their material. We also put forth the latest proposal in terms of the Investment Policy Statement. I'll just note again that we did have kind of a table that showed the differences in the previous version and the new version, the major change is really to move more into direct accountability and governance by the Board in terms of the Native Hawaiian Trust Fund, and you'll move away from giving responsibility to a Manager of Manager structure to oversee it. And so, through your staff or consultants, you oversee the portfolio and the policies that are determined at the board level, and that's the thrust of it. And there are some new sections, like we talked about the use

of placement agents, and we talked about the need to have termination or watch list policy in the new statement.

Independent Board Investment Advisor Chattergy: And that's because those responsibilities are being more directly governed through OHA, through the Board. So staff needs that kind of guidance and understanding, so that they can be accountable and be able to report back to you what they're doing in terms of implementing your policy. So those are some of the major items in terms of the Investment Policy Statement. It's important, I think, to have a current Investment Policy Statement, and that was some of the stuff that was taken out and revised, that reflect the goals and objectives of OHA as an organization which I think this document starts to do. And even though we're able to move forward in the private market side of it, because we're just trying to get back to what you had previously agreed, this overall approval of the Investment Policy Statement will allow us then, to move forward to restructure the portfolio and get it into a position where we think that it will perform very well going forward.

With that said, I think Ryan Lee has put together a very good action item and has attached necessary documentation that you can refer to in terms of the IPS that we're looking to have approved, if there's specific questions for me, I'm happy to discuss. However, if they're not, then I'd be very pleased to conclude the Consequent Capital Management presentation and education session and move on to the other agenda items.

Chair Waihe'e asks if there are any questions

There are no questions.

Chair Waihe'e: Thank you again, Vijoy

IV. NEW BUSINESS

J. Action Item RM #24-53: Adoption of a new Office of Hawaiian Affairs Native Hawaiian Trust Fund (NHTF) Investment Policy Statement ("IPS")*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: In reviewing this document with the section one, introduction and purpose on the first page of the newer version. So, it'd be page 8 of 112, I have a recommendation to change the wording. So, in that first paragraph, in the second to last sentence, when it says, *The Fund was established to manage assets/deposits from ongoing settlements of past-due income and proceeds from the use of Public Land Trust lands that were previously underreported or underpaid*, I believe that it should reflect the genesis of these lands, and instead be written as either the Native Hawaiian Crown and Government lands of the Hawaiian Kingdom, also known as the ceded lands of the Public Land Trust, or as the Crown and Government Lands of the Hawaiian Kingdom, also known as the ceded lands of the Public Land Trust.

Trustee Trask: *Could we see the language.*

Independent Board Investment Advisor Chattergy: Trustee Akaka and Trustee Trask, we're checking about the language in terms of the proposal.

Section 1. Introduction and Purpose

1.1 Introduction.

The investment policy statement governs the investment of assets held in the Office of Hawaiian Affairs Native Hawaiian Trust Fund (the "Fund"), which comprises both Financial Assets and Hawai'i Direct Investments. The Fund was established to manage assets/deposits from ongoing settlements of past-due income and proceeds from the use of *Native Hawaiian Crown and Government Lands of the Hawaiian Kingdom also known as the "ceded" lands of the* Public Land Trust that were previously underreported or underpaid. These deposits, which may include real estate or cash, are invested, and the returns are used to benefit Native Hawaiian beneficiaries.

Trustee Trask: One of my concerns right here, Kalei, is that the State has a bad habit. When we talk about the ceded lands, they look at the dry lands, but it also includes the submerged lands. And right now, folks, they're doing deep sea mining testing off my island, and they're doing it because there's significant minerals in these submerged lands. The general term ceded lands should be inclusive of the submerged lands, but in the State they don't always do that. That's why I'm saying with your language saying the ceded lands trust, maybe we want to say also to include the submerged lands, something like that.

Trustee Akaka: Okay, maybe also known as the ceded lands and submerged lands of the Public Land Trust.

Trustee Trask: Well, I think that the reference is to the ceded land Trust, including submerged lands, because the submerged lands go out for 200 miles offshore. As we know, in the State, the ceded land Trust stops at the shoreline.

Section 1. Introduction and Purpose

1.2 Introduction.

The investment policy statement governs the investment of assets held in the Office of Hawaiian Affairs Native Hawaiian Trust Fund (the "Fund"), which comprises both Financial Assets and Hawai'i Direct Investments. The Fund was established to manage assets/deposits from ongoing settlements of past-due income and proceeds from the use of *Native Hawaiian Crown and Government Lands of the Hawaiian Kingdom also known as the "ceded" lands including submerged lands of the* Public Land Trust that were previously underreported or underpaid. These deposits, which may include real estate or cash, are invested, and the returns are used to benefit Native Hawaiian beneficiaries.

Trustee Akaka: Yeah, that looks good. Thank you.

Trustee Trask: Thank you.

Chair Waihe'e: *Are there any other changes?*

Chair Waihe'e: Everett, can we just make the motion and just see with the changes we made.

Interim General Counsel Ohta: Good Morning, Trustees. Chair, to your question, yes, the Investment Policy Statement can be adopted by the Board as amended by Trustee Akaka. Of course, assuming there's agreement amongst the Board members. If not, then I would suggest taking that up as an amendment to the motion. But if it's generally agreed upon by the Board members, then I think we can just accept it as amended.

Chair Waihe'e: Okay, thank you.

Vice-Chair Alapa moves to

1. **Approve revisions to the Native Hawaiian Trust Fund Investment Policy Statement that adopts a new investment program structure from a manager of managers implementation to a non-discretionary investment consultant approach as set forth in Attachment A as amended.**
2. **Approve the delegation of authority to the Administration to implement the changes, terminate manager agreements, and transition selected investments into existing passive index funds**

Trustee Galuteria seconds the motion

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**

MOTION							11:17 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA	1		X			
BRICKWOOD	GALUTERIA		2	X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA			X			
MILILANI	TRASK				X		
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	1	0	1

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

Chair Waihe'e notes for the record that seven (7) members present vote 'AE (YES), one (1) vote A'OLE (NO) and the **MOTION PASSES**.

IV. NEW BUSINESS

B. Action Item RM #24-45: Approval of OHA funding for an Event Sponsorship for the 2025 Event Ho'owaiwai Ē aka 'Ekolu Mea Nui Event*

Chair Waihe'e recognizes Board Chair Hulu Lindsey to explain which action items are problematic and may need to be deferred.

Trustee Lindsey: Thank you, Chair. I'd like to make a motion to defer the sponsorship events, items B, C, D, E, F, and G, because I discovered that our sponsorship was put on moratorium in 2018, and it was never lifted except for the legacy, and that's why Merrie Monarch, 'Iolani Palace, Keiki Hula, we have about 11 to 13 legacy sponsorships that we normally approve. However, I was seeing a lot of sponsorships for a change that was kind of not normal to me in the years I've served. So, I questioned our CEO, where is all these sponsorship requests coming from? And she just said beneficiaries. But I realized that I don't see on the books the 'Ahahui Grant, which was supposed to be for events. So, I wanted to ask Kēhau, where's the 'Ahahui Grants?

Ka Pou Nui Pu'u: Okay, so thank you for bringing that up, because I was going to speak to that today, but first I do want to ask Everett to explain. So, after last week's Resource Management Committee meeting, he did talk to me about the moratorium that was put on specifically to CEO sponsorships and Trustee sponsorships. I believe they were called Trustee sponsorship and Allowance Fund, that's where the moratorium was set. So, the funds were through an action item put into BOT sponsorships which comes before the Board for approval. So, first I would like to address that, and then talk about 'Ahahui grants. So, if I could call up Everett.

Interim General Counsel Ohta: Aloha again Trustees. So, the moratorium that was referred to from 2018 was specifically to be effective as of February 27, 2018, and then it was to the use of the Trustee sponsorship and annual allowance fund and CEO initiated sponsorships. So, this was out of a recommendation from what was then created as an Ad hoc committee, and then also around the same time, were findings by the State Auditor under Audit Report Number 18-03, that identified issues of concern relating to these types of sponsorships that were granted either through individual Trustees, Trustee sponsorship annual allowance funds, or through a CEO sponsorship process. And again, those were the subjects, among other things, of course, of that audit report number 18-03. So as a result, or shortly thereafter the Board through Action Item RM 18-01 imposed that moratorium. Following that moratorium, the Board took additional action and met, and actually revised what was the Trustee Sponsorship and Annual Allowance Fund, and in doing so created what is now the Trustee Protocol Allowance, and that significantly reduced both the amount allocated to each Trustee, as well as the types of things that those funds could be used towards, to align them more to this Trustee Allowance that was provided for under HRS §10-9. So that addressed the Trustee Sponsorship and Annual Allowance Fund. But, under that allowed for that spending to occur. And then it's still left in place, the CEO sponsorships. That CEO sponsorships moratorium technically remains in effect, but it was also basically rendered moot by the fact that the Board subsequently removed or rescinded the CEO's Grant making authority which to that point had been up to \$25,000. So, as a result of those actions, there is no longer a process for the CEO to issue grants or sponsorships of their own authority, and all of those matters come back before this Board, and that has been the process that Administration has been following in bringing these sponsorship opportunities to be decided upon by this Board.

Chair Waihe'e: So, Everett, the sponsorships on the on this agenda are not affected by the moratorium.

Interim General Counsel Ohta: No, in my opinion they are not, because again, these are sponsorships being brought before this Board, which, of course, is the decision-making body for the Office of Hawaiian Affairs and has that statutory authority to approve and issue grants on behalf of the office. So that is what has been authorized by the Board, and that's what we've been operating under in bringing those before the Board to decide upon as a body, again, to not have those decisions be made by individuals, either on the Board side or on this Administration side, and that we have all of these decisions made in public meetings and as part of an agenda discussion.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: Thank you. I want to ask, Kēhau then, how are they vetting these sponsorship applications that's coming before the Board for us to approve, because 'Ahahui is no longer around.

Ka Pou Nui Pu'u: Okay, so a few things. One, we're using the sponsorship process that was in place prior to me coming on, so there is an application, and as I shared, I think it was just last week, the application included alignment, so the applicants have to show alignment to OHA's vision or mission. Impact, like what the event is, the number of Hawaiians being served. Something that we recently added a couple of months ago was alignment to our strategic plan, Mana i Maui Ola. Those are pretty much the criteria right now, and being a 501(c)(3), but I'm going to be very honest, there is no rubric for decision making. So right now, we're relying on our sponsorship owners to help make the recommendations, and we've assigned, based on the type of event that this supports.

I did share last week, we have some work to do in terms of our process. So, since there will be no more Resource Management Committee meetings for the rest of the calendar year, this is going to give us some time to re-look both at our sponsorships process as well as 'Ahahui, because 'Ahahui is similar, it's a one-time community event, but it has a different process, and to me there's no parity in the process. Sponsorships seems to be a little bit more of a simple process than 'Ahahui. I did a little bit of homework, and so Ke'ala Neumann did come before the Board, I believe, back in March 2024, to talk about redesigning and looking at sponsorships and 'Ahahui together, and she calls it Ho'ākoakoa Lāhui, grants documentation. So, I would like to take the time after today because we have community members who have traveled here, we are only looking at three of the Resource Management action items, but we would like to take the time to look at what, Ke'ala, who was an amazing grants manager put together, look at what we have, and come back with a process that does have some parity. There's more distinction about the different kinds of events, and creates fair process for all who are seeking support from the Office of Hawaiian Affairs.

So, I don't want to say that there is no 'Ahahui anymore, but how do we blend it, how do we maybe create more rigor in the sponsorship process, but make not make the 'Ahahui so difficult, pa'a kiki, and possibly blend the two, so maybe we find like a middle ground.

Trustee Lindsey: Before you came to work for us, 'Ahahui was given out only twice a year, every 6 months, so people needed to be a little prepared to ask for money, so that they give us some time, and as a result it worked quite well, actually. Then people don't come last minute or come in after the event pau, like the last two that we disapproved last week. Were you going to take a couple out today.

Ka Pou Nui Pu'u: Yes, and I do want to say that I know legacies are already budgeted, but we are now requiring them to come back and still be heard by the Board. But, yes, for today, we did want to cancel Action Item RM 24-48, we obtained more information, and so are canceling that.

Ka Pou Nui Pu'u: Action Item RM 24-49, the Gabby Pahinui event, we want to defer. That event won't be happening until 2025, I believe it is a legacy sponsorship, but we need a little bit more information to bring it back to the Board.

Chair Waihe'e: I was told RM 24-47 is deferred also.

Ka Pou Nui Pu'u: A'ole, for 45, 46, and 47, we have the representatives from the three organizations who have come today to testify.

Chair Waihe'e: Awesome

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Right on, Chair. Thank you, Kēhau. Chair Hulu, I actually had the same question, and I got to receive some information and thank you, Kēhau, Mona and staff for providing the information. It was about the process, because every time we come to the boardroom, it's already vetted; these grants and sponsorships are already vetted, and usually the Board makes the ultimate decision. So, I needed something to help me make my decision, so I kind of wanted to know how it's vetted. So, if I could take one minute to read the requirements, and all of us should have this prior to the to the next meeting, and so thank you for providing that.

- (1) In order to potentially receive a sponsorship, must be a 501(c)3 or 501(c)4 organization or nonprofit corporation based in Hawaii or providing services to Hawaiian communities,
- (2) Organizations must identify how their organization's event aligns and supports OHA's mission,
- (3) Specify how the event aligns with OHA's Strategic plan, Mana i Maui Ola,
- (4) The event / activity should perpetuate Native Hawaiian culture and or serve Native Hawaiian communities,
- (5) Organization must specify the number of Native Hawaiians projected to be served,
- (6) The organization must not have received sponsorship from us in the last fiscal year, and
- (7) Must be able to provide a W-9 with organization name and tax identification number.

