

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

JOSH GREEN  
LT. GOVERNOR  
STATE OF HAWAII



WILLIAM J. AILA, JR.  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES  
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS  
HEARING ON MARCH 16, 2021 AT 1:00PM VIA VIDEOCONFERENCE

IN SUPPORT OF

**HB 776, HD1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE  
BONDS TO ASSIST PUEO DEVELOPMENT, LLC**

March 16, 2021

Aloha Chair Shimabukuro, Vice-Chair Keohokalole and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill authorizing the issuance of special purpose revenue bonds for a master planned development proposed by Pueo Development, LLC on Hawaiian Home Lands.

The Hawaiian Homes Commission (HHC) voted in August 2019 to approve the issuance of a Right of Entry permit to Waiohuli Hawaiian Homesteaders Association, Inc. (WHHA) for approximately 150 acres of Hawaiian home lands for the purpose of conducting due diligence studies including but not limited to project master plan, business plan, and related Chapter 343, HRS compliance requirements and Chapter 6E, HRS compliance requirements.

WHHA submitted a land use request to DHHL on December 3, 2018 with a proposed plan including development of residential and agricultural lots, economic and educational opportunities, energy projects, and water source development through collaboration and partnerships which would result in career development and employment opportunities. A beneficiary consultation meeting was conducted on May 30, 2019 to collect beneficiary input and feedback on WHHA's land use request. A beneficiary consultation report was submitted to the HHC in July 2019 for acceptance.

Thank you for your consideration of our testimony.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR  
  
ROBERT YU  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS  
ON  
HOUSE BILL NO. 776, H.D. 1

**March 16, 2021**  
**1:00 P.M.**  
**Via Videoconference**

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PUEO DEVELOPMENT, LLC.

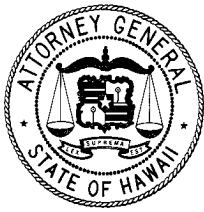
The Department of Budget and Finance offers the following comments on House Bill No. 776, H.D. 1, which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Pueo Development, LLC, a Hawaii limited liability company, with the proposed master planned development that will include low- and moderate-income homes; rental housing units; elderly care units; alternative energy development; agricultural development; and infrastructure development, including roads and utilities pursuant to Parts IV and IX, Chapter 39A, Hawaii Revised Statutes.

The Department has a comment on this bill. We, the Department and the Attorney General, have consistently interpreted Article VII, Section 12, of the Hawaii State Constitution, to authorize the issuance of special purpose revenue bonds for only a single part of Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance

with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2021**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 776, H.D. 1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PUEO DEVELOPMENT, LLC.

**BEFORE THE:**

SENATE COMMITTEE ON HAWAIIAN AFFAIRS

**DATE:** Tuesday, March 16, 2021                      **TIME:** 1:00 p.m.

**LOCATION:** State Capitol, Via Videoconference

**TESTIFIER(S):** Clare E. Connors, Attorney General, or  
Randall S. Nishiyama, Deputy Attorney General

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Chair Shimabukuro and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments regarding this bill.

This bill authorizes the issuance of special purpose revenue bonds pursuant to part IV, assisting processing enterprises, and part IX, assisting organizations in the development of low and moderate income housing, chapter 39A, Hawaii Revised Statutes, for a master planned development proposed by Pueo Development, LLC, on Hawaiian Home Lands.

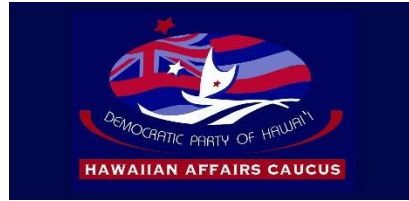
The Department believes that the authorization of special purchase revenue bonds under two parts of chapter 39A, parts IV and IX, is incorrect. Article VII, section 12, of the Hawaii State Constitution, which establishes the constitutional framework for the issuance of special purpose bonds, does not authorize the issuance of special purpose revenue bonds for more than one part. Also, parts IV and IX of chapter 39A, which establishes the statutory framework for the issuance of these special purpose revenue bonds, does not authorize the issuance of special purpose revenue bonds for more than one part.

Given that the primary objective of the bill is to develop low and moderate income housing, the Department recommends that the references to part IV of chapter 39A in

sections 2 and 3 of this bill be deleted. The issuance of such bonds pursuant to part IX is sufficient and appropriate.

We respectfully ask the Committee to pass this bill with the recommended amendments

**LATE**



March 16, 2021

COMMITTEE ON HAWAIIAN AFFAIRS

Senator Maile S.L. Shimabukuro, Chair

Senator Jarrett Keohokalole, Vice Chair

Testimony SUPPORTING HB 776

Aloha, Chair Shimabukuro, Vice Chair Keohokalole, and members of the Committee:

The Hawaiian Affairs Caucus of the Democratic Party of Hawai'i strongly SUPPORTS HB 776 to issue special purpose revenue bonds to Pueo Development LLC (Pueo) for the purpose of building a master planned community on Hawaiian Home Lands (DHHL) on the island of Maui.

This is an excellent opportunity for a public-private partnership to provide new housing for DHHL beneficiaries. In addition to housing, Pueo will create economic and training opportunities in different fields of expertise. We commend this commitment to leverage private financing, expertise, and services to help build affordable housing and sustainable homestead communities.

