

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

March 8, 2022 1:30 p.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Leina'ala Ahu Isa
Trustee Dan Ahuna
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brendon Kalei'aina Lee
Trustee C. Hulu Lindsey
Vacancy, Hawai'i Island

BOT STAFF:

Crayn Akina
Melissa Wennihan

ADMINISTRATION STAFF:

Sylvia Hussey, CEO / Ka Pouhana / Administrator
Casey Brown, COO / Ka Pou Nui
Ahia Dye, GRANTS
Angela Lopes, GRANTS
Clarence Aikū'e Kailma, NHRLF Manager
Daniel Santos III, IT
Edna Johnson, GRANTS
Everett Ohta, Corporation Counsel
Karlen Oneha, GRANTS
Kevin Chak, IT
Maile Lu'uwai, GRANTS Manager
Miki Cachola Lene, GRANTS
Nietzsche Ozawa, Corporation Counsel
Ramona Hinck, CFO
Strather Ing, GRANTS

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Tuesday, March 8, 2022 to order at **1:30 p.m.**

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

MEMBERS			AT CALL TO ORDER (1:30 p.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	LEINA'ALA	AHU ISA	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	CARMEN HULU	LINDSEY	PRESENT	
TRUSTEE	HAWAI'I ISLAND			VACANCY

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

Chair Waihe'e announces that a change in the agenda has been made and we will not be hearing Item V.B. – RM #22-04 due to legal recommendations.

II. PUBLIC TESTIMONY on Items Listed on the Agenda*

RM Staff Akina notes for the record that two written testimony submissions were received relating to agenda Item V.A. – RM #22-03. One from Richard Pezzulo and one from Bob Leinau, both in SUPPORT of the reappointment of Leilani Kūpahu-Marino Kaho‘āno. Those testimonies were emailed to RM Committee Members and key staff as they were received more than 24 hours prior to the meeting.

Both written testimony submissions are attached to this RM Minutes document.

III. APPROVAL OF MINUTES

A. February 15, 2022

Trustee Ahuna moves to approve the minutes of February 15, 2022.

Trustee Akaka 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**.

							1:33 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY			X			
HAWAI'I ISLAND	TRUSTEE						VACANCY
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	0

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. APPROVAL OF MINUTES

B. February 22, 2022

Trustee Akaka moves to approve the minutes of February 22, 2022.

Trustee Lindsey 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**.

							1:34 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA	1		X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY		2	X			
HAWAI'I ISLAND	TRUSTEE						VACANCY
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	0

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. UNFINISHED BUSINESS

None

V. NEW BUSINESS

A. ACTION ITEM RM #22-03: Reappointment of Leilani Kūpahu-Marino Kaho'āno as Non-OHA LLC Manager for Hi'ilei Aloha LLC for a 3-year term (2023, 2024, 2025)

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. Trustees, the Board approved the selection and seating of three non-OHA LLC Managers as was directed by the Board back in May of 2019. Administration went through the process of vetting and seating. Then the Board approved the three non-OHA Managers with staggered terms to ensure there is institutional knowledge, as well as carry through.

So now, the first, one-year manager, which is Leilani Kūpahu-Marino Kaho'āno is up for renewal, and Administration is making the recommendation to reappoint now for a three-year period of time. Her updated resume is included in the Action Item, as well as the original action item that was approved back in February of last year, for your reference. If there's any question, please let us know.

Chair Waihe'e asks if there are any questions.

Trustee Lee: Thank you, Mr. Chair. Ka Pouhana, how long can somebody serve?

Pouhana Hussey: I believe we didn't put any parameters on the service terms.

Trustee Lee: Okay, thank you.

Trustee Ahu Isa moves to approve the reappointment of Leilani Kūpahu-Marino Kaho'āno for a three-year term and service period, beginning April 1, 2022 and ending March 31, 2025, as a non-OHA limited liability company manager for Hi'ilei Aloha LLC.

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

Chair Waihe'e recognizes Ka Pouhana.

Pouhana Hussey: Thank you. *May I provide a specificity back to Trustee Lee's question?* Two three-year terms were the parameters.

Trustee Lee: So, there is a term limit, and the first time she served wasn't a full three years, so that wouldn't count.

Pouhana Hussey: I believe so, she only served a one-year term, and now this is the second, but a three-year term, so correct.

Trustee Lee: So, she would be eligible to serve a second, three-year term, after these three years are up?

Pouhana Hussey: I believe so, but we will be sure to check.

Trustee Lee: Okay, thank you.

Chair Waihe'e recognizes Trustee Ahu Isa.

Trustee Ahu Isa: I want to speak in favor of the motion. I don't know if I'm supposed to disclose, but she is my 'Ahahui Ka'ahumanu sister, and she is such a culturally spiritual person. She has a hālau, she's always in the Community, we always see her, of course she is the wife of Kimo Kaho'āno. I really believe that she serves with moral emotion in her heart because it's a non-paid position and you'll notice the two written testimonies really speak in favor of her and her cultural knowledge of the whole valley. 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**.

TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	Motion: 1:38 p.m. Vote: 1:39 p.m. EXCUSED
LEINA'ALA	AHU ISA	1		X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE					1 – KANALUA, 2 – KANALUA = ABSTAIN	
CARMEN HULU	LINDSEY			X			
HAWAI'I ISLAND	TRUSTEE						VACANCY
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	1	0

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

Chair Waihe'e notes for the record that seven (7) members present vote 'AE (YES) and one (1) member ABSTAINS and the **MOTION PASSES**.

V. NEW BUSINESS

B. ACTION ITEM RM #22-04: Approval of \$5,000 in Emergency Relief Disaster Aid to Address the Impacts of the January 2022 Volcanic Eruption and Tsunami in Tonga

This Item was not discussed.

V. NEW BUSINESS

C. Presentation by Administration: State Auditor Report No. 21-10: Follow-Up on Recommendations from Report No. 18-08, Audit of the Office of Hawaiian Affairs' Competitive Grants and Report on the Implementation of 2013 Audit Recommendations, August 2021

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair Waihe'e. Before we get into the specific reports, I wanted to share with you a chart that Administration put together for context. You may be familiar, but I needed to put down all of the different audits that we were engaged in. I wanted to summarize for the Trustees, how the State Performance Audits are done, when there are follow up reports, the numbers, and things like that.

You see on this one chart all the brown columns are all the Performance Audits and by statute, they need to audit OHA every four years. You will see the audits are the 2013 audit, 2017 audit and now they're doing the 2021 audit, so that's the every four-year-cycle.

What you will also see is the Funds Review, the blue columns and those are every five years by statute. Our last audit was in 2016 and now we just finished the 2021 audit for the Review of the Funds, so we'll go through the different reports that have come.

The last column just reminds every year, we have our Financial Audit, we're getting ready to share the drafts with the Board by the end of the month and be able to file those reports in the Federal Audit Data Clearing House, as well as bring an Action Item, as we did last year for the audits.

The Financial Audits will continue to show that this will be our 17th year of clean or unqualified opinions, and so we will go ahead and cover that when we bring that to the Board, but Administration just wanted to give you a context for these reports and how they fit in.

When I first came to OHA we were in the midst of the report, 18-03 and 18-08 were just released by the State Auditor, and these were two reports that were part of the Performance Audit. So, part of the 2017 State Audit engagement, two reports were given, one was issued in February of 2018, and one was issued in June of 2018.

The 18-03 report primarily focused on the non-competitive Grants. At that time, they were identified as Kūlia initiatives and the CEO Sponsorship. The report also covered the Fiscal Reserve, as well as the Trustee Allowances in that report.

Pouhana Hussey: Continuing in that column, the wrap up of this report was just issued last week Thursday, the Trustees received a copy of the cover letter as well as the final report. We had a meeting with the State Auditor in an exit conference, and so Administration will be reviewing their final comments and then we'll bring this report back to the RM committee, similarly.

The 18-08 report focused on policies and actions regarding competitive grants and this report was closed out last summer. This report we're bringing to the Committee, to illustrate that the entire Performance Audit for 2017, now has been closed with the follow up reports that have been issued by the State Auditor's office.

Next, let's jump to column four. We only have one audit that's still open and that's the current 2021 Performance Audit, and the State Auditors have just completed their planning work, in December they issued the audit objectives for this Performance Audit and you will see that this audit is focused on Legacy Land Stewardship contracts, as well as the stewards. It will focus on the process to select potential Commercial Property Acquisitions and it will also focus on development of Commercial Properties, including the planning of development. We are awaiting the document requests, interviews are being scheduled by the State Auditor's office for this next phase of fieldwork, so Administration will be focusing on this Performance Audit in the next few months.

The two blue columns are the special Funds Reviews; so these are not Audits, these are reviews of Special Trust Revolving Funds, and the last review was in 2016, so, five years later, the 2021 review was just completed, and that is the report that we are reviewing today as well.

Just for context, Administration just wanted to give you a context for all of the audits, at one time we had four audits going on at the same time, because they were in different phases of completion. Right now, we just have two, one is the Performance Audit and then our Financial Audit and by the end of this month, we should be bringing that to closure for the Trustees

Any questions before we actually go down into each of the reports?

There are no questions.