So, I got a copy of this, and one question I had, number one *must be a 501(c)3 or 501(c)4 organization or nonprofit corporation based in Hawaii or providing services to Hawaiian communities*. So, I had a question, about a year ago, when Sylvia was the Ka Pouhana, there was an event happening outside of Hawaii, the way I read this currently providing services to Hawaiian communities. So to me, that looks like, either based in Hawaii or providing services, so does that mean outside of Hawai'i, that was one of my questions. Maybe Everett can help interpret this, or if you guys want to follow up to get the right answer.

Ka Pou Nui Pu'u: I don't know for sure. I think it HRS §10-17 is what guides our grants. I do know, though, in our Ahahui Grants, I believe only virtual, I'm just referring to pass practice that I've known, and it was only if the event is virtual and serving outside of the State, that those were granted. But in my limited knowledge right now it's in Hawai'i, Hawai'i based.

Interim General Counsel Ohta: To Trustee Souza's question. I think that requirement, I don't have that full picture of how it's described, but I will maybe point the Board toward the definitions provided in the Hawaii Revised Statute, Chapter 10, which refers to native Hawaiians and Hawaiians that OHA is meant to serve as descendants of aboriginal peoples inhabiting the Hawaiian islands which exercise sovereignty, and subsisted in the Hawaiian Islands in 1778, and which peoples thereafter have continued to reside in Hawaii.

Interim General Counsel Ohta: So, that is part of this idea of Hawai'i focused benefit, particularly for events. But that's not also to say that some of these events don't have broader impact and reach that help the overall effort to improve the conditions of Native Hawaiians. For instance, events that have maybe been DC focused that raise awareness and support those kind of overall advocacy efforts. Maybe putting Native Hawaiian issues in the same place as indigenous Native American peoples. So that type of thing might be what's considered. But really, the focus described in the HRS is really Hawaii focus.

Trustee Souza: Okay, I appreciate that. We can have an ongoing discussion about this at a future date. I know it doesn't affect any of these sponsorships today. So, mahalo, thank you. Chair.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: Thank you very much. I don't want this Board to forget that the diaspora is real. Personally, I got three of my five children live away from Hawai'i, five of my ten grandkids live away from Hawai'i. How can we help their quality of life as Native Hawaiians. I just want to submit that for the Board's consideration, because if we stay with the letter of the law we could probably interpret it any damn way we want. Let's not forget the 250,000 Hawaiians who live outside of Hawaii, I just wanted to put that on the tape. Now, may I just continue, one more question, as it relates to what we're going to be doing momentarily. None of these things are after the fact, right?

Ka Pou Nui Pu'u: A'ole, and I will say that we've been pressured, this was kind of a race against time, because election is coming up, we did add some things to the agenda that later found there was not enough information. Which is why, we're canceling and deferring some of it, but all of these events are in the future.

Trustee Galuteria: Probably near future, too, maybe. That's neither here nor there. Now, as we move forward on these items, we followed all the processes and procedures that we need to follow, and we've adequately got past anything of why the moratorium even came about, which was, I think, individual discretionary funds being used, so on and so forth in that time. Because each Trustee had \$25,000 to work with. CEO probably had a bank to work with, and they did it on their own, so we're not going through that anymore, because we don't have any discretionary funds anymore. So, we're doing everything that we need to do to keep it nice and clean.

Ka Pou Nui Pu'u: Yes, and based on our current process, which I again submit that we need to work on and improve, including having periodic timelines, so that we give ourselves enough time, as Chair has suggested on how the Grant timing happened. But yes, we're good.

Trustee Galuteria: Okay, I appreciate that. Thank you, Mahalo

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: I just want to make a statement. Sylvia was a CEO, as late as 2023, before she left us, one of our beneficiaries asked for funds for a good cause, we asked her if there was anything in the Administration that we could possibly help these people that we're asking. And her response was unfortunately not, there has been a 2018 moratorium on BOT and CEO sponsorships, and only programmatic sponsors that which comes to the BOT, yet until we stand up the Kokua Grants, which is \$1,000 or less. So, during her time after Kamana'o left there was never a sponsorship given out. Now the exception which you mentioned Gabby Pahinui, she didn't even take the money out of moratorium, she took the money out of Coalition building.

Trustee Lindsey: So that's how she justified to give out that money, she acknowledged the fact that it was a moratorium, and it is still today, it's still a moratorium. There is correspondence that lifts the TPA, but it keeps the moratorium on the sponsorship in place until we do policies to give them to give sponsorship out. We cannot just give out sponsorship money because they're our friends, we have to have some way, criteria that give us the way. And that's why I asked about 'Ahahui, the 'Ahahui Grant had criteria, this way no more. And how can we justify that when Les Kondo comes back to us, because Chair Machado organized that Ad hoc committee because of the audit from Les Kondo, that was the reason she did the Ad hoc committee. There was a definite reason, and if we stop going wild like we have been in the last two weeks and not justifying why we're doing what we're doing, Les Kondo is going to come down on us. I'm just trying to protect our Board, so that being said.

Chair Waihe'e recognizes Interim General Counsel Ohta

Interim General Counsel Ohta: Chair Waihe'e, certainly understand, this body's concerns about properly spending Trust funds. And I certainly understand that there's also difficult decisions about how best to allocate those funds, and I think that ultimately that is the purview of this Board. If there is a decision to either not fund or defer action on any or all of these matters before the Board, then that's certainly within this Board's discretion, acting as a body. But I would also say that the moratorium that was passed in 2018, despite how it might have been characterized in emails to individuals. The specific action item says that it is to impose a moratorium on the use of Trustee Sponsorship and Annual Allowance fund, and CEO initiated sponsorships. So to me, just the clear language of the action taken by the Board is very limited to that. Now, that's not to say that again, this Board cannot make a decision based on the idea that there is not sufficient parameters in which to award funds. But I would say that the moratorium that was passed in 2018 does not apply to these decisions, and there is not a moratorium that needs to be lifted by Board action because the moratorium that was created in 2018 does not apply to these types of actions. If I could maybe just speak to one more thing, in the 18-03 audit, the auditor did really again make recommendations to this Board, and among them was a recommendation that the Board of Trustees should in general consider requiring Board approval of all grants, sponsorships, and other funding awarded by OHA, and that use Trust fund assets. And that was something that when the time came for the audit to review the findings, and OHA's implementation of those recommendations, did find that that was partially implemented because of the Board policy to both institute the moratorium and then remove that authority that had been granted to the CEO for grants of up to \$25,000. So that's covered in his review of those recommendations. And then that for another recommendation, the auditors recommendation was that the Board should prohibit the use of Trustee allowances to provide financial support, direct or otherwise to individuals, groups or organizations, and require requests for financial support by individuals, organizations to be approved by the Board and funded through a program other than Trustee allowances, and that was found by the auditor to be fully implemented. So again, that's the process that's been utilized in bringing these matters before the Board as Ka Pou Nui noted, it's maybe not as refined as we would like to see it, but the authority is there, and there is not a moratorium that, in my opinion, applies to these.

Chair Waihe'e: Okay, there was a motion made, but it was not seconded, did you want to keep it.

Trustee Lindsey: No, I will withdraw my motion.

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Jamee Miller.

Chair Waihe'e recognizes beneficiary Jamee Miller.

Jamee Miller: Aloha kakou. I feel kind of junk, having to testify, after all that conversation to be honest, and I do have something written, and it's for \$5,000, but I feel like I want to ask for more. So let me just read what I have here. Thank you very much for considering and providing a space for myself to come here and provide testimony, this is for a E Ho'owaiwai Ē, a benefit fundraiser for 'Eklou Mea Nui, our nonprofit organization and 'O wau 'o Jamee Māhealani Miller, no Punalu'u mai au. I'm the co-founder and co-executive director of 'Eklou Mea Nui, a nonprofit organization that was birthed out of our Ohana's experience with the criminal justice system. This event is our first formal fundraiser and critical support of our mission to transform Hawaii's carceral system through native Hawaiian practices, values and community-based solutions. We bring hope and healing to individuals and families impacted by incarceration, by reconnecting them to 'Āina, and cultural practices that foster restoration and resilience. The support of OHA would carry profound significance, reflecting a shared commitment to the well-being of Native Hawaiian families, and addressing the over incarceration of our people. E Ho'owaiwai Ē is an event that not only raises funds, but also raises awareness of this issue, offering a pathway to healing through cultural grounding and support. The funds raised will allow our organization to continue with vital initiatives like our Nā 'Ōpio Waiwai youth led council, which empowers young leaders to break cycles of intergenerational incarceration in their families, and our Ho'iwai project, which provides land-based healing opportunities for families, helping them restore their relationships and connection to their cultural roots. OHA's sponsorship would demonstrate its dedication to addressing the root causes of Native Hawaiian incarceration, while also ensuring that the solutions to these systemic challenges are grounded in our cultural values and ways, and that we together can deepen our impact, reach more families and move forward in our collective efforts to promote justice, healing, and self-determination for our lāhui. That's what I have written, and I'm open to any questions that you may have.

Chair Waihe'e recognizes Vice-Chair Alapa

Vice-Chair Alapa: Aloha, I would like to know, for many of the youth, are these youths who have come out of prison, the prison system, young adults. Is there a program where they have a transitioning for housing, roof over their heads?

Jamee Miller: There are some, but not enough. I was just at Hawaii youth, correctional facility yesterday, we did a tour with the Administration there, and that's a gap area, especially those that are aging out. So, there are there are places for youth, that move on from that place that are under 18 years old, but once they turn 18, they usually end up houseless or homeless. There's not places for them, so there definitely is a gap. We're trying to look at ways to work together, so not only myself, but there are other community organizations that were there to try and address that gap. But, yes there's not enough housing, there's not enough resources. And to be honest, there's not enough will or care from government, and even the general population. So, my organization has been around since 2021, and we have been doing just a lot of advocacy, and only this year have we started to do direct service programming, and it's because there are not enough. I don't have enough people to hold hands with and do this work, and there's so much opportunity and potential.

I go into the women's prison to offer ho'oponopono services, women's and men's, so that when they re-enter into community, I work with the families on the outside, so that the pilikia, or at least some of the surface pilikia is gone away so that the reentry can be much more positive. But again, even in that space, in the adult space there is lacking resources and even sometimes communities wanting to help in this area as well.

Jamee Miller: It's really difficult to come and talk about this only because there's stigma around having a family member incarcerated. But I'll tell you, I bet every single one of us has a family member that was incarcerated, and so there shouldn't be a stigma, and our organization really provides that platform for voice, for families to have voice, our youth Council, we have five, they're all Native Hawaiian. They came to us on their own and four of them go to Kamehameha Schools, one goes to Nāwahī, and they all have a loved one that's presently incarcerated, or have been incarcerated, and they do not want that to happen to them. The statistics right now is that every Native Hawaiian that's incarcerated, 75% of them, their parents were incarcerated when they were children. So, the intergenerational of incarceration is real for our people. When my son was incarcerated, I go and visit him, the table next to us had dad, son, the family coming to visit. So, you got a father and a son and got the grandchildren coming in and visit. And like that's not who we are as Hawaiians, that's not what we should be, anyways, you guys get my point.

Vice-Chair Alapa: Thank you for that, really appreciate that. We need to get it together for sure.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Chair. Jamee, thank you for being here. I know you served in different capacities, different organizations, and you continue to help out Native Hawaiians, and especially the youth. Just in general, nothing to do with you, just everyone we're potentially looking at giving sponsorships to. There's always benefits, the reality of it when we give a sponsorship, so I review everyone's sponsorship deck, go to the websites prior to me making a decision. My team and I, we do that. So, I know there's a lot more opportunity as to what we can do to provide, it's not about what you guys can do for us. As far as I'm concerned, you can keep your bottles of wine and your parking and your 10 seats at a table. It's not about what you guys can do for us, what we can do for you. And I just want to say this, when we talk about youth, the foundation, a lot of times it starts at home and providing services and all of that. So, this organization in particular supports our youth, the overrepresentation in the criminal justice system. And so, I'm going to go out on a limb here, I'm going to say, I would like to amend the motion for the \$5,000 and bring up what we can do for the sponsorship. I'd make the motion to give \$15,000 honestly, because I feel that this organization is really doing a great job in providing services and education, and to keep our youth out of the system. And so, I want to amend the motion, if possible, I know this is just a discussion, but I'd like to amend the motion and have another discussion.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: In the prison system, what's the percentage of Native Hawaiians?

Jamee Miller: 40% men, 60% women of Native Hawaiian ancestry.

Trustee Galuteria: Oh, my, okay, just wanted to know. Thank you.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: I wanted to take this time to say, Mahalo nui to Jamee, for all the work that you're doing to uplift our Hawaiian families, and truly our Hawai'i as a whole, and your work and I would love to see what more can be done down the line, too, and where we can talk story more. Thank you so much.

Jamee Miller: Thank you.

Chair Waihe'e Thank you, Jamee. If there's no further questions, I'm going to put the recommendation up first, and if you want to amend it, we can do that after.

Trustee Akina moves to approve and authorize the following fiscal year 2025 event sponsorship disbursement totaling \$5,000

Organization Name	Event	Award Amount Recommendation
1. 'Ekolu Mea Nui	E Ho'owaiwai Ē January 19, 2025, 4:00 PM – 9:00 PM Lanikūhonua Cultural Institute	\$5,000
Total Recommendations (1)		\$5,000

Vice-Chair Alapa seconds the motion

Chair Waihe'e asks if there is any discussion

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you to the Grants team for bringing this to us and for having vetted it and recommending \$5,000. The organization is absolutely worthy of this, and I thank the presenter today I stand with my fellow trustees who want to endorse this as much as possible. My question is not about the merits of the organization and the purpose. I just would like to see us today to affirm this \$5,000, and express our sentiment to our Administration that they consider, after their own research increasing an amount, or at least take that under advisement. I'm not sure that we should be making ad hoc decisions at the Board. We, as Trustees most definitely should be involved in the affirming of the expenditures of grants money, but we have a team we set up. We've appointed a CEO who has hired staff, who conduct due diligence and research, and we also have to consider that different members of this Board may respond affirmatively, positively, in an emotional way to other grant proposals. And who's to say that another one is not worthy of another 5,000 and another one is not worthy of another 10,000, and so forth, and indeed I think they are. But they may not get spoken for as well, so there's a question of equity. So that that's why, fellow trustees, I hope we can affirm definitely the \$5,000, and try to find some way to recommend additional consideration for this group. But I would not urge us to ad hoc at the Board on grants and amounts. Thank you.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Thank you, Trustee Akina. So, prior to this meeting, I also requested the total sponsorship budget, and Kēhau provided that to me as well. The current approved sponsorships, the list of legacy sponsorships, and we also requested for applicants to be present, and so thank you guys for being here, and I see Kalani Kalima in the house as well.