We encourage the Legislature to pass HB 776.

Mahalo nui loa for the opportunity to testify.

Me ka mahalo nui,

JUANITA MAHIENAENA BROWN KAWAMOTO, Chair

Hawaiian Affairs Caucus of the Democratic Party of Hawai'i

**DATE:** March 14, 2021

**TO:** Chair Maile Shimabukuro, Vice-Chair Jarrett Keohokalole and Members of the Senate Committee on Hawaiian Affairs

**MEASURE:** HB 776 HD1  
Tuesday, March 16, 2021  
1:00 pm  
Via Videoconference

**SUBJ:** Testimony in Strong Support of HB 776 HD1As Is

Aloha Chair Shimabukuro, Vice-Chair Keohokalole and Members of the Senate Committee on Hawaiian Affairs. My name is Bob Hall, partner with Pueo Development, LLC, and I submit testimony in strong support of HB 776 HD1 as is.

Pueo Development, LLC, a Hawaii-based company, has partnered with Waiohuli Hawaiian Homestead Association, Inc. (WHHA), a non-profit, 501(c)3 organization, to seek Hawaii State Legislature's authorization for a \$80M Special Purpose Revenue Bond (SPRB) to support WHHA's "Project: WE-DO" (Waiohuli Economic Development Opportunities).

The goal of Project: WE-DO is to create long-term, economic development opportunities for WHHA's community THROUGH development. WE-DO's intended outcomes are:

- To create career mentoring and economic opportunities in multiple fields of expertise and services associated with development
- To collaborate with the Department of Hawaiian Home Lands (DHHL) in creating an array of homestead opportunities and services, including new housing as an end-product of this initiative
- To leverage private financing, expertise and services that secure deliberate and sustainable public commitments in order to deliver the best, affordable and timely homesteading opportunities.

Special Purpose Revenue Bonds provide loan financing to assist qualifying private capital improvement projects in the public interest. The bonds do not constitute a general obligation of the State and are not State monies.

Mahalo for the opportunity to provide testimony



Bob Hall, Partner  
Pueo Development, LLC



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

P.O. Box 698 Kula, Hawai'i 96790-0698

March 14, 2021

TO: Chair Maile Shimabukuro, Vice-Chair Jarrett Keohokalole and Members of the Senate Committee on Hawaiian Affairs

MEASURE: HB 776 HD1  
Tuesday, March 16, 2021  
1:00 pm  
Via Videoconference

SUBJ: Testimony in Strong Support of HB 776 HD1 As Is

Aloha Chair Shimabukuro, Vice-Chair Keohokalole and Members of the Senate Committee on Hawaiian Affairs. My name is Perry Artates, President of the Waiohuli Hawaiian Homestead Association, Inc (WHHA), and I submit the following testimony in strong support of HB 776 HD1 as is.

WHHA is a non-profit, 501(c)3 organization, who has partnered with Pueo Development, LLC, a Hawaii-based company to seek Hawaii State Legislature's authorization for a \$80M Special Purpose Revenue Bond (SPRB) to support WHHA's "Project: WE-DO" (Waiohuli Economic Development Opportunities).

The goal of Project: WE-DO is to create long-term, economic development opportunities for WHHA's community THROUGH development including:

- career mentoring and employment opportunities associated with development
- collaboration with DHHL to create homestead opportunities and services, including new housing
- leveraging private and public financing commitments

DHHL issued WHHA a Right of Entry (ROE) #688 on January 7, 2020 to conduct necessary due diligence and project feasibility to develop a master plan on approximately 150 acres of DHHL located adjacent to the existing Waiohuli Hawaiian Homesteads. The initial due diligence period is 36-month, during which time WHHA's partner, Pueo Development, LLC plans to assemble a financing package for the master plan, inclusive of a Special Purpose Revenue Bond.

In closing, we seek your continued support for this measure to provide WHHA a chance to further self-sufficiency as Prince Jonah Kuhio envisioned.

Mahalo for the opportunity to provide testimony.

Perry Artates  
President

Waiohuli Hawaiian Homesteaders Association, Inc.



**HB-776-HD-1**

Submitted on: 3/14/2021 5:11:47 PM

Testimony for HWN on 3/16/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jo Addie Brown	Individual	Support	No

Comments:

Aloha Chair and Committee Members,

My family and I continue to support Waiohuli Hawaiian Homesteaders Association (WHHA) and Pueo Development with WE-DO, Waiohuli Economic Development Opportunities. Considerable sensitivity to the land, residents and surrounding communities has always been WHHA's premise in all that has been built to date. We support HB776! Mahalo a nui loa for your time! Take care!

Sincerely yours,

Jo-Addie Brown

**HB-776-HD-1**

Submitted on: 3/15/2021 10:20:12 AM

Testimony for HWN on 3/16/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Danette Nakooka	Individual	Support	No

Comments:

Aloha,

I continue to support HB776. I know it will benefit not only our community but all who chooses to participate on many levels, economically, spiritually and more. Please support HB776.

Mahalo

Danette Nakooka

**HB-776-HD-1**

Submitted on: 3/15/2021 12:50:28 PM

Testimony for HWN on 3/16/2021 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steve Aruda	Individual	Support	No

Comments:

I support HB 776.