	1. Performance Audit 2013 State Auditor	2. Performance Audit 2017 State Auditor		3. Funds Review 2016 State Auditor	4. Performance Audit 2021 State Auditor	5. Funds Review 2021 State Auditor	Financial Audit 6/30/2021 N&K CPAs
Initial Report No.	13-07 (September 2013)	18-03 (Feb 2018)	18-08 June 2018)	16-10 (December 2016)	In progress	22-02 (Feb 2022) 3/8 RM Cmte	N/A
Primary Focus	Land planning and grant monitoring	Non-Competitive grants (Kulia Initiatives and CEO Sponsorship, Fiscal Reserves, Trustee Allowance	Policies and actions re: Competitive Grants	Special Funds, Revolving Funds, Trust Funds, Trust Accounts	Objectives (CY2019-2021): 1) Legacy Land Stewardship Contracts and Stewards; 2) Process to select potential commercial property acquisitions; and 3) Development of commercial properties, including planning of development	Special Funds, Revolving Funds, Trust Funds, Trust Accounts	17 years of "clean" or "unqualified" opinions from auditors (6/30/2004): Grant Thorton, LLP, PKF Pacific Hawaii LLP, KMH LLP and N&K, CPA's Inc.
Follow Up Report No.	18-08 (June 2018)	22-04 (March 2022)	21-10 (Aug 2021) 3/8 RM Cmte	N/A	N/A	N/A	N/A
Status to Date	Published	Published To be scheduled for March 2022	Published	Published	In Progress		To be scheduled for March 2022 including NHRLF Single Audit

Pouhana Hussey: The first report that is in the packet is 21-10 which is the follow up to 18-08.

This was issued last Summer. This focused on the Competitive Grants and the outcome was that we had implemented 10 of 11 of the recommendations and the only reason they partially marked the last one is because it was a follow up on review in October and, at the time they issued it, it wasn't complete because of the review process.

Maile is on. Maile and the Grants Program is significantly credited for the reason we have such positive outcomes. When she first came to the entity, she and her team worked very, very hard.

Maile, I'll ask you to turn on your camera and also provide any feedback for the Trustees tremendous amount of work; from policy, to procedure, to process, to bringing up a brand new Grants system. Putting all of that, educating the Grantees and then Monitoring to that, and because of this I'm convinced that this is the reason that all 10 of the 11, and this Audit Report is closed out of the Performance Audit. I want to mahalo Maile personally, because I know the amount of hours she put in to drive all of the changes that are made. Sometimes, much to the unhappiness of our grantees, because of the processes that were changed, but overall, for our granting process a much better outcome for us.

Of course, we continue to have process improvements each cycle, as we learn more and more about granting and efficient and effective processing. So, Trustees if you have any questions about 21-10, which is a follow up of 18-08.

There are no questions.

Pouhana Hussey: Alright, if there are no questions, then we can move on to the next item.

V. NEW BUSINESS

D. Presentation by Administration: State Auditor Report No. 22-02: Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Office of Hawaiian Affairs, February 2022

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: The next report we have brought to you is one that was recently issued in February and I'm going to ask CFO Mona Hinck to be on because she handled most of the field, for the special review. Again, this is not an audit; this is a review of Special Funds, Revolving Loan Funds, Trust Funds, and Trust Accounts and tying in really to the Department of Accounting and General Services (DAGS). I'll give CFO Mona some time to put some context to this review.

CFO Hinck: First off, I'm pretty sure everybody has seen the report and our responses to their findings, and then their responses to our responses to the findings. I was not particularly happy or satisfied with their response to our responses and I would like to comment on them for the record.

Our responses to the State Auditors are all true. I informed the Deputy State Auditor and the 2 other State Auditors of the difficulties of reporting investment activity, namely revenues, interest, expenditures, and transfers. In fact, I repeatedly tried to reconcile the Total Revenues and Total Expenses for the 5 years under review using different models and applying various assumptions and I was unable to do so consistently under a single model and assumptions. This was communicated to the State Auditors from the beginning of this review and throughout. So, if Mr. Kondo was unaware of my emails and meetings with his State Auditors about this issue, that is not my responsibility to inform him. Clearly, the State Auditor's Office collaborated on this report collectively. Mr. Kondo's response that I was "misleading and disingenuous" is like the Pot calling the Kettle black. That said, as a CPA for over 25 years and not able to reconcile the revenues, expenses using any models or assumptions consistently for the 5 years under review, would require me to report numbers that I knew were incorrect and that is unethical.

In addition, according to the review report, page 10 - the Native Hawaiian Revolving Loan Fund is a fund which serves the purpose for which it was created and meets the criteria for a revolving fund. According to HRS 37-62 a Revolving fund is separately defined from a Special fund which excludes revolving funds and trust funds. NHRLF is a Federal fund and so designated on FAMIS, DAGS accounting system. The requirements for the review from the State Auditor specifically excludes Federal funds. NHRLF was not established by general fund seed money as described on page 2 of the report. It was jointly funded by a series of seven Grants from the Administration for Native Americans and OHA. It is a federal fund and is externally audited and its audit report is filed with the Federal Audit Clearinghouse. In addition, the statute was put into place after to the establishment of the Native Hawaiian Revolving Loan Fund, hence not applicable to years prior to 2017. Mr. Kondo indicated there was an amendment that would now require the NHRLF to file a 37-52.5 report going forward, however, he did not produce that amendment. He cloaks it with innuendos that OHA is not transparent with the Legislature when in fact the Single Audit is accessible via the Federal Audit Clearinghouse website and on our OHA.org webpage under Financial Transparency. So, the fact that Mr. Kondo does not address those facts in our response to his findings is, in my opinion... misleading and disingenuous.

CFO Hinck: Thank you.

Pouhana Hussey: Chair Waihe'e, to put context to that. CFO Hinck is referring to page 19 of the Audit report, which is of the review report, which is electronic file 150 and the sequence, you will see our response is after his response.

So, Trustees just so you know - you hold the exit conference, you put out this, we send our comments into that and then, of course, they have the last word. So that last word is there. So just for that context, Trustees, we thought it was important that Mona gave this context because words such as misleading and disingenuous are seriously taken.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Mr. Chair. Ramona, thank you so much for that detailed response to someone who he himself has been disingenuous with this Board, since I have been a Trustee.

I would also like to state 'for the record' that State Auditor Kondo is not a certified CPA. So, our CFO is following what the law requires her to do. I will also state *for the record* that State Auditor Kondo is an attorney. His license with the State may be on hold while he's acting as the State Auditor, he's not an active attorney, but he is a licensed attorney. So he understands what it means to have to follow the law, and I wanted to make sure that all of that was stated *on the record*. Thank you, Mr. Chair.

Chair Waihe'e recognizes Trustee Ahuna.

Trustee Ahuna: First of all, I too would personally like to strongly thank Ramona for having the balls to even say those things. There's this false narrative that goes around about OHA, and this is somebody who is sticking up and standing up for who we are, we're passionate people. Because we hear this false narrative all the time, and you come in here with facts and truth and you're trying to report the truth and these guys are still misleading. All they want to do is put us down, so thank you, Ramona. Thank you so much.

Chair Waihe'e recognizes Trustee Akaka.

Trustee Akaka: I want to mahalo Ramona and all of those that have worked so diligently on this. It is important that you highlighted the inappropriate actions of the auditor because there needs to be proper checks and balances in the system and as it is right now, that is not the case. Mahalo nui for highlighting this, it's important for everyone to know the truth in this matter. Mahalo nui.

Chair Waihe'e recognizes Trustee Ahu Isa.

Trustee Ahu Isa: I would also like to mahalo Ramona.

Chair Waihe'e: Thank you, Ramona. *Are there any more comments or questions on this?*

There are no further comments or questions.

V. NEW BUSINESS

E. Presentation by Administration: Native Hawaiian Revolving Loan Fund Update, Semi-Annual Report, Including Quarters 1 (9/30/2021) and 2 (12/31/2021)

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. We'll have NHRLF Manager Aikū'ē Kalima come on and he has a Power Point to share that's in the Board packet.

NHRLF Manager Kalima: Aloha, Good Afternoon. Mahalo, Sylvia. I just wanted to introduce myself, my name is Aikū'ē Kalima and I am the OHA's Loan Fund Manager with Native Hawaiian Revolving Loan Fund (NHRLF), I just wanted to say mahalo to OHA Administration and to the Board of Trustees' Committee on Resource Management for this opportunity to share the progress of the Native Hawaiian Revolving Loan Fund.

Just a little bit about myself, I have been with OHA for a little over two years I have been the NHRLF Manager, this March makes one year.

My background is in Mortgage Banking and Consumer Lending. I have 30 plus years of experience in banking and lending. In addition, I am also a HUD-Certified Counselor outside of OHA and I have 20 plus years of experience of providing Direct Services to the Department of Hawaiian Homelands and their beneficiaries. I just wanted to say that I am very proud to be in this position serving our lāhui. With that being said, we can get started.

Okay, so here's the topics that I'm going to cover in my presentation:

- The background information about the program,
- The loan products that we offer,
- The eligibility requirements,
- Standard financial documents that are required,
- Our transition from pre-COVID to recovery between Fiscal Year 2019 and the current Fiscal Year our,
- Semi-Annual report outcomes,
- Outcome evaluation,
- NHRLF's program impacts,
- Loan disbursements by purpose,
- Loan disbursements by island,
- Highlights of the program,
- Challenges of the program,
- Lastly, I'll leave some time at the end for questions and answers.



Topics of Discussion	
❖ NHRLF's Program In A Nutshell	❖ Outcome Evaluation
❖ Loan Products Offered	❖ NHRLF's Program Impact
❖ Eligibility Requirements	❖ Loan Disbursements by Purpose
❖ Standard Financial Documents	❖ Loan Disbursements by Islands
❖ Transition from Pre-COVID to Recovery FY 2019-FY 2022	❖ Highlights of the NHRLF Program
❖ Semi-Annual Report Outcomes	❖ Challenges of the NHRLF Program
	❖ Mahalo Nui Loa Q & A

NHRLF Manager Kalima: The OHA NHRLF program was established in 1989. In a nutshell, we provide loans for those who are interested in:

- starting or growing their business,
- education loans,
- home improvement loans,
- as well as debt consolidation.

In 2022 we celebrate 33 years of providing loans to the lāhui.

The program was formed in partnership with the Administration for Native Americans (ANA). In 1987 Congress amended the Native American Programs Act of 1974 to include the Native Hawaiian Revolving Loan Fund and tasked ANA to identify a Loan Administrator.