Trustee Souza: Trustee, I understand what you're saying, but at the board table, we're able to deny, approve, increase, decrease, and so that's the reason why I bring it up at this level, because we're the ultimate decision makers at the end of the day. And yes, it could be emotional, it could be based on policy. But for me, I present it because I feel it's the right thing to do, and every time we have a discussion at the table everyone brings their own individual concerns and talents and abilities, and that's how we're able to influence each other in different ways. Bring a new perspective to things, and so that's the reason why I brought that up earlier, and somebody can speak on other organizations. I may even speak on other organizations as well, so thank you very much. Appreciate it.

Mr. Chair, I want to move to amend the motion.

Chair Waihe'e: Okay.

Trustee Souza moves to amend the motion to award the amount recommendation of \$15,000 to 'Ekolu Mea Nui.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: I wanted to ask administration how we came to the 5,000 amount.

Ka Pou Nui Pu'u: Thank you for asking that question. I'm going to be very transparent and say that the recommendation original from the sponsorship owner was \$25,000. However, with all these new sponsorships coming on their first time, so if it's a first-time awardee, we've been conservative and have been using 5,000 as a first-time recommendation. Again, something else that we need to fix in our procedures, and that we will address, but that's pretty much it. It's been new organizations making requests, we've been conservative and have started them at 5K. That being said the sponsorship owner, for this particular sponsorship did request the full, which was 25K.

Chair Waihe'e recognizes Trustee Akina

Trustee Akaka: Thank you, I'd just like to explain that when I abstain from voting on this, it will not be in any way to deny the worthiness of a 'Ekolu Mea Nui, I think that I'm with my fellow trustees in the sentiment of funding them as much as we can. So, my passing on this has only to do with our process, and that's something I hope we get a chance to talk about, but I affirm your hearts, and I thank you for the work you're doing at a 'Ekolu Mea Nui for our keiki.

Chair Waihe'e: I was inclined not to support this amendment, but the reason for the 5,000 seems weak. I'll just leave it where it is.

Ka Pou Nui Pu'u: It's just guidance that we've followed prior to coming, and if I can make a remark again, this process was in existence. So, this is what we want to strengthen.

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

AMENDMENT						12:01 p.m.
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN AHUNA						EXCUSED
KALEIHIKINA AKAKA			X			
KELI'I AKINA					1 – X, 2 - X	
VICE-CHAIR LUANA ALAPA			X			
BRICKWOOD GALUTERIA			X			
CARMEN HULU LINDSEY					1 – X, 2 - X	
J. KEONI SOUZA	1		X			
MILILANI TRASK						Departed mtg. at 11:23 a.m.
CHAIR JOHN WAIHE'E			X			
TOTAL VOTE COUNT			5	0	2	2

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

Chair Waihe'e notes for the record that five (5) members present vote 'AE (YES), two (2) ABSTAINED, and the **MOTION PASSES**.

Organization Name	Event	Award Amount Recommendation
1. 'EkoLu Mea Nui	E Ho'owaiwai Ē January 19, 2025, 4:00 PM – 9:00 PM Lanikūhonua Cultural Institute	\$15,000
Total Recommendations (1)		\$15,000

Chair Waihe'e asks if there is any discussion on the MAIN MOTION as AMENDED

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: I just want to say that our budget for the year is \$205,000 and we've already given out \$123,000; is that correct?

Ka Pou Nui Pu'u: No, \$67,000, so there's \$123,000 remaining and this is separate of the legacy sponsorship, the legacy sponsorships carry their own budget.

Trustee Lindsey: That's encouraging, so the \$123,000 basically has to last until June 30, 2025.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MAIN MOTION as AMENDED							Original Motion: 11:56 a.m. Vote: 12:05 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN AHUNA							EXCUSED
KALEIHIKINA AKAKA				X			
KELI'I AKINA	1					1 - X, 2 - X	
VICE-CHAIR LUANA ALAPA		2		X			
BRICKWOOD GALUTERIA				X			
CARMEN HULU LINDSEY						1 - X, 2 - X	
J. KEONI SOUZA				X			
MILILANI TRASK							Departed mtg. at 11:23 a.m.
CHAIR JOHN WAIHE'E				X			
TOTAL VOTE COUNT				5	0	2	2

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

Chair Waihe'e notes for the record that five (5) members present vote 'AE (YES), two (2) ABSTAINED, and the **MOTION PASSES**.

IV. NEW BUSINESS

C. Action Item RM #24-46: Approval of OHA funding for an Event Sponsorship for the 2024 100th Centennial Celebration of 'Aina Ho'opulapula o Keaukaha Event*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Hans Mortensen.

Chair Waihe'e recognizes Hans, we welcome you to the table here.

Hans Mortenson: Aloha Chair, appreciate everyone for allowing us to come here, for me to share some thoughts. my name is Hans Mortensen. I was raised in Keaukaha, in Hilo. Our Community Association is celebrating our 100-year Centennial. So, throughout this past year we've been having events for our community, to build ourselves, to celebrate our Kupuna, Kalaniana'ole, and those in our community who kept it together, built it, our churches, our sporting events, the county, just living as a Hawaiian community. So, we're coming to the very end of the year, December 16th is the actual birthday. I'm out asking for support and funding for this particular event. Because it's a Monday, and the time is limited, the event is from like 5 to 9, so throughout the year, all of our various events, we've been encouraging community members to come, participate, in all of these events. Everyone is excited for the birthday, but it's on a Monday so there's only limited things that we can do and what's planned, it's just a pretty much a birthday party. But we want to feed everyone, at all of our events with fed people, and we haven't gone to OHA and Hawaiian Homes, which is our biggest ask, coming from these entities that really are the parents of the communities, especially for Hawaiian Homes and for OHA, as the amount of Hawaiians and the impact that our communities represent.

Hans Mortenson: So, it's going to happen, but we feed them, we're hoping to feed them well, entertainment, we have the idea of our community to share and remember through pictures and videos, the various kupuna. For example, the halau, the churches, the school, the homes, OHA had an office in Keaukaha, so how did the Office of Hawaiian Affairs play into our community, share those things, so many aspects that we hope in that educational piece. So, our program, recognizing Hawaiian Homes, everyone involved in the celebration of the 100 year, and in the end we were trying to do something that is never really happened for our Hawaiian community, which is to have a fireworks show, right in Keaukaha, right in the middle. So, we've been working with pyrotechnic companies, and when we said, we were thinking about having fireworks, everyone's like, Yeah, I got some, we're gonna be blowing them off, and so we were like, easy, we're trying to do it right, do it safely. I guess the goal is to be able to share together as a Hawaiian community, recognize the past, present something which we have been trying to do all year long. Our Community Association, everyone here is part of groups that build their communities, so the challenge has always been having them participate, having them come to the events, and oftentimes it's about the problems that we're having the challenges all of these things. But we're at a different kind of situation we're like celebrating, so we're trying to make this extra special for our people to be able to take that and carry on. The main thing is that we can create these memories. I love my community, we want all of our people to love and then move forward, work hard for another 100 years. So we're out here, asking for your support, Hawaiian homes and anyone that can make this event, and building relationships, I think that we never really came to Office of Hawaiian Affairs, even Hawaiian Homes working together. So, that's what we're asking for and asking for your support. Thank you.

Chair Waihe'e asks if there are any questions.

There are none.

Chair Waihe'e asks if there is anyone else signed-up to testify on this agenda item.

RM Staffer Akina: There are no other testifiers signed up to speak on this agenda item.

Trustee Lindsey moves to approve and authorize the following fiscal year 2025 event sponsorship disbursement totaling \$5,000

Organization Name	Event	Award Amount Recommendation
1. Keaukaha Community Association, Inc.	2024 100th Centennial Celebration of 'Āina Ho'opulapula o Keaukaha Event December 16 th , 2024 5:00 PM - 9:00 PM Keaukaha Elementary School and Hualani Park	\$5,000
Total Recommendations (1)		\$5,000

Vice-Chair Alapa seconds the motion

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION							12:12 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA			X			
MILILANI	TRASK						Departed mtg. at 11:23 a.m.
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

IV. NEW BUSINESS

D. Action Item RM #24-47: Approval of OHA funding for an Event Sponsorship for the 2024 Makalehua o Waimānalo aka The Pride of Waimanalo Community Event*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: Yes, we have Kalani Kalima.

Chair Waihe'e welcomes Kalani Kalima to the table.

Ka Pou Nui Pu'u: I just wanted to preface his testimony. We accidentally requested that this agenda item be deferred. There are two events for Waimānalo on the agenda, and so it was the wrong one, but he is here today, so we would like for him to testify and share with us regarding the event, and then I'm going to request to put this on the JOINT BAE-RM meeting where you guys will hear the Biennium Budget Bill, because that's the only time the Resource Management committee meeting will be convening again, so we want to add it to that meeting for you folks to vote on.

Chair Waihe'e: Okay.

Ka Pou Nui Pu'u: Thank you, sir.

Kalani Kalima: Aloha mai kakou ka hui malama hono ka lehulehu o Hawaii nei, mai ka la hiki mai ha'aha'a a kala maupapa no moku wakea, mai ka ua kanilehua mahi ai ua ku kalehua mai nei mai Haleakalā a hiki hele a kala. Aloha, o wau o Kalani Kalima, e kupa'aina o Waimānalo.

My name is Kalani Kalima. I'm a native son of Waimanalo. I'm a humble teacher at Aiea Intermediate school, so I really appreciate you guys allowing me to talk, it took me a while to get a substitute teacher. I'm always working towards the betterment of my community. I'm asking for your support, I'm asking for you guys partnership, I'm always looking for opportunities to take care and to protect my community of Waimānalo. Over the course of a year and a half, I spoke to Dave Larson from the back rows of Waimānalo, and in four separate conversations he's conveyed to me his concerns, saying, You know, Kalani, the kids from Waimānalo just don't have any pride. When a kupuna provides the same message over a span of time, he really is worried about the current status and future of Waimānalo. I took his words to heart, and tried to figure out how I was going to address it. After volunteering to clean up after the last Christmas parade, last year I suggested that we make an event that could provide uplift for generations of Waimānalo residents. We're planning a Ho'olaule'a called Makalehua o Waimānalo, the Pride of Waimanalo to address the fears and worries of our kupuna while providing a support system for our opio to instill a sense of pride and hope for them. The Ho'olaule'a will be directly after Waimānalo, Christmas parade at Waimānalo Beach Park on Saturday, December 14th 2024, so it is in the future. This event is a multi-pronged approach to build resiliency in our community, first is education. So, we are working with Kamehameha Schools, Honolulu Community College's TRIO Program, Windward Community College and the culinary programs from Leeward and Kapi'olani Community Colleges to assist families looking for financial aid and for post high opportunities. 100% of our vendor's fees will go to scholarships for our community, in the honor of my dad, Haywood Kalima, a graduate of Kailua High School class of 1964, during their golden age of football era, undefeated two years in a row.

The next part is employment, we have a lot of keiki and 'ōpio that are good with their hands, and I work at a DOE school, so I know that a lot of our education is to funnel our kids into college, and then they get a degree and a lot of times they end up not working in the very things that they get the degree in, and they start off their years already in debt. So, for those of those that are real maka'ala, and they have an aspiration to work with their hands, I've been meeting with the Hawaii Building and Construction unions, so we will have unions like the Electricians Union IBEW Local 1186, and Local 625, we got the blessings from Uncle George Paris to help kokua the effort. Then I also have the City and County's employment specialists and Alu Like's employment specialists that are on board to provide training and supplies for those 'ōpio that need that kind of help, and that kokua, because sometimes we just need somebody to hold our hand, sometimes we just need somebody to point the way. I've also invited the first responders to speak about their open positions; HPD, HFD, DLNR, DOCARE, and including the possibility of becoming an ACO. When I talked to HPD's recruitment, they said that there's over 400 positions open in Honolulu, and what I told them was that we got to sell service to the community, that's what we gotta do.

The next part is home ownership, so we partnered up with Hawaii Community Lending with Jeff Gilbreath and everybody else. Financial education, we partnered up with Hawaii Community Assets, they will be there to educate our people about financial education and literacy. We're partnering up with Castle Hospital, Queens, Ke Ola Mamo, and Waimanalo Health Center to provide medical and mental health services.

Kalani Kalima: You can see this thing, and I don't know of very many places or very many events where they're just focusing on top of feel good. We cannot focus on top of feel good. All of us have gone to the movies, gone inside there and then, left an hour and a half and had to return to our realities, our problems and our bills, they're not going to disappear. We have to take steps as mākua, as kūpuna to make these stuff happen. And a lot of our people, my people, they live out on the beach, they need this help, they need these services.

I anticipate partnering with Japanese Chamber of Commerce and Japanese Cultural Center to support our efforts to honor Hawaii's sumotori. As you may know, we lost three local boys this year alone; my brother George Kalima, Chad Rowan, who was the very 1st foreign Yokozuna, and Taylor Wily, and they, along with the rest, were Hawaii's ambassadors of Aloha. All of our TV sets were focused on top of them at one time, because they made us proud. They made us proud because of the things that they were able to accomplish from their humble beginnings. So, we'll be honoring them also.