In 1989, OHA was selected as the Loan Administrator and ANA provided a five-year grant to kick-start the program. In addition, OHA also contributed non-federal funds to the program. So, between 1989 to 2001 ANA contributed approximately 12.9 million dollars and OHA an additional 9.9 million of non-federal funds. The total estimated value of the loan fund is 22.8 million dollars.

Currently, we have about \$17 million available to the lāhui. Since inception, we have funded 67.2 million dollars loans closed, so basically the loan fund has revolved on itself approximately three times.

ANA functions as our Government Regulatory agency, and we are required to provide ANA with quarterly reports to ensure that we are within compliance of our regulations.

We also have our own Board of Directors; whose main purpose is to review loan applications and make a final determination. The Board meets once a quarter and they provide recommendations to help us improve our program. In addition, we also provide a monthly progress report to the Board, as well as OHA's Administration.

NHRLF's Program In A Nutshell
❖ The OHA NHRLF program was established in 1989. 2022 represents 33 years of OHA providing loan funds to Native Hawaiians.
❖ Formed in partnership with Administration for Native Americans (ANA)
❖ 1989 to 2001 – ANA contributed approximately \$12.9 Million and OHA an additional \$9.9 Million of non-federal funds. The total estimated value of the loan fund is \$22.8 Million.
❖ \$67.2 Million Closed; Revolved over 3 times
❖ ANA functions as Government Regulatory agency
❖ The NHRLF Board of Directors main purpose is to review loan applications and make a Final Loan Determination.

NHRLF Manager Kalima: Our Board is made up of seven volunteers, six from the Community, and one from OHA. Our board is made up of a very diverse group of individuals from various professional backgrounds.

On Kaua'i, we have Mike Tresler, who is the Finance Management Officer for the County of Kaua'i, and he serves as our President

On O'ahu, we have two Board of Directors; Liane Khim, who is a Commercial Banker with American Savings Bank, who serves as our Vice President and Al Tanaka, who is a retired District Manager with One Main Financial, serves as our Secretary.

On Moloka'i we have Wilmina English, who is a retired Social Service Provider with Lili'uokalani Trust.

On Maui, we have Wayne Wong, who is the Maui Center Director and Senior Business Advisor with Hawai'i Small Business Development Center.

On the Big Island, we have Kirstin Kahaloa, who is a Portfolio Manager with Kamehameha Schools.

Our OHA representative position is currently vacant right now, but we look forward to filling that position with Keith Makale'a Gutierrez, who is a Research Program Manager, with OHA.

NHRLF Board of Directors

The NHRLF Operational Guidelines approved by the Administration for Native Americans (ANA) in August 2019 states that the NHRLF BOD shall be responsible for the final approval or denial of loans. The BOD consists of the seven (7) volunteers who support the program.

	Name	BOD Title	Island	Current Expiration Date
1	Mike Tresler	President	Kaua'i	2 nd term ends 09/30/2022
2	Liane Khim	Vice President	O'ahu	1 st term ends 03/31/2022
3	Alvin Tanaka	Secretary	O'ahu	1 st term ends 10/31/2022
4	Wilmina English	Member	Molokai	1 st term ends 06/30/2024
5	Wayne Wong	Member	Maui	1 st term ends 11/30/2024
6	Kirstin Kahaloa	Member	Hawai'i Island	1 st term ends 11/30/2024
7	Vacant	OHA Representative	O'ahu	TBD

NHRLF Manager Kalima: Here are our current Loan Program Products that we offer, we offer personal loans and business loans.

We offer three personal loans:

- The Mālama Education,
- Mālama Debt Consolidation, and
- Mālama Home Improvement Loan.

We also offer two business loans:

- The Mālama Business and
- The Hua Kanu Business Loan.

The Mālama Education Loan is intended to help beneficiaries who need assistance with school tuition and it can also be used towards books and for supplies. The loan amounts range between \$2,500 to \$20,000. The interest rates vary between 5.00% to 6.00% and what determines the interest rate is a tiered pricing.

NHRLF Manager Kalima: So, for a Tier 1 applicant if their credit score is 650 or above - they're considered Tier 1. They can qualify for a 5.00%.

If they have a credit score between 600 to 649 - they're considered a Tier 2 applicant and they can qualify for 6.00%.

On a Debt Consolidation Loan, the loans range between \$2,500 to \$20,000. Interest rates between 5.00% to 6.00%.

On a Home Improvement Loan, loans range between \$2,500 to \$100,000. The renovation loan may be used towards home repair, extending a home, a retaining wall, a driveway, fencing, sidewalk, or to purchase appliances.

On our business loans, the Mālama Business Loan is intended to help startup businesses or businesses who are interested in working capital, the loans range between \$2,500 to \$100,000 and the interest rate starts at 4.00%.

For Hua Kanu Loans, the loan amounts range between \$150,000 to \$1 million and this is for existing businesses who are interested in purchasing equipment or also for working capital.

NHRLF Manager Kalima: We also offer a Disaster Relief Loan.

A Disaster Relief Loan is offered to beneficiaries who have been impacted by natural disaster; a natural disaster is considered as:

- Rain
- Wind
- Hurricane
- Flood
- Fire
- Earthquake; or
- Lava eruption

If a beneficiary has been impacted by any of those things, they are eligible for a Disaster Relief Loan. The loan goes up to \$20,000 and the interest rate is 4.00%. The first six months of the payments may be deferred.



NHRLF Manager Kalima: Here are the eligibility requirements:

- The applicant must be a U.S. Citizen, State of Hawai'i resident, at least 18 years of age and of Native Hawaiian Ancestry
- Credit score of 600 or above for Business, Education and Home Improvement Loans
- Credit score of 650 or above for Debt Consolidation
- A Debt-to-Income Ratio requirement of 45% or less
- A Debt Service Coverage Ratio for Business is a minimum of 1.25%.
- Co-applicant on a business must be of Native Hawaiian ancestry
- Business must also be 100% Native Hawaiian-owned.

Eligibility Requirements

- Applicant must be a U.S. Citizen, State of Hawai'i resident, at least 18 yrs. of age and of Native Hawaiian Ancestry
- Credit score of 600 or above for Business, Education, and Home Improvement
- Credit score of 650 or above for Debt Consolidation
- Debt-to-Income Ratio requirement is 45% or less
- Debt Service Coverage Ratio for Business is a minimum of 1.25%
- Co-applicant must be of Native Hawaiian ancestry
- Business must be 100% Native Hawaiian owned

NHRLF Manager Kalima: Standard Financial Documents

For Personal Loans

- Proof of Hawaiian ancestry, we will accept an OHA I.D. card, a DHHL Lease or Waitlist number, or Kamehameha Schools Database verification
- Driver's license or state I.D.
- Two years recent Federal Tax Returns, all schedules
- Two years recent W-2 Form(s)
- One-month current consecutive pay stubs

For Business Loans

- All applicable Consumer Loan documents are required, in addition to
- Certificate of good standing from DCCA
- Business Plan
- If it's an existing Business, more than two years in business, YTD Profit & Loss and Balance sheet

- If it's a startup Business, less than three years in business, current business plan to include three-year Profit and Loss forecasts.
- Up to three years business tax returns may be required, depending on the loan amount
- Breakdown of use of funds; and
- Itemized list of assets to use as collateral, if applicable

<u>Standard Financial Documents</u>	
Personal Loans	Business Loans
<ul style="list-style-type: none"> ❖ Proof of Hawaiian Ancestry (OHA I.D., DHHL Lease or Wait List No., KS Database) ❖ Driver's License or State I.D. ❖ 2 years recent Federal Tax Returns all schedules ❖ 2 years recent W-2 Form(s) ❖ 1-month current consecutive pay stubs 	<ul style="list-style-type: none"> ❖ All applicable Consumer Loan documents ❖ Certificate of Good Standing from DCCA ❖ Business Plan ❖ Existing Business (more than 2 years in business) YTD P&L and Balance Sheet ❖ Startup Business (less than 3 years in business) current business plan to include 3-year P&L forecast ❖ Up to 3 years business tax returns may be required depending on loan amount ❖ Breakdown of use of funds ❖ Itemized list of assets to use as collateral (if applicable)

NHRLF Manager Kalima: Here's a recap of where the Program has come from over the last three Fiscal Years, as well as the current Fiscal Year. This slide shows the number of applications generated, the number of loans approved, and the number of loans disbursed.

In FY 2019, the Program was operating with a staff of four. The program should be operating with a staff of five. The Loan Manager at the time, also performed the duties of the Finance and Operations Officer. During this time, the program originated 129 Mālama loans, approved 69, and disbursed 67 loans for \$1.4 million. They also originated three Hua Kanu applications, approved three and disbursed three Hua Kanu loans for \$1.9 million.

In FY 2020, the Program was impacted by the COVID-19 pandemic in the ending of the third quarter. The program originated 86 Mālama loan applications, approved 51 and disbursed 51 loans for \$944,338. They also originated two Hua Kanu loans, approved one, and disbursed one loan for \$500,000.

In FY 2021, in the beginning of the Fiscal Year, the Program lost its Loan Manager. The then Loan Underwriter stepped up as the Interim Manager and took over the kuleana of the Loan Manager, the Finance Operations Officer, and the Loan Underwriter position.

It wasn't until the ending of quarter three that I joined the Program. During this time, the Program originated 106 Mālama Loan applications, approved 21, and disbursed 20 loans for \$553,476. They also originated three Hua Kanu Loans, approved one, and disbursed one loan for \$1 million.

In FY 2022, the beginning of this fiscal year we lost our Loan Underwriter; which left myself and the Loan Officer to assume loan-underwriting responsibilities. Administration provided us with assistance from RPG Accounting Consultants, to help us with our fiscal reports, as well as our ANA monthly performance.

Our priority was to originate loans, which is what we did. We originated 63 applications, approved 30 loans, and disbursed 25 loans in the first six months of this Fiscal Year for \$689,305. In the fifth month of this Fiscal Year we have funded more loans than the entire Fiscal Year of 2021.