We have a lot of things going on, and I'd love to tell you guys more about them, but my time is over. Just know that this is as comprehensive as I can make it, we have to focus on building resiliency, focus on our people, standing on their own two feet. We have to break the mindset, that victim mindset, and that entitlement mindset and blaming everybody. No, we from Waimanalo, we don't do that, we stand up on our own two feet, and we figure it out, that's what we do as Mākua. I humbly ask for you guys to support in whatever way you guys deem possible. Mahalo Nui.

Chair Waihe'e: Thank you, Kalani

Chair Waihe'e asks if there are any questions.

There are none.

Chair Waihe'e asks if there is anyone else signed-up to testify on this agenda item.

RM Staffer Akina: There are no other testifiers signed up to speak on this agenda item.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: I wanted to confirm with Everett and Kēhau that we can move on the items that they are looking to have agendized.

Interim General Counsel Ohta: So, the Board can take action on this matter, because it has been agendized, and it is part of our Board's agenda. The issue, of course, is that we don't have an action item that the Board has received ahead of time. But, as with other meetings, you can receive information at the meeting, provided that the Board is satisfied with that information being presented, you can still make a decision, because it is, again, part of the agenda on today's RM Committee meeting.

Chair Waihe'e: We know that it was vetted, and it was recommended.

Interim General Counsel Ohta: Yes

Chair Waihe'e: *What was the amount?*

Ka Pou Nui Pu'u: \$5,000

Interim General Counsel Ohta: If the Committee is inclined to take this up today, then I would suggest having staff prepare the action item, print it, have you sign off on it, make copies of that and distribute it to the members, but take it up at basically the end of the agenda, provided that there's sufficient quorum to act upon that.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you. Just a quick question, is the lack of an action item prior to this meeting a sunshine law issue or OIP issue?

Interim General Counsel Ohta: Chair, to Trustee Akina's question, it is not an issue again, provided that the Board has sufficient information, to support its decision. The requirement that the Board receive information ahead of time in the board packet is just to ensure that there's sufficient time to review the materials that are going to be the basis for a board or committee's decision at a meeting. So, there's no requirement that meeting materials be provided ahead of time in the same way that some presentations are given, just, on the topic that's agendaized. But there's no requirement that that presentation be included in the board packet. So again, as long as the trustees feel that there's sufficient information in the action item as well as that's been presented today by the presenter, then there can be action taken on this. Again, we'll have the action item printed out and signed by you, Chair again, provided you're approving it, then that can be then copied, distributed to the members, and then action can still be taken at today's committee meeting.

Chair Waihe'e: Yeah. Okay, in the meantime, let's move on.

IV. NEW BUSINESS

E. Action Item RM #24-48: Approval of OHA funding for an Event Sponsorship for the 2024 Christmas in Hawaii with Kimie Miner and Friends Broadcast and Concert*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

DEFERRED

IV. NEW BUSINESS

F. Action Item RM #24-49: Approval of OHA funding for an Event Sponsorship for the 2025 18th Annual Waimānalo Kanikapila aka Gabby Pahinui Waimānalo Kanikapila Event*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

DEFERRED

IV. NEW BUSINESS

- G. Action Item RM #24-50: Approve Additional Funding to Organizations Awarded Partial Grant Funding on June 19, 2024 for: (1) Kumuwaiwai Naauao – Educational Resources Grants from Solicitation #24-10.0.01 (published February 12, 2024) and (2) Hoomohala Waiwai ‘Ohana – ‘Ohana Economic Stability Grants from Solicitation #24-07.0.01 (published February 12, 2024)***

Chair Waihe’e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one is signed up to testify on this agenda item.

Chair Waihe’e recognizes Trustee Lindsey

Trustee Lindsey: I just want to make the Trustees aware that these are the same people that we gave grants to this year, and we cut it back because the amounts were so large. This is the amount that we cut back, and it's coming back to us, that's all I want to say.

Chair Waihe’e: Well, it's a little more complicated, it's the second year. Yeah.

Trustee Lindsey: Yes, I just wanted to make the Trustees aware.

Vice-Chair Alapa moves to Approve Additional Funding to Organizations Awarded Partial Grant Funding on June 19, 2024 for: (1) Kumuwaiwai Na‘auao--Educational Resources Grants from Solicitation #24-01.0.01 (published February 12, 2024) and (2) Ho‘omohala Waiwai ‘Ohana--‘Ohana Economic Stability Grants from Solicitation #24-07.0.01 (published February 12, 2024) totaling \$1,976,216.53, from Fiscal Year 2025 Core Operating Budget.

Grant Type	Organization Name	Additional Award Amount Recommendation
Kumuwaiwai Na'auao: Educational Resources (KN)	Kanu o ka ‘Āina Learning ‘Ohana (KALO) (Yr 2 & 3)	\$253,679.20
	Hui Makua O Ke Kula Kaiapuni O Kualapu‘u (Yr 2 & 3)	\$80,000.00
	EA Ecovercity (Yr 2)	\$219,130.00
	Boys & Girls Club of Hawaii (Yr 2)	\$205,000.00
	Maui Hui Malama (Yr 2 & 3)	\$273,333.33
	Ho‘akeolapono Trades Academy and Institute (Yr 2)	\$141,300.00
	Ho‘okāko‘o Corporation (Yr 2 & 3)	\$200,000.00
	Keiki O Ka Aina (Yr 2)	\$205,000.00
	<i>KN Total</i>	<i>\$1,577,442.53</i>
Ho‘omohala Waiwai ‘Ohana: ‘Ohana Economic Stability Grant (HW‘O)	Laiopua 2020 (Yr 2)	\$200,000.00
	The Men of PA‘A (Yr 2)	\$198,774.00
	<i>HWO Total</i>	<i>\$398,774.00</i>
Total Recommendations (10)		\$1,976,216.53

Trustee Souza seconds the motion

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you, this is nearly 2 million dollars, and I just have a question because I'm sure that a thorough vetting process took place. You have to decide that you're going to award these organizations, many of whom already have been awarded substantial amounts, and in doing so you would not be providing this funding to other organizations, many of whom had scored very high scores when their portfolios were brought to our attention. So, I just wanted to ask what the basis of making that decision was. Why award these groups more, although they've been awarded already, rather than increasing the number of well qualified groups to receive awards?

Ka Pou Nui Pu'u: Thank you for that question. So, there's actually three sets of action items today. The first is to request that the board go back to providing the original funding request from these organizations. As you all know, on May 22, our grants team went back and made revisions to their recommendations, based on the guidance to provide to more organizations, so they did that. However, to accomplish that, they did have to reduce awards to basically one year of funding, when then changes their ability to achieve the outcomes of the project that they've put forward. So we are making the recommendation to go back to basically restoring their original funding requests. So those will be the first two sets of recommendations. The last set is actually increasing the number of grantees, so that would be six additional organizations. So that would basically complete all of the organizations that scored 90% or higher in these grant categories that were solicited for back in February and March.

If it's okay, I'd like to just add a few things; one, we'd like to pause on opening new felicitations this year, exception of how we grants, we want to figure that out with sponsorships for a few reasons. One, we now have our Strategy and Implementation Director, Elena Farden on board along with three of our four S&I Directors, if we want to use grants as a lever to help achieve our tactics to get to our strategic outcomes, this will allow us some time and allow our S&I team to develop those tactics and basically to figure out how we can be even more akamai about how we use grants to get those tactics.

The second reason is we need some time to rebuild the grants team, so right now, we have three grant officers managing 80 plus grants, we have a temp for Remedy who is helping to manage the portal. So, we need some time to rebuild, to collaborate with S&I to build upon the foundation that was set here, which is a beautiful foundation, aligned to Mana I Maui Ola and very grounded in our culture, and perspective. So, that's another reason why we'd like to pause.

I understand that in the past solicitations were done every other year, similar to our Biennium Budget and then it looks like we started to go annually. But we need some time to get more focused on how we're going to use grants to achieve Mana I Maui Ola to rebuild the team. Even looking at our grants system that we use, it's very bulky and it's not friendly. It doesn't play nicely or at all with Oracle, the system that our fiscal division uses. So we are actually right now exploring how to optimize the system, if there are better systems out there. We need a new Grants Manager, to hire a couple new officers. So, just wanted to provide that background.

Trustee Akina: Mahalo.

Chair Waihe'e recognizes Trustee Akaka

Trustee Akaka: Mahalo, Chair. In our previous discussions we were looking at \$5,000 versus \$15,000, and so forth, and now we're looking at these large sums. So, I have all these questions in terms of, it's not to say they're not worthy of it, but how we're exactly landing on all these numbers and figures, and I know that you said it's based on their request and so forth. But, this is a large amount that we are looking at here. Can you give more context beyond what was provided in our folder.

Ka Pou Nui Pu'u: Yes, we prepared the action items based off of the decisions that were made back on June 19th and on September 11 and 12th. So, these are the community grant solicitations that went out in February 2024, and I believe they closed March 2024, so you had, I believe, eleven grant categories aligned to Mana I Maui Ola; Kumuwaiwai Na'auao— *Educational Resources*, Ho'omohala Waiwai 'Ohana— *'Ohana Economic Stability*, and so forth. So, when the Grants team brought their recommendations, so these were done, solicitations went out, Ke'ala went across the Pae 'Āina and talked about the Grants program. I believe this was a record for OHA in a long time, in terms of how many organizations had applied. So, she went out, the team brought their recommendations back to the Resource Management Committee meeting on May 22nd. At that meeting, the Trustees asked to defer, to have some time to do some two on one meetings, to get more information, and also the desire, and I get it, to support even more organizations, especially seeing that there were some who didn't make the cut, because at the time there was a perception of not having enough funding. So, these are large amounts, they vary, organizations could apply for one to three years, there was a minimum and a maximum that could be requested. These are the grants that went through our grants evaluation process.

So, I'll just recap it real quick, the letter letters of intent came in, the organizations were reviewed, vetted to see if they're even eligible to apply for the grant, if they were eligible, they were sent the application, because we don't want anyone to waste their time and fill out one application, if they didn't qualify. So, if they were deemed eligible, they were sent the application. They did all the work, submitted, and then we had external evaluation teams, meaning, no OHA staff. All external community members who sat on these teams evaluated individually, they were assigned grants; finished that, submitted their scores, they were convened, discussed, calibrated, and then made their final recommendations. So, what was recommended back then, and today are those grants that scored a 90% or higher. And were unanimously voted on by the external evaluators to be recommended for award, because you did have some where they may have scored more than 90%, but the external evaluators may not have supported funding, and we have those reasons.

So, that's where it's from, this is community grants, we have the Grant budget here, and again we need to pause on opening up any new solicitations.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Chair. Thank you, Kēhau. I personally don't feel that this is a large amount. I feel that you listened to our concerns, especially our team, we were able to meet with you, Niniau, Ke'ala, Stacy, multiple times prior to this meeting, so we asked a lot of good questions. We have the information in front of us, so thank you very much again. So that being said, you heard our concerns, you vetted it, bringing it to us. The amount could be 5 million dollars or 10 million dollars today, but you understood what we asked for, and I know it's still a work in progress. I want to thank you guys. Mahalo.

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**

MOTION							Motion 12:30 p.m. Vote 12:41 p.m.
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)		EXCUSED
DAN AHUNA							EXCUSED
KALEIHIKINA AKAKA			X				
KELI'I AKINA			X				
VICE-CHAIR LUANA ALAPA	1		X				
BRICKWOOD GALUTERIA			X				
CARMEN HULU LINDSEY			X				
J. KEONI SOUZA		2	X				
MILILANI TRASK							Departed mtg. at 11:23 a.m.
CHAIR JOHN WAIHE'E			X				
TOTAL VOTE COUNT			7	0	0		2

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

IV. NEW BUSINESS

- H. Action Item RM #24-51: Approve Additional Funding to Organizations Awarded Partial Grant Funding on September 12, 2024 for: (1) Ola Ke Kanaka – Physical, Spiritual, Mental & Emotional Health Grants from Solicitation #24-03.0.01 (published February 12, 2024), (2) Ho'omohala Waiwai Kaiaulu-Community Economic Development Grants from Solicitation #24-08.0.01 (published February 12, 2024), (3) 'Āina Ho'opulapula – Hawaiian Homestead Communities Grants from Solicitation #24-14.0.01 *(published February 12, 2024), and (4) Ola Ka Lāhui – Vulnerble Populations Grants from Solicitation 24-15-0.01 (published February 12, 2024)*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one is signed up to testify on this agenda item.

Trustee Lindsey moves to Approve Additional Funding to Organizations Awarded Partial Grant Funding on September 12, 2024 for: (1) Ola Ke Kanaka--Physical, Spiritual, Mental & Emotional Health Grants from Solicitation #24-03.0.01 (published February 12, 2024), (2) Ho‘omohala Waiwai Kaiaulu--Community Economic Development Grants from Solicitation #24-08.0.01 (published February 12, 2024), (3) ‘Āina Ho‘opulapula– Hawaiian Homestead Communities Grants from Solicitation #24-14.0.01 (published February 12, 2024), and (4) Ola Ka Lāhui--Vulnerable Populations Grants from Solicitation 24-15-.0.01 (published February 12, 2024) totaling \$2,463,985.89.