NHRLF Manager Kalima: We are on track to probably close more loans, then loans that were closed in the last two years. We did not originate any Hua Kanu loans during this period of time, but in the third quarter, we have already originated three Hua Kanu loans and one is in underwriting right now.

CATEGORY	APPLICATIONS		APPROVED		DISBURSED	
	#	\$	#	\$	#	\$
FISCAL YEAR						
FY 2019	129	3,308,680	69	1,570,095	67	1,400,848
FY 2019 (Hua Kanu)	3	1,950,000	3	1,950,000	3	1,950,000
FY 2020	86	437,801	51	1,895,249	51	944,338
FY 2020 (Hua Kanu)	2	1,500,000	1	500,000	1	500,000
FY 2021	106	1,439,300	21	563,195	20	553,476
FY 2021 (Hua Kanu)	3	2,000,000	1	1,000,000	1	1,000,000
FY 2022 YTD	63	1,777,087	30	821,802	25	689,305
FY 2022 (Hua Kanu)	0	0	0	0	0	0

NHRLF Manager Kalima: This is our Semi-Annual Report, I'm just going to go over each of the performance measures with you.

Our first performance measure is Geographic Disbursement of Loans to Native Hawaiians.

As you can see, on the Left column, it shows you the goal that we have set for ourselves for each of the islands.

The next column shows you, the number of loans that have closed from inception to the ending of last Fiscal Year.

The column after that shows you how many loans we have disbursed during this time period.

Then the column at the far right shows you the Comprehensive Total of how many loans, we have disbursed and the percentage.

So, for example, for the Island of Hawai'i our goal is to originate percentage wise between 13.8% to 16.8%, number of loans disbursed since inception 361, number of loans disbursed during this time period two loans, total numbers of loans disbursed 363 our percentage is 15.1%, so we are right in range for the Island of Hawai'i.

NHRLF Manager Kalima: In fact, we are right in range for all of the islands, except for Kaua'i. The reason being is that Kaua'i, our greatest competition is Gather Federal Credit Union, Gather Federal Credit Union pretty much services, the entire island of Kaua'i. However, we have made some strides because we have partnered with the Department of Hawaiian Home Lands, to send out postcards to the neighbor islands, which I will talk about when they get to the highlights of the Program.

Performance Measure #1: Geographic Disbursement of Loans to Native Hawaiians						
	Inception to Prior Fiscal Year Semi-Annual Report Ending June 30, 2021	July 1 - December 31, 2021		January 1 to June 30, 2022		Comprehensive Total
Goals	Number of Loans Disbursed	Number of Loans Disbursed	% to Total	Number of Loans Disbursed	% to Total	Number of Loans Disbursed % to Total
Hawaii (13.8% - 16.8%)	361	2	0.0%	0	0.0%	363 15.1%
Kauai (8.0% - 8.0%)	122	2	0.0%	0	0.0%	124 0.0%
Molokai (0.0% - 0.0%)	10	0	0.0%	0	0.0%	10 0.0%
Maua (10.0% - 10.0%)	249	3	12.0%	0	0.0%	252 10.0%
Molokai (0.0% - 0.0%)	62	0	0.0%	0	0.0%	62 0.0%
Oahu (65.0% - 67.0%)	1,874	18	72.0%	0	0.0%	1,892 66.0%
Total	2,378	25	100.0%	0	0.0%	2,403 100.0%

Performance Measure #1 - How well the performance of the NHRLF program to all native loans across the State of Hawaii. Only to be used behind the components or as a goal for disbursement. Kauai is normally behind because of Gather Federal Credit Union deducting their loan products to service the financial needs of the islands.

NHRLF Manager Kalima: Performance Measures 2: Timely Processing from Application to Disbursement.

First goal is to fund Debt Consolidation Loans within 45 days, during this time period we have funded 16 of 16 Debt Consolidation Loans, so we have 100% met this goal.

Next goal, Percentage of Tier 1 Unsecured loans disbursed within 15 calendar days, we funded 11 of 18 Tier 1 Unsecured loans, 61% of this goal was met. The reason why we did not hit this goal is because during this time period, due to the impacts of COVID, OHA staff has been working from home.

For beneficiaries on the neighbor islands, pre-COVID, they were able to go to the office and meet with a Beneficiary Service Associate and close their loans that way. But because our offices are closed, beneficiaries must go to a notary, sign their documents in front of the notary, and then mail the documents back. So, because of that delay in time, that is a reason why we have been unable to meet this goal.

Next, Tier 1 Secured loans disbursed within 60 calendar days, we have closed 4 of 4 Tier 1 Secured loans, 100% met.

Next goal, Tier 2 Unsecured loans disbursed within 45 calendar days, 3 of 3 Tier 2 Unsecured loans closed 100%.

The last goal we did not close any Tier 2 Secured loans during this time period.

Semi-Annual Report			
Performance Measure 2: Timely Processing from Application to Disbursement			
Goals	July 1 - December 31, 2021 Average	January 1 - June 30, 2022 Average	FY 2022 To Date Average
Percentage of Debt Consolidation loans disbursed within 45 calendar days. Goal is 100%.	100%		100%
	16 of 16 Debt Consolidation Loans Disbursed		16 of 16 Debt Consolidation Loans Disbursed within 45 calendar days
	61%		61%
Percentage of Tier 1 Unsecured loans disbursed within 15 calendar days. Goal is 100%.		61%	
	11 of 18 Tier 1 Unsecured loans closed within 15 days of applications		11 of 18 Tier 1 Unsecured loans closed within 15 days of applications
	100%		100%
Percentage of Tier 1 Secured loans disbursed within 60 calendar days. Goal is 100%.		100%	
	4 of 4 Tier 1 Secured loans closed within 60 days of applications		4 of 4 Tier 1 Secured loans closed within 60 days of applications
	100%		0%
Percentage of Tier 2 Unsecured loans disbursed within 45 calendar days. Goal is 100%.		100%	
	3 of 3 Tier 2 Unsecured loans closed within 45 days of applications		3 of 3 Tier 2 Unsecured loans closed within 45 days of applications
	0%		0%
Percentage of Tier 2 Secured loans disbursed within 75 calendar days. Goal is 100%.		0%	
	There were no Tier 2 secured loans closed within this period		0 Tier 2 secured loans were closed

NHRLF Manager Kalima: Moving on to Performance Measurement 3: Percentage of Tier 2 Loans Disbursed. Total number of Tier 1 Loans that we closed was 22 loans in this time period. Total number of Tier 2 Loans closed is 3, so the percentage is 12%. Although our goal is 20% - the program has, on average, consistently closed about 12% with Tier 2 loans and the reason being is that usually Tier 2 loans, the beneficiaries just need a little bit more hand holding in repairing their credit. They have issues that they have to overcome and stuff like that, so it is quite difficult to close a Tier 2 loan. We've been trying our best to improve that percentage.

Performance Measurement 4: Increase Loan Disbursements for New or Expanding Native Hawaiian-owned Businesses. During this time period we closed \$244,679 in Mālama Business loans, our goal is \$1.5 million. We haven't closed any Hua Kanu Business Loans, but we are currently working on that.

NHRLF Manager Kalima: We are very fortunate; we are supported by a great marketing team. Digital print and media, as well as our Consultant Tammy Mori, from TMB Consulting. They have done excellent work in marketing our program through social media, through the news, if you watch Hawai'i News Now and KFVE, you'll see our commercials that come up. It's all because of them, and I mahalo them for all the hard work that they do.

Semi-Annual Report				
Performance Measure 3: Percentage of Tier 21 Loans Disbursed				
	Inception to Previous Semi-Annual Report Ending June 30, 2021	July 1 - December 31, 2021	January 1 - June 30, 2022	Cumulative Since Inception
Total Number of Tier 21 Loans Disbursed	228	22		2,111
Total Number of Tier 21 Loans Disbursed	28	3		262
Average	2.37%	2%	0%	2.43%
Tier 21 Loans % of Total Loans Disbursed	12%	12%	0%	12%

Performance Measure 4: Increase Loan Disbursement for New or Expanding Native Hawaiian-owned Businesses				
	Inception to Previous Semi-Annual Report Ending June 30, 2021	July 1 - December 31, 2021	January 1 - June 30, 2022	FY 2022 To Date
Total Number of OHA Mālama Business Loans Disbursed	\$ 9,368,819	\$ 364,679		\$ 344,679
Goal: \$1,500,000				
Total Number of OHA Hua Kanu Business Loans Disbursed	\$ 5,688,000			\$ -
Goal: \$1,500,000				
Total Business Disbursement	\$ 15,056,819	\$ 364,679	\$ -	\$ 344,679

NHRLF Manager Kalima: Performance Measurement 5: Increase Loan Disbursements to Native Hawaiians seeking to improve the conditions of their residence. We have funded \$272,389 for Debt consolidation loans during this time period. We have not done any Disaster Relief loans. We have not done any Mālama Education loans. We have closed \$172,238 in Home Improvements in this time period.

Semi-Annual Report				
Performance Measure 5: Increase Loan Disbursement to Native Hawaiians seeking to improve the condition of their residence and provide opportunities to improve their financial health				
	Inception to Previous Semi-Annual Report Ending June 30, 2021	July 1 - December 31, 2021	January 1 - June 30, 2022	FY 2022 To Date
Total Number of OHA Mālama Debt Consolidation Loans Disbursed	\$ 11,189,508	\$ 272,389	\$ -	\$ 272,389
Goal: \$650,000				
Total Number of OHA Mālama Disaster Relief Loan Consolidation Loans Disbursed	\$ 20,000	\$ -	\$ -	\$ -
Goal: \$500,000				
Total Number of OHA Mālama Education Loans Disbursed	\$ 4,794,747	\$ -	\$ -	\$ -
Goal: \$250,000				
Total Number of OHA Mālama Home Improvement Loans Disbursed	\$ 17,963,299	\$ 172,238	\$ -	\$ 172,238
Goal: \$1,200,000				
Total Disbursements - Consumer Loans	\$ 33,977,994	\$ 444,627	\$ -	\$ 444,627

NHRLF Manager Kalima: Performance Measurement 6: Hua Kanu and OHA Mālama Tier 1 Default Rate is less than 6%. There are no Hua Kanu Loans in default currently right now, so that is a reason why the percentage is less than our previous Semi-Annual Report because borrowers have been making payments on their accounts.