Grant Type	Organization Name	Additional Award Amount Recommendation
Ola Ke Kanaka: Physical, Spiritual, Mental & Emotional Health (OKK)	Hui Maui Ola (Yr 2 & 3)	\$382,390.47
	Healthy Mothers Healthy Babies (Yr 2)	\$250,000.00
	Aina Alliance (Yr 2 & 3)	\$250,000.00
	<i>OKK Total:</i>	<i>\$882,390.47</i>
Ho‘omohala Waiwai Kaiaulu: Community Economic Development (HWK)	Waianae Economic Development Council (Yr 2)	\$182,362.00
	Changemakers Community Economic Development (Yr 2 & 3)	\$265,243.04
	Malama Kaua‘i (Yr 2 & 3)	\$258,637.00
	Lei Hoolaha CDFI (Yr 2)	\$125,000.00
	<i>HWK Total:</i>	<i>\$831,242.04</i>
‘Āina Ho‘opulapula – Hawaiian Homestead Communities (‘ĀH)	Mana Maoli (Yr 2)	\$158,056.00
	TiLeaf Group (Yr 2 & 3)	\$190,363.00
	<i>‘ĀH Total</i>	<i>\$348,419.00</i>
Ola Ka Lāhui: Vulnerable Populations (OKL)	Hui Mahi'ai Aina (Yr 2 & 3)	\$165,000.00
	Waimanalo Health Center (Yr 2 & 3)	\$176,934.38
	Housing Solutions Incorporated (Yr 2 & 3)	\$60,000.00
	<i>OKL Total</i>	<i>\$401,934.38</i>
Total Recommendations (12)		\$2,463,985.89

Trustee Souza seconds the motion

Chair Waihe‘e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a ROLL CALL VOTE

MOTION							12:42 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK						Departed mtg. at 11:23 a.m.
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES.**

IV. NEW BUSINESS

- I. **Action Item RM #24-52: Approve the Awarding of Additional Ola Ke Kanaka – Physical, Spiritual, Mental & Emotional Health Grants from Solicitation #24-03.0.01 (published February 12, 2024) and Ho‘omohala Waiwai Kaiaulu – Economic Stability Grants from Solicitation #24-08.0.01 (published February 12, 2024)***

Chair Waihe‘e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one is signed up to testify on this agenda item.

Trustee Souza moves to approve the Awarding of Additional Ola Ke Kanaka-- Physical, Spiritual, Mental & Emotional Health Grants from Solicitation #24-03.0.01 (published February 12, 2024) and Ho‘omohala Waiwai Kaiaulu-- Economic Stability Grants from Solicitation #24-08.0.01 (published February 12, 2024).

Grant Type	Organization Name	Award Amount Recommendation
Ola Ke Kanaka: Physical, Spiritual, Mental & Emotional Health (OKK)	Molokai Child Abuse Prevention Pathways (MCAPP)	\$240,000.00
	Kula no na Po'e Hawaii	\$500,000.00
	Humanity Hale	\$500,000.00
	Kelii William Ioane Legacy Foundation	\$310,295.00
	Five Mountains Hawaii dba Kipuka o ke Ola	\$500,000.00
	<i>OKK Total</i>	<i>\$2,050,295.00</i>
Ho‘omohala Waiwai Kaiaulu: Community Economic Development (HWK)	Kapolei Community Development Corporation	\$400,000.00
Total Recommendations (6)		\$2,450,295.00

Vice-Chair Alapa seconds the motion

Chair Waihe‘e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a ROLL CALL VOTE

MOTION							12:45 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA	1		X			
MILILANI	TRASK						Departed mtg. at 11:23 a.m.
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES.**

IV. NEW BUSINESS

D. Action Item RM #24-47: Approval of OHA funding for an Event Sponsorship for the 2024 Makalehua o Waimānalo aka The Pride of Waimanalo Community Event*

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

Trustee Akaka moves to approve and authorize the following fiscal year 2025 event sponsorship disbursement totaling \$5,000

Organization Name	Event	Award Amount Recommendation
1. Na Kua Aina o Waimanalo	Makalehua o Waiamanalo aka The Pride of Waimānalo 12:00 PM - 10:00 PM on 12/14/2024 Waimānalo Beach Park	\$5,000
Total Recommendations (1)		\$5,000

Vice-Chair Alapa seconds the motion

Chair Waihe'e asks if there is any further discussion

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION							12:46 p.m.
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)		EXCUSED
DAN AHUNA							EXCUSED
KALEIHIKINA AKAKA	1		X				
KELI'I AKINA			X				
VICE-CHAIR LUANA ALAPA		2	X				
BRICKWOOD GALUTERIA			X				
CARMEN HULU LINDSEY			X				
J. KEONI SOUZA			X				
MILILANI TRASK							Departed mtg. at 11:23 a.m.
CHAIR JOHN WAIHE'E			X				
TOTAL VOTE COUNT			7	0	0		2

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

V. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Trustee Souza seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is zero discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

							12:47 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						EXCUSED
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK						Departed mtg. at 11:23 a.m.
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

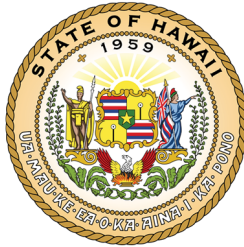
Chair Waihe'e adjourns the RM meeting at 12:47 p.m.

Respectfully submitted,

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Investment and Land Management (ILM) on January 8, 2025

Trustee John Waihe'e, IV
Chair
Committee on Resource Management



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808)-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

IV. New Business

A. Administrative reports

- 1.) Informational Briefing on the Memorandum of Understanding between the Hawaii Seaglider initiative, Regent Craft Inc., and the Office of Hawaiian Affairs regarding collaboration on renewable maritime transportation and sustainable development.*

MEMORANDUM OF UNDERSTANDING

BETWEEN

HAWAII SEAGLIDER INITIATIVE,

REGENT CRAFT, INC.,

AND THE

OFFICE OF HAWAIIAN AFFAIRS

This Memorandum of Understanding ("**MOU**") is entered into, by, and between Hawaii Seaglider Initiative, ("**HSI**"), a consortium of local government, private sector, and community stakeholders; REGENT Craft, Inc., a body corporate of the State of Delaware, whose mailing address is 200 Callahan Road, North Kingstown, RI 02852, ("**REGENT**"); and the Office of Hawaiian Affairs ("**OHA**"), a body corporate of the State of Hawai'i, whose mailing address is 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. (HSI, REGENT, and OHA shall collectively be referred to herein as the "Parties"). The purpose of this MOU is to outline the framework by which the Parties agree to collaboratively work towards the advancement of renewable maritime transport for passengers and cargo, the advancement of Hawai'i's sustainability development goals, and promoting policies, regulations, and community acceptance for transit-oriented renewable development.

1. RECITALS

- a. **WHEREAS**, OHA is a semi-autonomous state agency responsible for improving the well-being of Native Hawaiians through advocacy, research, community engagement, land management, and the funding of community programs;
- b. **WHEREAS**, OHA seeks to work with community collaborators to impact positive change in the areas of education, health, housing, and economics;
- c. **WHEREAS**, OHA's strategic plan includes the three foundations of 'ohana (family), mo'omeheu (culture), and 'āina (land and water) and four strategic directions of educational pathways, quality housing, health outcomes, and economic stability;
- d. **WHEREAS**, OHA supports increased access and transit options in historically underserved communities;

- e. **WHEREAS**, OHA seeks to create economic development and workforce development opportunities for the residents of Hawai‘i while simultaneously finding ways to increase revenue for the State;
- f. **WHEREAS**, REGENT develops and manufactures all-electric, passenger-carrying, wing-in- ground-effect vehicles to service coastal routes, building on real-world-proven technology. REGENT is breaking down the boundaries between land and sea, increasing connectivity and efficiency, providing multi-modal choices that integrate into the existing transportation infrastructure, and driving new socio-economic opportunities;
- g. **WHEREAS**, HSI is an organization including corporate & community groups interested in sharing how seaglidors can help modernize Hawai‘i maritime transport network (transportation services, enablement systems, harbor infrastructure, and supporting renewable energy development);
- h. **WHEREAS**, HSI seeks to collaborate with local partners supporting various maritime resiliency and port electrification projects;
- i. **WHEREAS**, HSI and its local partners seek to align to the State of Hawai‘i’s maritime resiliency and renewable energy goals through the pursuit of federal funding opportunities provided by the Inflation Reduction Act and other national and state funding opportunities;
- j. **WHEREAS**, HSI seeks to advocate for policy, regulation & development projects that have the potential to increase state tax revenue while creating more jobs, providing residents with a new convenient way to access employment, affordable housing, and medical care;
- k. **WHEREAS**, HSI seeks to do its best to approach to all aspects of the initiative in a way that shows its respect to the land, the oceans, and the ways and needs of the Native Hawaiian community;
- l. **WHEREAS**, HSI will work with local community groups to preserve and promote the ways and needs of the Native Hawaiian community;
- m. **WHEREAS**, HSI will complete a feasibility study to be completed before the end of 2025. Results from the feasibility study will be used to inform the scope of the state environmental review (Hawai‘i Revised Statutes, Chapter 343), working towards a goal of completion by the end of 2025. Operators would aim to enter operations by 2026;
- n. **WHEREAS**, HSI seeks to manage the advocacy work across policy, regulatory bodies, and community with an eye towards consideration of economic and education development opportunities and respect for Hawai‘i’s unique environment, community and culture;
- o. **WHEREAS**, HSI will create discussion groups around key issues of importance to the State in hopes of ensuring that HSI’s advocacy work represents a broad and comprehensive local community perspective;

THEREFORE, LET IT BE RESOLVED THAT, the Parties commit to jointly pursuing the promotion of renewable maritime transportation for both passengers and cargo, the enhancement of Hawai‘i’s sustainability objectives, the exploration of improvements to infrastructure, and community and workforce development opportunities in Hawai‘i, to include the Kewalo Basin.

LET IT FURTHER BE RESOLVED THAT, the Parties intend to collaborate in specific ways over the duration of the MOU, including, but not limited to, the following areas:

- Creating and providing support for workforce development and educational initiatives to establish the State of Hawai‘i as a hub for future workforce opportunities surrounding coastal mobility, technology, and innovation;
- Developing and using educational resources for Native Hawaiian communities;
- Increasing availability and access to quality, culturally based, and culturally adapted prevention and treatment methods in ‘ohana, schools, and communities;
- Increasing safety, stability, social support networks, and cultural connections in relation to affordable housing;
- Cultivating economic development in, and for, Native Hawaiian communities;
- Cultivating sustainable and secure agricultural management programs to ensure food security for Native Hawaiian communities;
- Identifying federal funding sources to support OHA’s efforts for port electrification and harbor upgrades in support of alternative forms of inter-island transportation, inclusive of seagliders for Kewalo Basin;
- Collaborating with community organizations to identify transportation gaps and actionable measures for how regional mobility operations, such as seagliders, can increase equity of access and accessibility; and
- Assisting REGENT and HSI in identifying requirements to ready ports and shorelines for use of electric powered maritime inter- and intra-island transportation (e.g., identifying locations, land use requirements, improvements needed, collaboration on transit-oriented development, providing accessibility to locations, assisting with permitting and approvals, guidance in the environmental review process and assistance with state and federal funding).

LET IT FURTHER BE RESOLVED, the Parties desire to develop a framework for collaboration for a period of six (6) years from the execution date of this MOU, unless this MOU is terminated earlier in writing upon thirty (30) days’ notice to the other Parties at the mailing address provided above.

LET IT FURTHER BE RESOLVED, the Parties understand and agree that this MOU is not a legally binding agreement. The Parties understand and agree that this MOU does not commit either Party to a partnership, relationship of principal and agent, joint venture, or other


commercial relationship, does not constitute an initial commitment to a potential future commercial relationship, and is limited to developing a framework for collaboration.

LET IT FURTHER BE RESOLVED, the Parties further understand and agree that the collaboration efforts provided for in this MOU are not intended to provide any agencies of the State of Hawai‘i, including OHA, with information that may be included in any competitive solicitation framework to be issued by OHA or other agencies of the State of Hawai‘i such that either REGENT, or any other member of HSI, individually or collectively, may be precluded from or disqualified from participating in request for bids or proposals pursuant to Hawai‘i Public Procurement Code (Hawai‘i Revised Statutes, Chapter 103D).

LET IT FURTHER BE RESOLVED, this MOU may be executed in counterparts and an executed counterpart of this MOU transmitted and received by facsimile or electronic transmission shall be deemed for all purposes to be an original, executed counterpart. No terms of this agreement may be modified unless agreed to in writing by the Parties.

[Signature page(s) to follow]

OFFICE OF HAWAIIAN AFFAIRS (OHA):

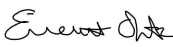
By 
Stacy K. Ferreira
Its: Ka Pouhana, Chief Executive Officer

Date: 11/4/2024

Approved as to content:


Tim Wong
Its: Land Assets Director

Approved as to form:


Everett Ohta
Its: Interim General Counsel

HAWAI'I SEAGLIDER INITIATIVE (HSI):

By _____
Scott Valentino
Its: Chief Executive Officer, Pacific Current

Date: _____

REGENT CRAFT, INC. (REGENT):

By _____
Adam Triolo
Its: Vice President, REGENT Craft

Date: _____

OFFICE OF HAWAIIAN AFFAIRS (OHA):

By _____
Stacy K. Ferreira
Its: Ka Pouhana, Chief Executive Officer

Date: _____

Approved as to content:

Tim Wong
Its: Land Assets Director

Approved as to form:

Everett Ohta
Its: Interim General Counsel

HAWAI'I SEAGLIDER INITIATIVE (HSI):

By Scott A. Valentino
Scott Valentino
Its: Chief Executive Officer, Pacific Current

Date: 11/01/2024

REGENT CRAFT, INC. (REGENT):

By _____
Adam Triolo
Its: Vice President, REGENT Craft

Date: _____

OFFICE OF HAWAIIAN AFFAIRS (OHA):

By _____
Stacy K. Ferreira
Its: Ka Pouhana, Chief Executive Officer

Date: _____

Approved as to content:

Tim Wong
Its: Land Assets Director

Approved as to form:

Everett Ohta
Its: Interim General Counsel

HAWAI'I SEAGLIDER INITIATIVE (HSI):

By _____
Scott Valentino
Its: Chief Executive Officer, Pacific Current

Date: _____

REGENT CRAFT, INC. (REGENT):

By Adam Triolo
Adam Triolo
Its: Vice President, REGENT Craft

Date: 11/02/2024



Source: REGENT

December 18, 2024 13:27 ET

78% of Hawai'i's Residents Support Introduction of Inter-Island Seaglider Service

The Hawai'i Seaglider Initiative now has more than 30 members from government, community, and business groups.

Honolulu, Hawai'i, Dec. 18, 2024 (GLOBE NEWSWIRE) --

- A new study from the Hawai'i Seaglider Initiative finds 78% of Hawai'i residents support the introduction of an inter-island seaglider service.
- The Hawai'i Center for Advanced Transportation Technologies (HCATT), the Office of Hawaiian Affairs (OHA), and the Hawai'i Community Development Authority (HCDA) have joined the initiative.
- The new partners join more than 30 members from government, community, and business groups to realize the benefits of affordable, accessible, sustainable seagliders.
- Learn more about the Hawai'i Seaglider Initiative [here](#). Learn more about seagliders [here](#).

Seagliders will have a positive impact on Hawai'i, according to a study commissioned by the Hawai'i Seaglider Initiative (HSI), a coalition of local stakeholders working to increase awareness and adoption of seagliders in the state. The [key findings](#), released today, show that 78% of Hawai'i residents support the introduction of an inter-island seaglider service.

HSI also announced that three government agencies — the Hawai'i Center for Advanced Transportation Technologies (HCATT), the Office of Hawaiian Affairs (OHA), and the Hawai'i Community Development Authority (HCDA) — have joined the coalition to explore the benefits of seagliders to local communities, signaling a growing momentum to bring affordable, accessible, and sustainable transportation solutions to the state.

HSI was founded in January 2024 to increase awareness and adoption of seagliders, high-speed, all-electric vessels manufactured by Rhode Island-based REGENT that operate exclusively over water to transport people and goods between coastal destinations. Today, HSI has grown from about a dozen organizations to more than 30 members across government, business, and community groups.

"We are honored to welcome HCATT, OHA, and HCDA to the initiative and look forward to working together to respond to local needs," said Veronica Rocha, Co-administrator of HSI. "The expansion of the initiative is a testament to the shared need to connect communities across Hawai'i with affordable, sustainable transportation solutions that unlock access to essential goods and services," added HSI Co-administrator David Uchiyama.

Study Results

Across 12 meetings and events throughout the year, HSI members examined the potential effects of seagliders on areas including community and culture, the environment, infrastructure, resiliency, and workforce development and education to identify needs and deliver actionable recommendations.

Accessibility

The analysis shows that seagliders will increase accessibility for residents, creating pathways to high-paying jobs and educational opportunities and providing lifesaving medical care and timely natural disaster relief.

“Understanding the feasibility of offering seaglider transportation in Hawai‘i will inform potentially new reliable and affordable transportation options for Native Hawaiians on Moloka‘i, Lana‘i and the other neighbor islands to gain better access to healthcare and other essential needs,” said Stacy Kealohalani Ferreira (Ka Pouhana), CEO, OHA. “We look forward to exploring how seagliders as an alternative transportation option will positively impact the overall wellbeing of Native Hawaiians, whether through improving access to jobs and education or providing life-saving services.”

Sustainability

Adoption of the zero-emission vessels will also advance public- and private-sector decarbonization efforts. Seagliders can offset up to 30% of CO₂e emissions from inter-island commercial aviation travel, based on existing energy sources, the study found.

“We’re collaborating with the Hawai‘i Seaglider Initiative to advance our mission to inspire and transform Hawai‘i’s clean energy future,” said David Molinaro, Director, HCATT. “Together, we can make Hawai‘i the leader in zero emission transportation technologies to improve lives and reduce climate risks.”

This year, the Hawai‘i State Energy Office cited all-electric seagliders as part of the state’s decarbonization plans, and HSI was featured in the [Southwest One Report](#) as Southwest Airlines’s first public engagement on battery-electric propulsion technologies with zero direct emissions and [Hawaiian Airlines Annual Sustainability report](#) as a key partner in reducing emissions in the state.

Feasibility

The study also found that seaglider operations would be technically feasible at most Hawai‘i harbors, based on analysis of factors including climatic conditions (waves and wind), utilities, parking, lease availability, accessibility, modifications, potential user conflicts, and major permits.

“Kewalo Basin Harbor could provide the ideal space to host seagliders,” said Craig Nakamoto, HCDA Executive Director. “Soon, the Ala Moana pedestrian bridge will be complete, leading from the harbor and connecting people from other islands to the Kaka‘ako and Ala Moana neighborhoods. The central location offers easy access by many modes of transportation to various service providers, businesses and recreational activities. We’re joining HSI to contribute to modernizing harbors with technology for the future, expanding economic opportunities, and most importantly, connecting people and our communities.”

Next Steps

In 2025, HSI will focus on the necessary seaglider implementation efforts to enable these benefits.

The initiative will explore how to modernize the state’s maritime transportation network and facilitate renewable energy infrastructure; develop education and workforce development programs; and continue to host community events to engage residents and cultural groups.

About the Hawai‘i Seaglider Initiative

The [Hawai‘i Seaglider Initiative \(HSI\)](#) is a consortium of stakeholders from local government, Hawai‘i communities, and the private sector, working to increase understanding and adoption of seagliders in Hawai‘i with a focus on community, culture and the environment. HSI advocates for the use of seagliders as an affordable and accessible transportation option for Hawai‘i communities that will help modernize the state’s transportation network while meeting its net-zero greenhouse gas emissions targets.

About the Hawai‘i Center for Advanced Transportation Technologies

The [Hawai‘i Center for Advanced Transportation Technologies](#) was established in 1993 by the U.S. Air Force and the State of Hawai‘i as a National Demonstration Center for fuel efficient and zero emission transportation technologies for military and commercial needs. HCATT has successfully

executed numerous federal and publicly funded projects and brings significant expertise in hydrogen technology demonstration and validation.

About Office of Hawaiian Affairs

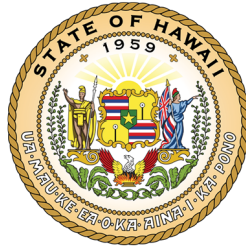
The [Office of Hawaiian Affairs \(OHA\)](#) is a semi-autonomous state agency responsible for improving the wellbeing of all Native Hawaiians. OHA works to improve the wellbeing of Native Hawaiians through advocacy, research, community engagement, land management and the funding of community programs.

About the Hawai'i Community Development Authority

The [Hawai'i Community Development Authority \(HCDA\)](#) is a public entity created by the Hawai'i State Legislature to establish community development plans in community development districts; determine community development programs; and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition. The authority's work should result in economic and social opportunities and aim to meet the highest needs and aspirations of Hawai'i's people.

Attachment

- [Hawai'i Seaglider Initiative](#)



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808)-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

2.) Informational briefing on proposed Land Transfers in relation to OHA's first phase of due diligence for the following areas:*

- Mauna'ala, Nu'uau, O'ahu
- Kānei'olouma Heiau Complex, Kōloa, Kaua'i
- Kahana Valley, Kahana, O'ahu
- Nation of Hawai'i, Waimānalo, O'ahu



INFORMATIONAL BRIEFING

LAND TRANSFERS IN RELATION TO OHA'S FIRST PHASE OF DUE DILIGENCE

Kū'ikeokalani Kamakea-Ōhelo, Director - 'Ōiwi Wellbeing & 'Āina Momona

Lori Walker, Interim Director – Resource Management, Land Division

OVERVIEW

Hawai'i Revised Statutes

Mana I Maui Ola – OHA's 15-Year Strategic Plan

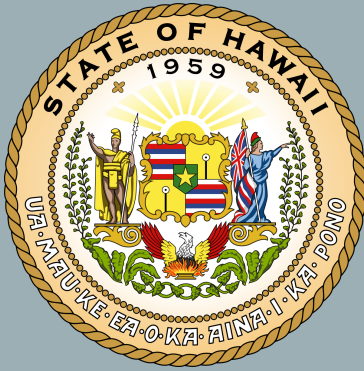
Due Diligence Phase 1

Due Diligence Phase 2

Land Transfers

- Ahupua'a 'O Kahana
- Nation of Hawai'i
- Kānei'olouma Heiua Complex
- Mauna'ala

HAWAI'I REVISED STATUTES

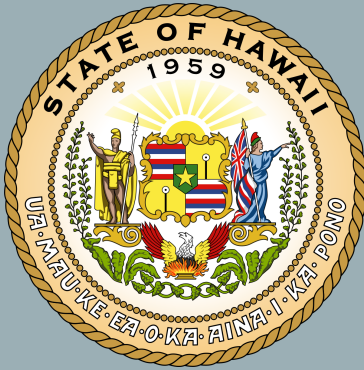


HAWAI'I REVISED STATUTES

Chapter 10

Office of Hawaiian Affairs

- **§10-3 Purpose of the office.** The purposes of the office of Hawaiian affairs include:
 - (1) The betterment of conditions of native Hawaiians.
 - (2) The betterment of conditions of Hawaiians.
 - (6) Serving as a receptacle for reparations.



HAWAI'I REVISED STATUTES

Chapter 10

Office of Hawaiian Affairs

- **§10-4 Office of Hawaiian affairs; established; general powers.** There shall be an office of Hawaiian affairs constituted as a body corporate which shall be a separate entity independent of the executive branch. The office, under the direction of the board of trustees, shall have the following general powers:
 - (2) To acquire in any lawful manner any property, real, personal, or mixed, tangible or intangible, or any interest therein; to hold, maintain, use, and operate the same; and to sell, lease, or otherwise dispose of the same at such time, in such manner and to the extent necessary or appropriate to carry out its purpose.
 - (4) To enter into and perform such contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States, or with the State, or with any political subdivision thereof, or with any person, firm, association, or corporation, as may be necessary in the conduct of its business and on such terms as it may deem appropriate.

MANA I MAULI OLA



MANA I MAULI OLA

OHA'S 15-YEAR STRATEGIC PLAN

- Strategic Direction:
 - Health Outcomes
- Directional Outcome:
 - Strengthened 'Ōiwi (cultural identity), **Ea (self-governance)**, 'Āina momona (healthy lands and people), Pilina (relationships), Waiwai (shared wealth), Ke Akua Mana (spirituality).
- Strategy 4:
 - Advance policies, programs and practices that strengthen the health of the 'āina and mo'omeheu.
- Strategic Outcomes:
 - **4.1.** Preservation and perpetuation of Hawaiian language, culture, traditions, identity and sense of lāhui;
 - **4.2.** Increase community stewardship of Hawai'i's natural and cultural resources that foster connection to 'āina, 'ohana, and communities; and
 - **4.3.** Increase restoration of Native Hawaiian cultural sites, landscapes, kulāiwi and traditional food systems.

DUE DILIGENCE PHASE I

DUE DILIGENCE PHASE I

(INTERNAL OHA RESOURCES)



General Property Info

Geographic location (mokupuni, ahupuaa, moku), property address, tmk

Property type, size, zoning, tenancy

Owner/seller info

Transaction type, purchase price/acquisition cost, urgency

Maps – parcels, boundaries, utilities, easements, cemeteries, etc.



Property Condition

Existing Infrastructure, Utilities, Structures, Drainage

Natural Resources

Cultural/Historical Resources

Risk Assessment/Liabilities (wildfire, uncontrolled access, flooding, invasive species)



Statement of Intent

Intended Use and Proposed Metrics for Success

Mission alignment – Strategic Alignment Matrix

DUE DILIGENCE PHASE I

(INTERNAL OHA RESOURCES)



Community Outreach

Community Plan (stewardship, sustainability, succession, etc.)



Financials

Risks, Benefits

Include 1, 5, 10 yr capital projection

Management/Operation Costs

Funding Mechanism/Limitations



Evaluation and Recommendation

SWOT Analysis

Recommendation

DUE DILIGENCE PHASE 2

DUE DILIGENCE PHASE 2 (EXTERNAL THIRD-PARTY RESOURCES)

Property Survey (ALTA)

Phase I Environmental Report

Property Condition Report

Land Use and Zoning Report

Land Use Permits

Preliminary Title Report

Ethnohistorical Study

Assessment of Development
Considerations

Natural/Cultural/Historical
Resource Assessments

Review of Existing:
-Lease/Tenancy Agreements
-Vendor Agreements/Service
Contracts
-Court Reports/Litigation/Complaints
-Physical Property
-Insurance Concerns

LAND TRANSFERS

Ahupua'a 'O Kahana
Nation of Hawai'i
Kānei'olouma Heiau Complex
Mauna'ala



AHUPUA‘A ‘O KAHANA

Kahana, Ko‘olaupua, O‘ahu

AHUPUA‘A ‘O KAHANA

General Property Information

Parcel	Tax Map Key	Acreage	Fee Owner	Zoning
1.	5-2-002:001	1,338.66	State (DLNR)	P-1
2.	5-2-001:001	3,881.94	State (DLNR)	P-1
3.	5-1-005:021	5.47	State (DLNR)	P-1
4.	5-1-005:001	7.00	State (DLNR)	P-1
5.	5-2-005:001	4.97	State (DLNR)	P-1
6.	5-2-005:021	12.86	State (DLNR)	P-1
7.	5-2-005:022	0.31	State (DLNR)	R
8.	5-2-005:023	0.28	State (DLNR)	R
9.	5-2-002:040	0.23	State (DLNR)	R
10.	5-2-002:039	0.26	State (DLNR)	R
11.	5-2-002:041	0.23	State (DLNR)	R
12.	5-2-002:042	0.23	State (DLNR)	P-1
13.	5-2-002:051	0.23	State (DLNR)	P-1
14.	5-2-002:050	0.23	State (DLNR)	P-1
15.	5-2-002:049	0.23	State (DLNR)	P-1
16.	5-2-002:052	0.23	State (DLNR)	P-1
17.	5-2-002:043	0.23	State (DLNR)	R
18.	5-2-002:044	0.23	State (DLNR)	R
19.	5-2-002:048	0.27	State (DLNR)	R
20.	5-2-002:047	0.27	State (DLNR)	R
21.	5-2-002:046	0.27	State (DLNR)	R

Parcel	Tax Map Key	Acreage	Fee Owner	Zoning
22.	5-2-002:045	0.28	State (DLNR)	R
23.	5-2-002:021	0.29	State (DLNR)	R
24.	5-2-002:020	0.23	State (DLNR)	R
25.	5-2-002:022	0.23	State (DLNR)	R
26.	5-2-002:023	0.23	State (DLNR)	R
27.	5-2-002:024	0.23	State (DLNR)	R
28.	5-2-002:025	0.23	State (DLNR)	P-1
29.	5-2-002:026	0.23	State (DLNR)	R
30.	5-2-002:027	0.23	State (DLNR)	R
31.	5-2-002:028	0.23	State (DLNR)	R
32.	5-2-002:029	0.23	State (DLNR)	R
33.	5-2-002:030	0.23	State (DLNR)	R
34.	5-2-002:031	0.23	State (DLNR)	R
35.	5-2-002:032	0.23	State (DLNR)	R
36.	5-2-002:033	0.23	State (DLNR)	P-1
37.	5-2-002:034	0.23	State (DLNR)	R
38.	5-2-002:035	0.23	State (DLNR)	R
39.	5-2-002:036	0.23	State (DLNR)	R
40.	5-2-002:037	0.23	State (DLNR)	R
41.	5-2-002:038	0.23	State (DLNR)	R
42.	5-2-002:006	0.23	State (DLNR)	R
43.	5-2-005:020	1.48	State (DLNR)	P-1
44.	5-2-005:003	8.36	State (DLNR)	P-1

Total Acres

5,269.43

of Parcels

44

Parcel Zoning

Residential/Preservation

Residents?