Performance Measurement 7: Tier 2 Default Rate is less than 26%. Borrowers have been making payments on their Tier 2 loans, so the percentage has improved since the last Semi-Annual report.

Semi-Annual Report			
Performance Measure 6: Hua Kanu and OHA Mālama Tier 1 Default Rate is Less Than 6%			
	Previous Semi-Annual Period ending June 30, 2021	Current Semi-Annual Period ending December 31, 2021	Goal is < 6%
\$ Value of Hua Kanu Defaults	\$ -	\$ -	
\$ Value of Hua Kanu Outstanding Loan Balance	\$ 3,549,456	\$ 3,442,358	
% of Hua Kanu Default Rate	0.00%	0.00%	
\$ Value of Tier 1 Defaults	\$ 852,401	\$ 852,354	
\$ Value of Tier 1 Outstanding Loan Balance	\$ 3,144,569	\$ 3,937,280	
% of Tier 1 Default Rate	17.60%	15.75%	

Performance Measure 7: OHA Mālama Tier 2 Default Rate is Less Than 26%			
	Previous Semi-Annual Period ending June 30, 2021	Current Semi-Annual Period ending December 31, 2021	Goal is < 26%
\$ Value of Tier 2 Defaults	\$ 26,257	\$ 214,128	
\$ Value of Tier 2 Outstanding Loan Balance	\$ 65,027	\$ 797,557	
% of Tier 2 Default Rate	57.28%	54.31%	

NHRLF Manager Kalima: Performance Measurement 8 and 9 - this is in regarding Charge Offs for Tier 1 and Tier 2. We have not taking any Charge Offs during this time period. However, borrowers have been making payments, so that is the reason why there is a decrease in a percentage between the last Semi-Annual report and this time period.

Semi-Annual Report				
Performance Measure 8: Cumulative Charge Offs on Tier 1 Loans is Less Than 2.0%				
	Inception to Previous Semi-Annual Report ending June 30, 2021	July 1 - December 31, 2021	January 1 - June 30, 2022	Cumulative Since Restructuring
\$ Value of Tier 1 Charge Off Loans	\$ 1,796,184	\$ -	\$ -	\$ 1,796,184
\$ Value of Tier 1 Loans Disbursed	\$ 38,646,881	\$ 628,8138	\$ -	\$ 39,275,692
Tier 1 Charge Off Rate % Goal is < 2.0%	4.47%	0.00%	0.00%	4.50%

Semi-Annual Report				
Performance Measure 9: Cumulative Charge Offs on Tier 2 Loans is Less Than 3%				
	Inception to Previous Semi-Annual Report ending June 30, 2021	July 1 - December 31, 2021	January 1 - June 30, 2022	Cumulative Since Restructuring
\$ Value of Tier 2 Charge Off Loans	\$ 780,033	\$ -	\$ -	\$ 780,033
\$ Value of Tier 2 Loans Disbursed	\$ 4,977,892	\$ 68,454	\$ -	\$ 5,046,346
Tier 2 Charge Off Rate % Goal is < 3%	15.67%	0.00%	0.00%	15.39%

NHRLF Manager Kalima: Performance Measurement 10: Charge Offs for Hua Kanu Loans. We have not taken any Charge Offs during this time period.

The last Performance Measurement 11: NHRLF Operating Income greater than zero. We are currently negative \$215,136, so we are working on this, hope to improve this very soon.

Semi-Annual Report				
Performance Measure 10: Cumulative Charge Offs on Hua Kanu Loans is Less Than 2%				
	Inception to Previous Semi-Annual Report ending June 30, 2021	July 1 - December 31, 2021	January 1 - June 30, 2022	Cumulative Since Restructuring
\$ Value of Hua Kanu Charge Off Loans	\$ 405,400	\$ -	\$ -	\$ 405,400
\$ Value of Hua Kanu Loans Disbursed	\$ 5,830,000	\$ 10	\$ -	\$ 5,830,010
Hua Kanu Charge Off Rate % Goal is < 2%	7.29%	0.00%	0.00%	7.29%

Performance Measure 11: NHRLF Operating Income greater than \$0.00			
	July 1 - December 31, 2021	January 1 - June 30, 2022	FY 2022 Year To Date
Operating Income greater than \$0.00	\$ (215,136)	\$ -	\$ (215,136)
Less: Charge off	\$ -	\$ -	\$ -
Total Operating Income	\$ (215,136)	\$ -	\$ (215,136)

NHRLF Manager Kalima: Any questions on the Semi-annual report?

There are no questions.

NHRLF Manager Kalima: Moving on to the Outcome Evaluation Report. In 2020, NHRLF did a survey and thanks go out to the assistance of the Research Team, Kristin and Carla, who helped us, put together a Program Outcome Evaluation for this time period. We sent out surveys to borrowers, specifically to measure these specific outcomes.

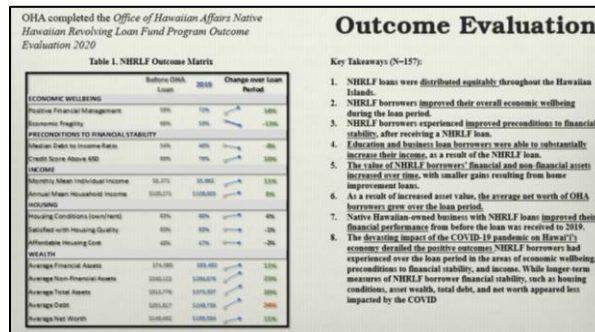
- Economic Wellbeing
- Preconditions to Financial Stability
- Income
- Housing and
- Wealth

We measured their outcomes at two different time periods; before their OHA loan was made and in 2019. A lot of these outcomes have been positive, for the most part.

Positive Financial Management increased, Economic Fragility decreased, Median Debt to Income Ratio decreased, Credit Scores increased, Individual Income increased, Household Income increased.

Our key takeaways from the survey - that NHRLF loans are

- Distributed equitably throughout the Hawaiian Islands.
- Borrowers improved their overall economic wellbeing.
- Borrowers experienced improved preconditions to financial stability.
- Education and business loan borrowers were able to substantially increase their income. T
- The value of NHRLF borrowers financial and non-financial assets increased over time.
- The average net worth of OHA borrowers grew over the long period. Native Hawaiian-owned businesses with NHRLF loans improved their financial performance.
- The outcome summary also showed the impacts of the COVID-19 pandemic which reset a lot of the accomplishments made by our borrowers and derailed them from showing positive outcomes.



NHRLF Manager Kalima: Here's the program impacts over the years. Between 1990 and 2004, this period of loan programs is referred to as the NHRLF Legacy Loan. NHRLF only offered Business Loan products during this time. The maximum loan amount was \$75,000, maximum loan term was five years, rate was 2%. During this time, the program funded 386 loans for \$17.6 million.

NHRLF Manager Kalima: In 2007, the Mālama Loan Products launched, and we expanded our portfolio to include Business, as well as Debt Consolidation, Disaster Relief, Education, and Home Improvement Loans. The loan amounts also changed; \$100,000 as a maximum for Business loans, \$10,000 for Debt Consolidation Loans, any loan over \$20,000, collateral is required. Loan terms increased from five to seven years with a 14-year amortization. The tiered pricing was implemented for Business Loans 4%, Tier 1 - 5%, Tier 2 – 6%. Total number of Mālama loans funded 2,403 for \$43.9 million.

In 2011 Hua Kanu Loans launched, which added another layer to the Business Loan Portfolio. Maximum loan amount one million dollars, loan term seven years, interest rate 4%. We have funded 13 Hua Kanu Loans so far for \$5.6 million. Total loans funded 2,802 for \$67.2 million.

The NHRLF Program's Impact

Loan Program	Date of Program	Loan Products	Maximum Loan Amount	Term	Rate	TOTAL	
						#	\$
NHRLF Legacy	Jan. 1, 1990 to July 31, 2004	Business	\$75,000	5 Years	2%	386	\$17,602,336
Mālama	Nov. 1, 2007 to Present	Business Debt Consolidation Disaster Relief Education Home Improvement	\$100,000; \$10,000 (Debt Con.); Over \$30,000 (Collateral Required)	7 Years; 14 Year Amortization	Tiered Pricing: Bus. - 4.00% Tier 1 - 5.00% Tier 2 - 6.00%	2,403	\$43,934,118
Hua Kanu	April 1, 2011 to Present	Business	\$1,000,000	7 Years; 14 Year Amortization	4.00%	13	\$5,686,000
						2,802	\$67,222,445

NHRLF Manager Kalima: Here's a snapshot of the Mālama Loan Disbursements by Loan Purpose between 2007 and 2021. Total number of Business loans 397 for \$9.6 million. Hua Kanu Business Loans 13 for \$5.6 million. Total number of Business loans disbursed, 410 for \$15.2 million.

Debt consolidation, 693 for \$11.3 million. Disaster relief, one for \$20,000. Education, 365 for \$4.7 million. Home improvement, 934 for \$18.1 million. Total consumer loans 1,993 for \$34.3 million. The grand total 2,403 loans for \$49.6 million.