Yes

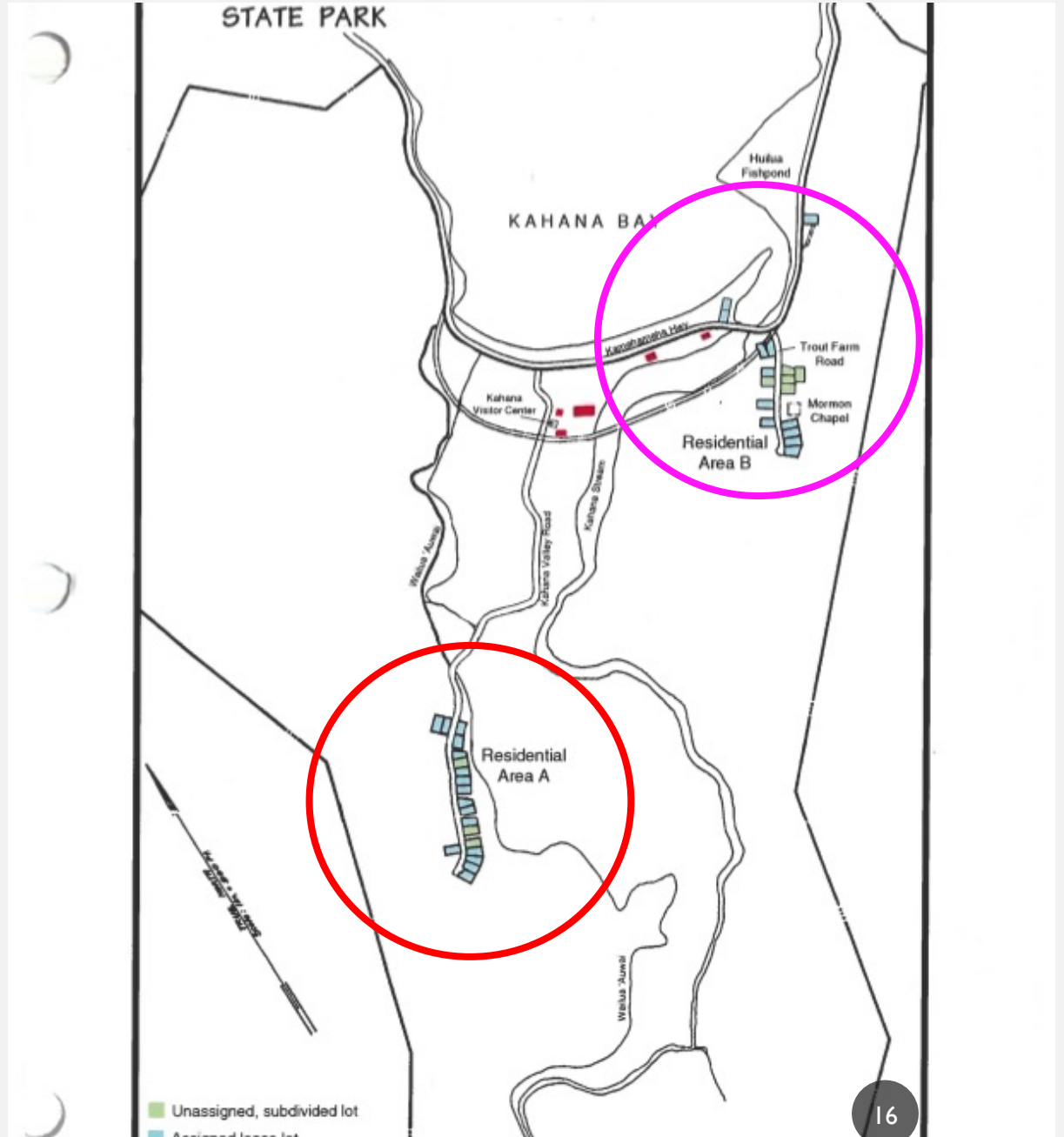
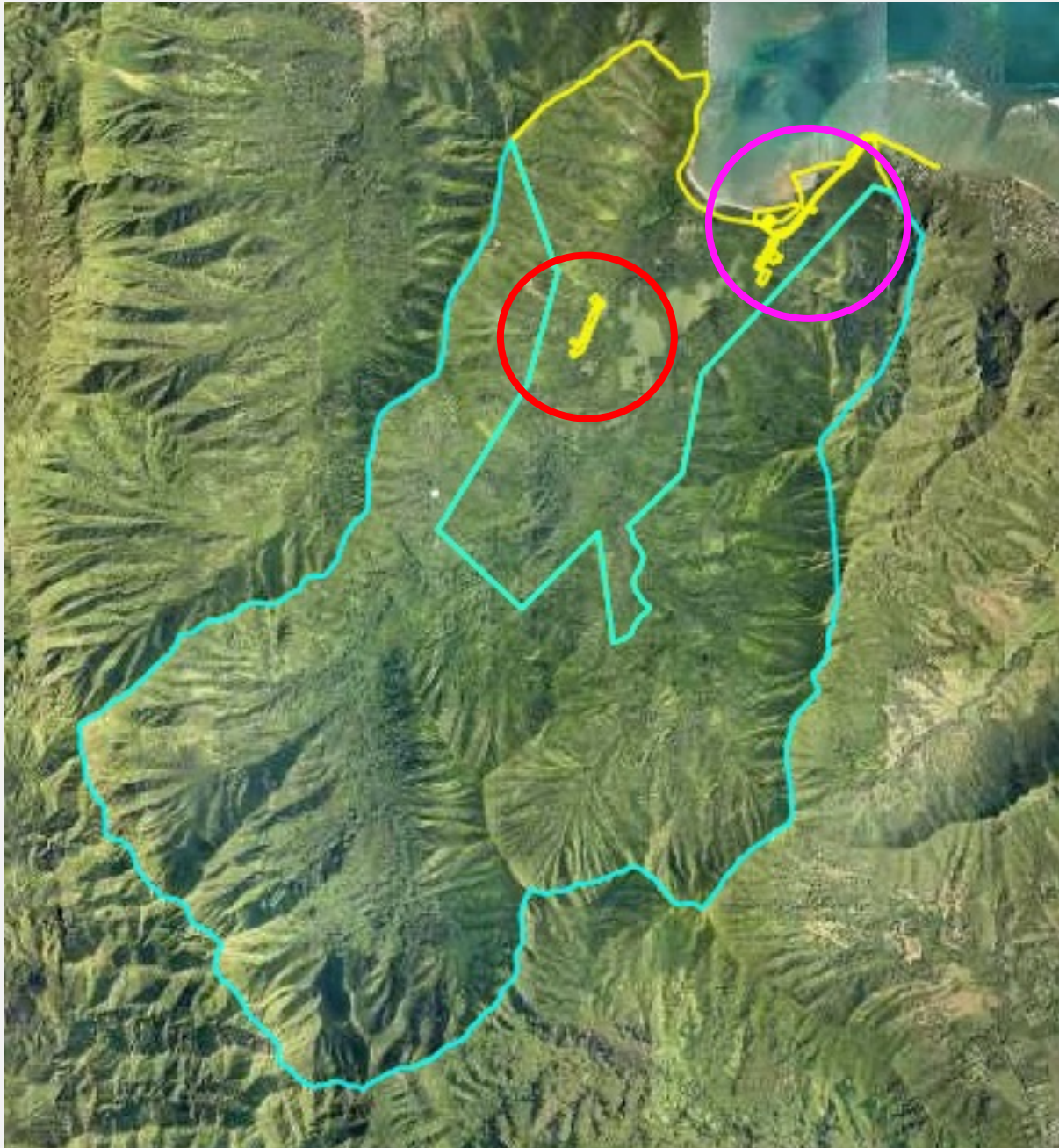
Current Use

State Park

Future Potential

- Ea
- Economic Opportunities
- Ahupua‘a Land Management
- Konohiki Implementation
- Co-stewardship
- Permanency







NATION OF HAWAI'I

Waimānalo, Ko'olaupoko, O'ahu

NATION OF HAWAI'I

General Property Information

Parcel	Tax Map Key	Acreage	Fee Owner	Zoning
1.	4-1-010:103	1,338.66	State (DOA)	A-2



Total Acres

5,269.43

of Parcels

1

Parcel Zoning

Agricultural

Residents?

Yes

Current Use

Community

Future Potential

- Ea
- Economic Opportunities
- Ahupua'a Land Management
- Konohiki Implementation
- Co-stewardship
- Permanency





KĀNEI'OLOUMA HEIAU COMPLEX

Kōloa, Kona, Kaua'i

KĀNEI‘OLOUMA HEIAU COMPLEX

General Property Information

Parcel	Tax Map Key	Acreage	Fee Owner	Zoning ⁴
1	4-2-8-17:13	1.25	County of Kaua‘i	O/ST-P/ST-C ⁵
2	4-2-8-17:24	7.938	County of Kaua‘i	O/ST-P/ST-C
3	4-2-8-17:14	0.86	County of Kaua‘i	O/ST-P/ST-C
4	4-2-8-17:23	0.992	County of Kaua‘i	O/ST-P/ST-C
5	4-2-8-17:11	8.27	County of Kaua‘i	O/ST-P/ST-C



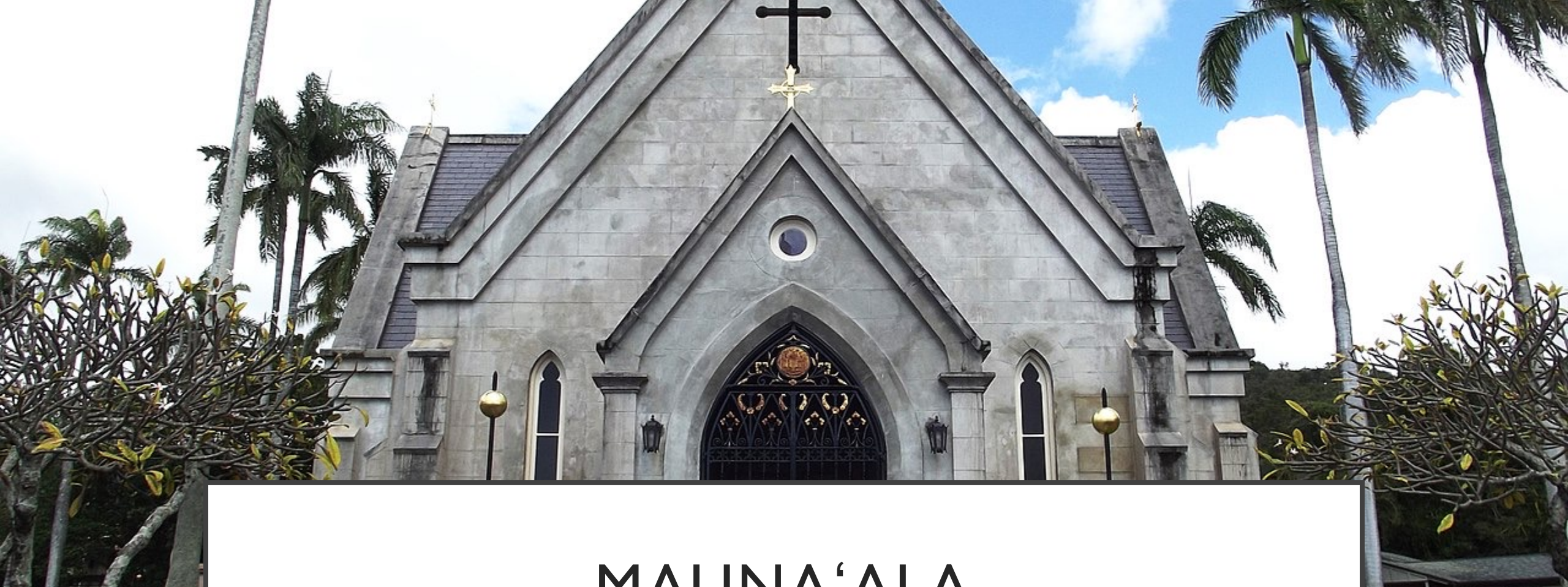
Total Acres	19.31
# of Parcels	5
Parcel Zoning	Cultural/Preservation
Residents?	No
Current Use	Heiau Complex; Parking Lot; Commercial Building
Future Potential	<ul style="list-style-type: none"> • Ea • Economic Opportunities • Ahupua‘a Land Management • Konohiki Implementation • Co-stewardship • Permanency



**MOKU OF KONA
AHUPUA'A OF KŌLOA
'ILI OF WAI'ŌHAI
PO'IPŪ BEACH PARK**



1. Ke Kālewa - Ali'i viewing area
2. Ke Anaina - Spectator viewing area
3. Ka Pā Hale - Housesites
4. Ka Puna 'o Wai'ōhai - Wai'ōhai Spring
5. Ka Loko I'a - Fishponds
6. Hale o I'a - Hale o I'a Fishpond
7. Ka Pā Hula - Hula platform
8. Kihaohuna Heiau
9. Nukumoi - Nukumoi Islet
10. Ho'oleinakapua'a - Ho'oleinakapua'a Bay
11. Po'opōkū - Po'opōkū Point
12. Ka Palena o Kōloa a me Weliweli - Kōloa-Weliweli ahupua'a border
13. Po'ipū - Po'ipū Bay
14. Ka Lo'i Kalo - Taro Patch
15. Ka Pā Hale - Housesites
16. Kani Kōlea - Kani Kōlea section
17. Ka Puna - Spring



MAUNA'ALA

Nu'uano, Honolulu, O'ahu

MAUNA‘ALA

General Property Information

Parcel	Tax Map Key	Acreage	Fee Owner	Zoning
1.	2-2-021:012	1,338.66	State (DLNR)	R

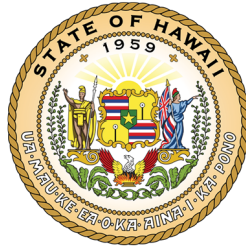


Total Acres	3.341
# of Parcels	1
Parcel Zoning	Residential
Residents?	(1) Kahu; Multiple Ali‘i at Rest
Current Use	Royal Mausoleum
Future Potential	<ul style="list-style-type: none"> • Mālama Ali‘i • Mālama Iwi • Co-stewardship



MAHALO NUI

Nīnau?