Mālama Loan Disbursements by Loan Purpose (July 1, 2007 – December 31, 2021)

	ACCOUNTS DISBURSED	DOLLARS DISBURSED
BUSINESS	397	\$9,611,498
HUA KANU BUSINESS	13	5,686,000
TOTAL BUSINESS	410	\$15,297,498
DEBT CONSOLIDATION	693	\$11,381,896
DISASTER RELIEF	1	20,000
EDUCATION	365	4,784,747
HOME IMPROVEMENT	934	18,135,977
TOTAL CONSUMER	1,993	\$34,322,620
GRAND TOTAL	2,403	\$49,620,118

NHRLF Manager Kalima: Here's a snapshot of loan disbursements by island between the same time period. The most loans were funded on O'ahu, 1,581 loans for \$29.3 million. 11 Hua Kanu loans for \$4.4 million.

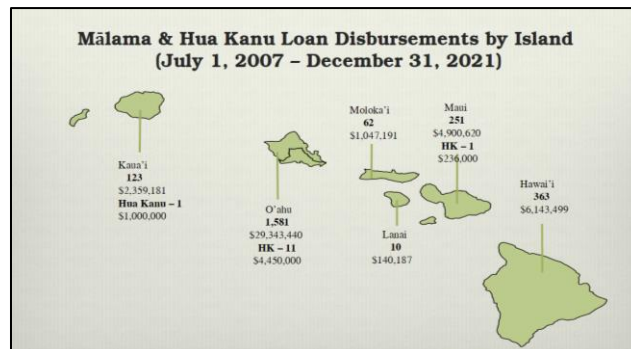
Next largest is Hawai'i Island with 363 loans for \$6.1 million.

Next is Maui, 251 loans for \$4.9 million, with one Hua Kanu loan for \$236,000.

Next is Kaua'i with 123 loans for \$2.3 million and one Hua Kanu loan for a million dollars.

Followed by Moloka'i, 62 loans for 1 million dollars.

Then Lāna'i with 10 loans for a little over \$140,000.



NHRLF Manager Kalima: Highlights of the NHRLF Program. Since mid-Fiscal Year 22 we have exceeded the total Mālama Loan numbers and dollars disbursed for the previous Fiscal Year. In FY21 we closed 20 loans for \$553 476.

So far, FY22 we've closed 25 loans for \$689,305. During this time period we've also partnered with the Department of Hawaiian Homelands for a marketing campaign. So, after the 15 Year Strategic Plan was released, I reached out to the Department Hawaiian Homelands in May, to see if there was a way that we could partner with them to serve their beneficiaries, being that our strategic plan does mention the Hawaiian Homes Commission Act as a goal.

Out of that conversation, the best I was hoping for was maybe be allowed to send out some postcards to maybe one subdivision on this island. The response that I got was from the Public Relations Officer who said *Aikū'ē unfortunately we cannot provide you with any of our beneficiaries information, because it is a privacy policy, however, if you design the postcard, we will send out postcards directly to our beneficiaries, for you.* I was like *what?!*

So, out of that conversation we came to an agreement that DHHL would send out 1,000 postcards a quarter starting in October. This past October, the first batch of postcards were released on the island of Kaua'i. So, we released the first batch on Kaua'i in October, and in December a second batch was released on Kaua'i and O'ahu. In March, the next batch of postcards will be released on the Island on Moloka'i.

We also reached out to different Service Providers who we had lost contact with during the pandemic during, and we have established a Community Partner Resource List, which includes 20 Hawaiian and Non-Hawaiian Service Providers that we can provide to our applicants, that we are unable to service. So rather than just turn down an application, we try to look for resources for our beneficiaries to take advantage of.

We've also fine-tuned our delinquency procedures and maintained an overall default rate between 21.03% is where we left off at the last Fiscal Year, and we are currently at 21.21%.

Highlights of the NHRLF Program

- ❖ Mid-FY22 NHRLF has exceeded FY21 total Mālama Loan number and dollars disbursed.

CATEGORY	#	DISBURSED
FY 2021	20	553,476
FY 2022 YTD	25	689,305

- ❖ Partnered with Department of Hawaiian Homelands for Marketing Campaign – The collaboration includes the release of OHA Business and Consumer Loan product postcards to DHHL Lessees and Wait List Applicant's state-wide.
- ❖ Connected with twenty (20) Hawaiian and Non-Hawaiian Service Providers and created a Community Partner Resource List.
- ❖ Fine tuned delinquency procedures and maintained default rate – At the end of FY21 default rate was 21.03%, Mid-FY22 default rate is 21.21% and will improve in the second half.

NHRLF Manager Kalima: Challenges of the NHRLF Program - as I mentioned earlier, we are currently recruiting for a Finance and Operations Officer and a Loan Underwriter. So, hopefully we can onboard new staff very soon.

We do have Unallowable Loan activities. The funds for this program cannot be used to

- Purchase land
- Purchase or construct a building
- Purchase financing equity in a private business, nor
- Be an investment in high interest accounts, certificate of deposits, or other types.

We also provide Technical Assistance. Our current Technical Assistance Provider is Solutions Pacific and they do an amazing job with helping our beneficiaries get back on track with their finances. Sometimes the technical assistance timeframe may be a long period of time, which delays the closing our loans.

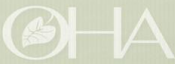
The other issue is that businesses must be 100% Native Hawaiian-owned, which we are currently in the process of trying to work with ANA to have that reduced, so we can better serve more beneficiaries.

We are considered a lender of last resort.

Challenges of the NHRLF Program

- ❖ Limited Resources – Currently recruiting for Finance and Operations Officer and Loan Underwriter
- ❖ Unallowable Loan Activities – Prevents NHRLF from expanding loan products. The NHRLF Program is unable to offer the following:
 - > Purchase of Land
 - > Purchase or Construction of Buildings
 - > Purchase or financing equity in a private business
 - > Investments – High Interest accounts, Certificate of Deposits or other types
- ❖ Technical Assistance is provided
- ❖ Business Must Be 100% Native Hawaiian-Owned
- ❖ Lender of Last Resort

NHRLF Manager Kalima: So with that being said, that's our program. Are there any questions that I can answer.



Mahalo Nui Loa
Q & A

Chair Waihe'e recognizes Trustee Akaka.

Trustee Akaka: What you had just said that we are lender of last resort, *can you please expand on that?*

NHRLF Manager Kalima: In our regulations, we are considered a lender of last resort. Therefore, the program is intended to help beneficiaries who cannot obtain financing from anywhere else. On our application we allow beneficiaries to disclose to us if they can or cannot obtain financing from any other place. So, that is a question on the application that the beneficiaries answer for themselves.

Trustee Akaka: Mahalo, and mahalo for all your work.

NHRLF Manager Kalima: Mahalo.

Chair Waihe'e recognizes Trustee Akina.

Trustee Akina: Thank you Chair. Aikū'ē, mahalo for the great work. I am just so encouraged by this presentation. I've been watching the Native Hawaiian Revolving Loan Fund for years and I'm just thrilled with all that has happened before you, yes, but with your leadership. So, Congratulations and Thank you.

Just a couple of questions and you don't have to answer them in any extended way.

- First, *what needs to happen for us to increase the financial capital with which you work?*
If we could get you several millions of dollars more to operate with there's so much more that you could do.
- Secondly, *what challenges do you really want to see resolved?*
For example, I know you're working on some challenges, but how about the loan products being able to offer mortgages and so forth. *What are your thoughts on those ideas?*

NHRLF Manager Kalima: I am a strong supporter of that idea of increasing our loan portfolio; I think that would do a great service for many of our beneficiaries.

We get a lot of phone calls; about doing Construction Loans, about refinances, ways that we are unable to help these beneficiaries. Fortunately, now, we do have a referral list that we can provide to them, a resource list that has other resources that can provide them with that service.

But yeah, I'm all about increasing our portfolio, if we could increase our portfolio that would be great. I think we could do a lot more if we had more, not necessarily staff, but another avenue to disburse funds.

I have had conversations with Sylvia about loan packaging services, which may be a more cost effective way for us to get the loan funds to beneficiaries, especially on the neighbor islands.

If I could clone myself and put myself on every island and originate like how we're originating here and be able to close those loans and give those funds out to the borrowers, I think we would be in a really, good place.

Trustee Akina: Thank you Aikū'ē. In the interest of time, I'll defer to my colleagues to ask you questions, but my office is going to be in touch with you, *okay?*

NHRLF Manager Kalima: Thank you, Trustee.

Chair Waihe'e recognizes Trustee Lindsey.

Trustee Lindsey: Aloha, Aikū'ē. First, thank you so much for the detailed report, I've learned so much listening to you today. I have made recommendations to many of the beneficiaries to seek out your office for their assistance. Thank you for collaborating with Hawaiian Homes because they need our help. They're the same lāhui, no different. *When you talk about Construction Loans, are you speaking of a brand new house, which we don't allow presently?*

NHRLF Manager Kalima: Yes, one of the loans products that we're unable to provide is the constructing of a new building. So, if a beneficiary needs to build their house, we're unable to provide them with that kind of loan product, with the home improvement loan that we have.

Trustee Lindsey: Okay. *Is it because of the maximum amount of money, you have to loan out? Why do we have this restriction in our loan product? Because that's kind of what everybody needs, you know. They get a lot from Hawaiian Homes and they borrow the construction loan from us, they got a roof over the head. So, what is holding us back from expanding to that?*

NHRLF Manager Kalima: So, that's actually written in the regulations; that we are unable to provide funding for constructing a building, whether it's a business or a home.

Trustee Lindsey: *And the regulations are from ANA?*

NHRLF Manager Kalima: Yes, our federal regulations. So, we would have to get that revised, which is an act of Congress.

Trustee Lindsey: Okay, well, thank you for the good work you're doing and spreading yourself over five islands, when there's only one of you. Mahalo nui, our people really need this kind of help, Thank you.

NHRLF Manager Kalima: Mahalo.

Chair Waihe'e recognizes RM Vice-Chair Alapa.

RM Vice-Chair Alapa: Aloha Aikū'ē. Thank you so much for a wonderful presentation. It is quite enlightening for me, especially in the numbers, it goes over my head at times. But, speaking of numbers, I noticed that 21% default rate. *Is that attributed to the pandemic and, if anything, what are the steps you're providing to the beneficiaries to help reduce their default rates?*

NHRLF Manager Kalima: That's a good question. The reason for our spike in our delinquency was heavily impacted by the pandemic. During the height of our pandemic, we did offer beneficiaries deferments, actually we had two rounds of six-month deferments.

Unfortunately, some of the beneficiaries, even after that the deferment time period had lapsed, they did not go back to work. So, we are in a process of working with our beneficiaries who have issues like that and seeing if there are other alternatives, so we can provide to them, to help them.

RM Vice-Chair Alapa: Okay. Also, I've had beneficiaries contact me regarding ways OHA can help them with their medical expenses. I know you'd asked a question about if any beneficiaries ever asked you about loans for hospital bills and so forth. *Is that a possibility?*

NHRLF Manager Kalima: So, with the Native Hawaiian Revolving Loan Fund, we do not provide assistance for that purpose, but we do have the CMLP Program which offers loan products that can help beneficiaries who need to pay off their medical bills and things like that. So, they can still reach out to our office. It's just a separate pot of money for that particular loan program.

RM Vice-Chair Alapa: Okay. Thank you.

NHRLF Manager Kalima: Okay, thank you so much.

Pouhana Hussey: Just to add on - OHA's Emergency Financial Assistance Program through Hawai'i Community Lending does provide up to \$2,000 for support for medical expenses as a grant so they should go to our Ka Wailele program to see if resources there, can be provided for them.

RM Vice-Chair Alapa: Okay, Thank you.

Chair Waihe'e recognizes Trustee Ahu Isa.

Trustee Ahu Isa: Hi Aikū'ē, very grateful you're here with us at OHA. I sat on the Native Hawaiian Revolving Loan Fund in 1990-1991. We didn't have a representative from every island, but we had like a CPA, an engineer, we had very prominent people from the Community sitting on this. We had a big default rate, because people didn't know. They would borrow money to get fishing boats, a gay bar on Kaua'i. Yeah they needed help marketing, so we had classes for them. I just wanted to *mahalo* you. Thank you. We've come a long way from when we first had this program with only like 8 or 10 million dollars.

NHRLF Manager Kalima: Wow. Thank you so much Trustee.

Chair Waihe'e: *Okay, if there's no further discussion or questions. Thank you Aikū'ē again for everything.*

Pouhana Hussey: Just as a supplement - Aikū'ē mentioned at the end there is a Consumer Microloan program, which is actually an older Program that's handled by the group. We'll bring more information to the trustees eventually about it - that program, what it currently does, help manage assets that are currently there, and what strategically Administration is going to recommend about that program.

V. NEW BUSINESS

F. Presentation by Administration: Grants Program Mahalo

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair Waihe'e. Trustees, what we wanted to do at this point was to ask our grants program staff to turn their cameras on. As mentioned earlier, Maile has been here since the summer of 2018 and has been a major part of the improvements in the Grants Program.

Unfortunately, Friday will be her last day. She is going to help another part of the lāhui be the very best that they can be, to get resources to our lāhui. I wanted to take this time to recognize her as well as the Grants Program Team who have been managing the increase in the Grants, pivoting of the Grants through COVID, and the contracting some 90-odd contracts.

If you imagine - every grant that is awarded gets a contract or grant agreement, and so the team has been doing that, with not all positions filled. So again, this is part of our resourcing that we want to strengthen, but I did want the Trustees to acknowledge and to know.

Pouhana Hussey: Administration is grateful for Maile. We appreciate all that she has done. We obviously wish her well because again, this is another person who gets OHA, and who is an advocate for the work that we do.

So, Maile if you could turn on your camera, and please introduce our Grants Program staff and staff, if you could turn on your camera, so we can see you and Mahalo you.

Grants Manager Lu'uwai: I do have something I wrote, it's very emotional, it's been an amazing 4.5 years, and so I had to write what I'm going to say and I'm going to be acknowledging my staff toward the end.

I've never really had an opportunity to really, convey to the Trustees what we have done so mahalo for this opportunity to share my mana'o and some of my insight.

First, I want to share how we elevated the integrity of the Grants Program in the last 4.5 years and, secondly, I wanted to share and convey how it is imperative for Trustees to support Grants Staff in order to maintain that integrity of the grants program that we have created.

Firstly, what have we done to elevate the integrity of the Grants program in the last four and a half years - I want to share how we built a very strong infrastructure to support the Grants Program. As I have stated before, in July of 2018 I was hired specifically to address the Grant Program issues identified by the State Auditor in report 18-03. So, my two primary goals were to create a Grants Program that was pono and the processes were fair, impartial, and transparent for our Community. Meaning, all grant applicants had an equitable chance of securing OHA grant funds regardless of their family and/or friend connections.

My second goal was to establish processes and systems to ensure accountability from grantees for the OHA funds that their organization received to serve our lāhui.

Of course, integrity was our bottom line. During my tenure, with my dedicated staff we achieved both goals. I want to share a little bit of the grants program infrastructure that we built.

Number one - we have Standard Operating Procedures. In four and a half years I have revised those procedures eight times, primarily to adapt and elevate and evolve how the grants program was working. These procedures govern our grants process from solicitation, all the way to award. To contracts and the critical monitoring of our contracts for compliance. It also includes a non-compliance policy that we have never had, and that is included as an attachment to all our contracts. The Standard Operating Procedures also requires the same contracting and monitoring requirements for competitive grants and non-competitive grants. I'll talk about non-competitive grants a little bit later.

Number two - the Grants program infrastructure we built also includes our amazing Comprehensive Grants Database System that manages our Grants processes; from solicitations, the scoring of applications by our external reviewers, documented conflict of interest by those reviewers, and all the way to our grantee contracting and reporting requirements.

We launched the databases on July 1, 2019. We kicked this baby out the door, because I was stressing and our files, paperwork; we needed something. No palapala, no paper and with the Grants Supervisor, Edna Johnson and Grants System Administrator Karlen Oneha, the three of us kicked it right out the door. It sounds easy, but we had to create the monitoring reports and everything, but we got it done.

Grants Manager Lu'uwai: We were able to achieve primary compliance, like Sylvia said, with the State Auditor 18-08 report. 10 out of 11 of the Auditor's recommendations we did achieve on July 1, 2019 with everything that we created, including the updated SOP.

Like I said, our OHA Grants portal, what we call it, eliminated all paper documents, every document is online and can be accessed 24-7 from anywhere in the world if you have the internet. I want to quickly let you know what we store in there. The OHA Grant portal stores: number one, every single grant application that comes to us, all the scores for each grant application, the names of each person who scored the grant application, and all their conflict checks are stored in this system.

We have a file for every grantee; it includes their contracts, any contract amendments, all their compliance documents, and any critical memos, any critical emails. It also includes every single grantee quarterly report that we require; that report includes their quarterly progress reports, their expenditures, and their invoices.

We also include our quarterly assessments of their progress reports and we conduct quarterly evaluations of the grantees' work, based on their contracts. Every quarter we do this, and their performance measures.

It also includes their final report and it includes our grant program close out reports, in which we conduct an evaluation of each grantee's work for their entire contract period on their contract and their performance measures. If a grantee is unable, and you have seen, we've had a few of them - if a grantee is unable or unwilling to comply with their contract, the grantee's file also includes our documented actions to require compliance, any memos that you have gotten as Trustees, any memos that have gone to the CEO, and any corrective action plans. Everything is in that one file.

So, when the auditors come back, we do not have missing documents nor missing reports, everything is there. We took the Auditors to the system last April, and they loved it. I think we created a model program for other organizations to use, and I do plan to create one for the City and County of Honolulu.

Another thing we have done with our Grants program infrastructure is we have created very strong contracts, and we evolve those contracts, every year, to make them better. You know I am an attorney, so those contracts include that level of specificity that is needed to ensure that our OHA Grant funds are awarded and expanded in compliance with our Grant program requirements.

Part of our infrastructure, we created a Grant Staff training. We've developed a comprehensive training program for all our employees coming in from when they get in the door and it's continuous throughout the year. We've also created our own internal auditing process; where we review and we audit our own files, so we know we have it together.

Another thing we have built is a grantee-training program. When we had a sufficient staff, all our solicitation and contracts training were done live and in-person with our grantees. However, now because we only have limited staff, we provide those orientations for solicitations via recorded trainings and Power Points.

Despite our staffing issues, our grants officers and management team, we are always responsive to address any grantee's questions and we provide an amazing amount of technical assistance. So, if you hear anybody say that we need Grants Systems processes and etc, etc, we already have it in place. Also, every year we update and refine our Grants Program Systems processes and policies, to ensure that we are adapting and elevating the Grants Program infrastructure.

Grants Manager Lu'uwai: In fact, one of the main things I did right before I left is to make sure that our Standard Operating Procedures were updated.

My second, really, quick mana'o that is critical to convey to you. It is imperative that you support the Grants Program in order to maintain the integrity of the Grants Program that we have built. If you're not paying attention, it only takes a couple of really, poor decisions to negatively impact the Grants Program Infrastructure and send us spiraling downward and backward.

So, my goal was always trying to stay on top of that, and maintain, and I don't know if you have seen, but I have scrapped out probably every other week to make sure that we maintain the integrity of our program. If you have an employee in my position, you must make sure you hire somebody who's not afraid of being fired. I'm not afraid of being fired, and because I'm not afraid of being fired, I do my job. I'm not going to kowtow to the Administration or to Trustees because I'm focused on doing my job and serving our lāhui. If you get somebody who is fearful and weak in my position, the erosion of the Grants Program, I can tell you will erode within months. So please interview some very strong candidates for that position.