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808)-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

3.) Informational Briefing on Limited Liability Companies in relation to OHA's Real Estate Strategies and status updates on real estate governance. *



Kaka'ako Makai

Execution Options and Use of LLCs

Background

- The Board of Trustees (BOT) approved a portion of Action Item 24-05 on October 31, 2024. The approved Action Item is related to real estate strategies for both Investment Lands and Non-Investment Lands.
- The deferred items relate to use of LLCs and matters pertaining to unlocking embedded value within Kaka'ako Makai.
- The approved strategies related to **Investment Lands** include the following:
 - Strategy #1: Increase financial returns
 1. Adopt an investment policy that all new investments must be supported by rigorous due diligence and demonstrate the investment can achieve a 5% rate of return plus CPI and meet or exceed industry benchmark returns
 2. Exclude development property from future purchase
 3. Improve operational efficiency and effectiveness
 4. Create a Profit Enhancement Team to target high impact initiatives near term
 5. Achieve pay parity with external employment market to support recruitment and retention
 6. *Deferred*

Background

- Strategy #2: Improve Performance Management and Reporting
 1. Adopt the National Council of Real Estate Investment Fiduciaries National Property Index as the benchmark for real estate performance and report quarterly
 2. Select additional performance metrics for the portfolio
 3. Include Investment Lands in the Native Hawaiian Trust Fund
 4. Redesign performance reports for Hawai'i Investment Lands to provide a snapshot of performance for the investment team and Board of Trustees

Background

➤ Strategy #3: Reduce Operational Risk

1. Target a 10% to 20% allocation to Hawai'i Investment Lands
2. Institute formal training for asset managers and division leaders within real estate group
3. *Deferred*
4. *Deferred*
5. Develop an environmental remediation approach for Kaka'ako Makai
6. Develop a bulkhead retention/renovation plan for Kaka'ako Makai
7. Maintain portfolio debt levels so the debt service coverage ratio does not exceed 130% for an individual asset or 175% for the entire portfolio
8. Reduce allocation to non-Hawai'i real estate within the Native Hawaiian Trust Fund
9. Amend the organizational spending policy to be equal to 5.0% of the Native Hawaiian Trust Fund exclusive of real estate plus the free cash flow generated from Hawai'i real estate

Background

➤ *Strategy #4: Deferred*

- Strategy #5: Generate Non-Financial Outcomes Aligned with the Strategic Plan
1. Adopt a built-environment stewardship ethos
 2. Develop an environmental / hazardous materials management program for the portfolio
 3. Promote Native Hawaiian businesses without diluting financial returns
 4. Partner with DHHL to expand housing opportunities on OHA's existing Investment Lands or new lands acquired without diluting financial returns
 5. Be a leader in the care and protection of iwi kupuna in the urban core

Background

- The approved strategies related to **Legacy Lands** include the following:
 - Strategy #1: Provide Long-Term Financial Stability for Stewardship Activities
 1. Base stewardship budgets on either a) a percentage of the Native Hawaiian Trust fund spending allocation or b) a percentage of the organization's overall budget
 2. Create a Revenue Enhancement Group responsible for expanding alternative funding sources
 3. Partner with other organizations to augment OHA's commitments
 4. Develop new revenue opportunities from on-site activities
 5. Sell or transfer select Legacy Lands that have low cultural or environmental values

Background

- Strategy #2: Optimize Environmental and Cultural Stewardship
 1. Streamline land management plans
 2. Engage with Native Hawaiian community when developing land plans
 3. Incorporate operational goals and performance metrics into all management plans and report on progress quarterly
 4. Achieve pay parity with external employment market to support recruitment and retention
 5. Sell or transfer select Legacy Lands that have low environmental or cultural values
 6. Adopt an investment policy for Legacy Lands that targets properties in areas with high concentrations of Native Hawaiians and/or lands that have rich cultural and environmental resources

Background

- Strategy #3: Expand Programmatic Outcomes on Legacy Lands
 1. Adopt standard metrics for programmatic outcomes and report on progress quarterly
 2. Expand land-based and traditional educational offerings on Legacy Lands
 3. Establish an entitlement team to rezone portions of the Legacy Lands for residential use where appropriate
 4. Partner with DHHL to expand housing opportunities on OHA owned lands
 5. Expand traditional and non-traditional agricultural uses on OHA lands where appropriate
 6. Adopt an investment policy targeting Legacy Lands with rich programming opportunities
 7. Expand GIS capabilities

Background

➤ Strategy #4: Reduce Operational Risks

1. *Deferred*

2. Perform a holistic insurance review
3. Identify, map, and provide mitigation options for on-site risks at each property
4. Increase internal staffing
5. Integrate risk management criteria into the new Investment Policy

Kaka'ako Makai Ownership Objectives

- The primary purpose for Kaka'ako Makai is to generate a minimum 5% real rate of return (e.g., 5% plus inflation) and to meet or exceeds industry benchmark returns.
- A secondary objective is to create a piko in urban Honolulu that will be a gathering place for Native Hawaiians, including dedicating a portion of the site for a significant programmatic element such as a cultural center.

OHA's Challenges with Advancing Kaka'ako

- No consensus on development vision or how to proceed (e.g., sale, joint venture, ground lease, other)
- Limited staff and lack of internal skills to establish an executable plan
- Lack of full-time focus due to other organizational priorities
- Failure to maintain consultant continuity to advance the project
- Governance elevates too many decisions to the Board of Trustees
- OHA's focus has been getting the zoning OHA wants rather than working with the zoning in place
- \$15 to \$20 million needed for studies and predevelopment activity to optimize parcel pricing, not including G&A.
- OHA is a political body, not a development/investment entity
- The development community is skeptical of OHA's ability to execute on a vision

Five Execution Alternatives

1. **Status Quo** – Conduct land planning and make limited horizontal improvements (e.g., infrastructure) without modifying the current OHA decision making structure.
2. **Bulk Sale** – Exit the investment by selling the lands to a development entity other than those portions OHA retains for cultural/programming purposes.
3. **Master Joint Venture** – Select a development partner who will master plan the property and make limited horizontal improvements to optimize land pricing from future sales, joint ventures or ground leases.
4. **Master Ground Lease** – Ground lease all 30.7 acres to a development entity who will master plan the property and execute a development program.
5. **LLC** - Conduct land planning and make limited horizontal improvements (e.g., infrastructure) within a wholly owned LLC with separate staff and governance.

Execution Option – Status Quo

High Risk/Low Return

Pros	Cons
<ul style="list-style-type: none">• Does not require a separate legal structure.• OHA drives the development vision.• Stakeholder transparency.	<ul style="list-style-type: none">• Nothing is being modified to improve future financial outcomes.• Sunshine laws make sensitive development discussions difficult to impossible.• OHA lacks development expertise.• OHA pay structure will not attract personnel needed to formulate or execute a development plan• Governance and board turnover create unique execution challenges.• OHA assumes development risk without LLC protections to limit financial liability.• OHA will fund all project costs.

Execution Option – Bulk Sale

Low Risk/Low Return

Pros	Cons
<ul style="list-style-type: none">• Can be executed within the current OHA structure.• Current staff has the skills to run a sale process with the assistance of an outside advisor(s).• Once sold, significant organizational resources (time and money) will be redirected to the mission rather than real estate development.• Sale proceeds can be reinvested in higher yielding investments more compatible with staff's skill sets.• Eliminates sea-level rise risks to OHA's portfolio.• Eliminates development risks for OHA.	<ul style="list-style-type: none">• Some beneficiaries will be upset with OHA's decision to sell land.• A bulk sale to one party may be priced at a heavy discount to \$200MM due to use limitations, environmental contamination, and bulkhead issues.• Transaction complexity could require phased takedowns, option payments, etc. to secure optimal pricing.• There could be negative PR if the new buyer is able to lift residential restrictions or realizes substantial financial success.• Legislative approval is needed to sell certain OHA-owned parcels in Kaka'ako.

Execution Option – Master Joint Venture

Medium to High Risk/Medium to High Return

Pros	Cons
<ul style="list-style-type: none">• Current staff has the expertise to market the property and select a JV partner with the assistance of an outside advisor(s).• JV Partner will bring development expertise to the partnership.• JV Partner will provide capital to fund pre-development activities and horizontal infrastructure.• OHA does not need to internally staff for development.• Higher probability for a financially successful outcome.	<ul style="list-style-type: none">• Profits will be shared with the JV Partner, who will likely make more than OHA.• The JV Partner's vision may differ from OHA's vision.• The JV will use LLC structures.• There will be limited BOT control over activities of JV except on major decisions. OHA must be willing to give up most control.• OHA will indirectly pay for their prorated share of staffing and predevelopment costs as these are expenses to the development.• There may be tax consequences for the JV.• Selecting the wrong JV Partner can lead to many adverse outcomes.• Legislative approval is needed to sell certain OHA-owned parcels in Kaka'ako.

Execution Option – Master Ground Lease

Low Risk/Low Return

Pros	Cons
<ul style="list-style-type: none">• Limited development risk to OHA under a ground lease structure.• OHA will have negligible future capital outlays as master ground lessee will be responsible for most planning and development costs.• OHA does not need to internally staff for development.• Secure and stable income stream once the master ground lease transitions to individual ground leases for each development parcel.	<ul style="list-style-type: none">• Master ground leases are incredibly complicated to negotiate. Staff will require assistance of sophisticated external advisors throughout the process.• Many developers will not build under a ground lease structure, which could affect quality of the Lessee and pricing.• Ground leasing will generate the lowest returns to OHA but also has the lowest risk.• There will be limited BOT control over activities of development except those that can be reasonably negotiated as part of a ground lease.• Substantial risk if the wrong Master Ground Lessee is selected.

Execution Option – Single Purpose LLC

Medium to High Risk/Medium to High Return

Pros	Cons
<ul style="list-style-type: none">• Provides indirect OHA control while ceding day-to-day decision making to experienced professionals.• Staffing limitations are resolved by allowing the LLC to hire staff at a market compensation level.• A Board with real estate expertise brings needed oversight to the development program.• OHA can appoint trusted parties to the Board of the new entity.• Liability can be contained within the LLC.• Redirects significant organizational resources (time and money) to mission related outcomes and lets a separate entity harvest value from Kaka‘ako Makai.• Overcomes the challenges of developing within OHA structure.• Policies and procedures specific to development are not needed at the OHA level.	<ul style="list-style-type: none">• No obvious capital funding plan other than a sale of one parcel or capital infusion by OHA.• Cash flow of \$2.0MM per year will likely be reinvested in site-specific planning near term rather than made available for mission-related spending.• Higher overhead costs will reduce near term cash flow.• Does not eliminate development risk to OHA.• Income may be subject to taxation.• Legislative approval may be required for the LLC transfer.• The new entity is separate from OHA and may make decisions that are at odds with BOT changing priorities.• Stakeholder concerns with LLC structure.

Ranking of Recommendations

1. Single Purpose LLC
2. Master Joint Venture
3. Bulk Sale
4. Master Ground Lease
5. Status Quo

What is an LLC

- An LLC is a limited liability company.
- It is a common business structure used by almost all real estate investors and operating companies.
- The LLC structure limits the amount of financial risk for an owner.
- The owner of an LLC can be a person or another legal entity (e.g., a corporation or partnership).
- An LLC can be single-member or multi-member.
- Owners exercise control over the LLC through an Operating Agreement.
- Day-to-day decisions are typically made by dedicated staff or a managing member.
- Major decisions typically require a vote of all the Members.

What are OHA's controls?

- OHA's controls will be limited to those set forth in the LLC Operating Agreement.
- OHA should allow LLC to handle most day-to-day activities but reserve approvals for the following:
 - ✓ Sale of land
 - ✓ Issuance of new debt
 - ✓ Capital commitment for vertical development
 - ✓ JV for future project
 - ✓ Ground lease
- OHA should retain the ability to fire the Board or dissolve the LLC.
- Operating Agreement should have regular LLC reporting obligations.