Grants Manager Lu'uwai: I think Sylvia has mentioned, we are severely understaffed for our current budget we are supposed to have 11 positions. With my departure, we only have four full time positions, one halftime person, and an 89-day hire who I am very thankful for. Who keeps, we beg him, please come back another 89 days, we need you, I think he's been with us a year.

So, we're short six employees, and with four and a half, employees and one 89-day hire, we're currently managing 89 active contracts at \$16.2 million. And, this month our staff is being required to develop, release and create a solicitation award process for 11 solicitations worth \$14.6 million, and they've got three weeks to get it out. I'm worried about staffing, and I wanted to let you know that.

I've gone to Administration. We need to really look - we look at the MQ's that Administration has created. We have missed out on a lot of opportunities on hiring people who have significant grants experience, because we are requiring a Bachelor's Degree. Grants officers do not need Bachelor's Degrees, I hire people who have major grants experience, and I think that's why we're successful.

So that's just the challenges we have now and it worries me leaving, that we have a lot of work to do. I've only had three applications since October for Grants Officers, one declined to be interviewed because he didn't think it was enough money. We interviewed two other Grants Officers and they were not qualified. So, three applications since October, it concerns me that we're not going to be able to fill those positions, and the staff that I'm leaving behind is going to be in trouble.

Like I said, it's going to impact the integrity of the Grants Program, we need to mālama our employees. We work on behalf of our lāhui, and I loved working at OHA, I must tell you, working for my own people has been such an amazing journey. Working for our lāhui, we should always focus on excellence. I don't do anything half-ass; we always focus on excellence and I hire the kind of people who love working for our lāhui and who also believe in excellence. Excellence has to be achieved in a work environment where our time and energy is valued, our expertise and our voices and mana'o are heard and where we're properly resourced.

So, I wanted to mahalo all my employees who have supported me 200%. I probably would have left OHA a year ago if I didn't have the team that I currently have, I mean they kept me going. I really, truly valued my time here, I loved what we have done at OHA. I am proud of our work and I think the lāhui would be very proud of what we have done.

Grants Manager Lu'uwai: I want to recognize Grants Supervisor, Edna Johnson, she has been with me for four and a half years.

I want to recognize Grants System Administrator, Karlen Oneha, she has been with me four and a half years, and we have been through some tough times.

I want to recognize Miki Cachola Lene, she is another Grants Supervisor, she writes better than most attorneys than I know - I mean just amazing, outstanding, and competent.

I want to recognize Grants Officer, Angela Lopes, just so much aloha for our people.

I want to recognize Ahia Dye, another Grants Officer, so intelligent, so smart, so competent, so qualified; goes above and beyond for our grantees.

I also want to recognize our wonderful 89-day hire who we would be in really, dire straits if Strather left. He retired years ago from the County, and so he's been sticking it out with us. I want to thank you Strather, we really needed you and we continue to need your support. He doesn't even need to make money anymore, because you know he's got a good pension, but he says it's exciting and he loves working for Grants. Thank you Strather.

I also want to thank Aikū'e Kalima because, when he was a Grants Officer working for us, he was outstanding. He still is an amazing, outstanding young man.

On that note, I want to thank Sylvia for your support, please help support my staff. Also, to Ramona for giving me this opportunity to aloha my staff.

I want to thank you Trustees, I felt very supported by you. Mahalo for supporting me, if you need guidance and expertise, I will be the Grants Administrator for the City and County of Honolulu, but I'm happy to provide any information, you need or mana'o that you need. Mahalo.

Chair Waihe'e recognizes Trustee Akina.

Trustee Akina: Thank you Chair. Maile, I just want to express my deepest Mahalo and Aloha to you. You have played an incredible role over the last five years. Also, I want to thank Ka Pouhana for leading you and the team. About five years ago, several of us on the Board of Trustees believed that we needed a complete and total overhaul of our Grants System. And that you used the word integrity, that is exactly what we needed to bring to it and it's exactly what you have done. You have shown competence and courage and have brought about something that OHA and the Hawaiian people can be tremendously proud of, and I just want to tell you, that I'm very proud of the work you've done. I believe that it is a model for what we as Hawaiian people can show to the world, Mahalo. I want to wish you the very best, I know we're going to hear some great things from you as you take your work into a much broader realm.

Grants Manager Lu'uwai: Thank you, Trustee.

Chair Waihe'e recognizes Trustee Akaka.

Trustee Akaka: Mahalo, Chair. I wanted to Mahalo Maile and to all the staff that work with her. I think it's so important that you did what you did, that you individually highlighted the different staff, and all that they bring to the table in making this all happen. Mahalo Nui to all of you who have answered

our questions through the years and helping us understand the programs that were running. Mahalo for helping our beneficiaries. Mahalo, Mahalo, Mahalo. We wish you the best, Maile.

Chair Waihe'e recognizes Trustee Ahu Isa.

Trustee Ahu Isa: I just wanted to Mahalo Maile. Also, you mentioned the job descriptions, and the MQs having a Bachelor's, maybe we can discuss with Administration later, because I understand the qualifications being too steep and some really, good people cannot get the job. Mahalo for that.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair. I just wanted to take a moment to thank Maile for her service to the lāhui and wish her the best of luck in the future. Mahalo, Maile.

Chair Waihe'e: Thank you, Trustee Lee. Thank you, Maile. Not just for all the work you've done, but even up till your last day - giving us a lot of really, good advice, and help and support.

Chair Waihe'e recognizes Trustee Lindsey.

Trustee Lindsey: I just want to Mahalo Maile so much. All the work that you did, and the revamping of the Grants. I wish you the very best when you do go to the City and County. Surely, we might be calling you and getting your advice. Mahalo.

Grants Manager Lu'uwai: I would love to. So, I am going to give you guys my contact information because I still love and care about OHA and I still love and care about our lāhui. So, you can call me, and you don't have to pay me. I would love to give you real grounded advice, no problem.

Trustee Lindsey: Thank you.

Chair Waihe'e recognizes RM Vice-Chair Alapa.

RM Vice-Chair Alapa: Aloha Maile, we're going to miss you. I learned so much in this first year I've been in office as a Trustee and I appreciate all the work you have done. You and your staff have done an outstanding job. It's a bit sad to see you go, but you're going to do a lot more for more people. I hope and pray we get an upstanding woman just like you, or guy to take over and do everything you've done. Good luck in all that you do in your new job.

Chair Waihe'e: *Okay, if there's no other discussion, again we thank you Maile.*

VI. ANNOUNCEMENTS

Trustee Lindsey: I just wanted to announce that Trustee Mililani Trask will be sworn into office on Thursday at 9:00a.m. before our meeting. We would like to invite all of the trustees to the BOT meeting on Thursday, in person, in our Boardroom and join us for the swearing in of our new trustee. Thank you.

VII. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Trustee Akaka 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**.

TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	3:08 p.m. EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA						Departed at 3:00p.m.
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
HAWAII ISLAND	TRUSTEE						VACANCY
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	1

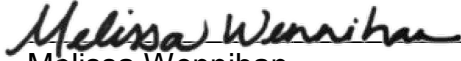
VOTE: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Chair Waihe'e adjourns the RM meeting at 3:08 p.m.

Attachments:


- A) Written Testimony – Richard Pezzulo
- B) Written Testimony – Bob Leniau

Respectfully submitted,



Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on April 12, 2022.



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

ATTACHMENT 1

From: Richard Pezzulo <RPezzulo@waimeavalley.net>
Sent: Sunday, March 6, 2022 12:12 PM
To: BOT Meetings <botmeetings@oha.org>
Subject: Testimony - RM Committee March 8, 2022

Aloha,

Testimony in support of Agenda Item V. A. ACTION ITEM RM #22-03: Reappointment of Leilani Kūpahu-Marino Kaho'āno as Non-OHA LLC Manager for Hi'ilei Aloha LLC for a 3-Year Term (2023, 2024, 2025)

I strongly support the reappointment of Leilani Leilani Kūpahu-Marino Kaho'āno as Non-OHA LLC Manager for Hi'ilei Aloha LLC for a 3-Year Term (2023, 2024, 2025). I have worked with Leilani for the past year and she has been very diligent in carrying out her duties as Hi'ilei Aloha LLC Manager.

Mahalo.

Richard Pezzulo
Executive Director



Waimea Valley, Hi'ipaka LLC
59-864 Kamehameha Hwy.
Haleiwa, HI 96712
Ph: 808-638-7766
Direct: 808-638-5851

ATTACHMENT 2

From: leinaur001@hawaii.rr.com <leinaur001@hawaii.rr.com>

Sent: Monday, March 7, 2022 10:01 AM

To: BOT Meetings <botmeetings@oha.org>

Cc: Richard Pezzulo <RPezzulo@waimeavalley.net>

Subject: **Committee on Resource Management - Tuesday, March 8, 2022 - 1:30 p.m.**

Subject: Re: Committee on Resource Management - Tuesday, March 8, 2022 - 1:30 p.m. - Reappointment of Leilani as a non-OHA LLC Manager for Hi'ilei Aloha for 3-Year Term - 4/1/2023, 4/1/2024 and 4/1/2025

Testimony **in support** of Agenda Item V. A. ACTION ITEM RM #22-03: Reappointment of Leilani Kūpahu-Marino Kaho'āno as Non-OHA LLC Manager for Hi'ilei Aloha LLC for a 3-Year Term (2023, 2024, 2025)

“Aloha Kakou,

To whom it may concern:

I am Bob Leinau, one of the three Non-OHA LLC Managers for Hi'ilei Aloha LLC. The three managers have learned a lot about the operations in Waimea Valley from Richard Pezzulo over the last year. We have shared our mana'o in a constructive manner and helped to move things forward.

Leilani Kupau -Marino Kaho'ano creates a special graceful cultural feeling just being in her presence. She is cheerful, caring and wise. I feel that her involvement in the process of Waimea Valley securing a bright future is best served by renewing her appointment.

Mahalo for the opportunity to speak on her behalf.

Ola loa e, Bob Leinau”