

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 WAYS AND MEANS
ON
HOUSE BILL NO. 776, H.D. 1, S.D. 1

April 1, 2021

9:30 A.M.

Via Videoconference

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

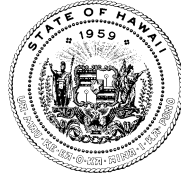
The Department of Budget and Finance offers the following comments on House Bill No. 776, H.D. 1, S.D. 1, which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Pueo Development, LLC, a Hawaii limited liability company, with the proposed master planned development that will include 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 Part IX, 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.

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 WAYS AND MEANS
HEARING ON APRIL 1, 2021 AT 9:30AM VIA VIDEOCONFERENCE

IN SUPPORT OF

**HB 776, HD1, SD 1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST PUEO DEVELOPMENT, LLC**

April 1, 2021

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran 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.

DATE: March 30, 2021

TO: Chair Donovan M. Dela Cruz, Vice-Chair Gilbert S.C. Keith-Agaran and Members of the Senate Committee on Ways and Means

MEASURE: HB 776 HD1 SD1
Thursday, April 1, 2021
9:30 am
Conference Room 211

SUBJ: Testimony in Strong Support of HB 776 HD1 SD1

Aloha Chair Donovan M. Dela Cruz, Vice-Chair Gilbert S.C. Keith-Agaran and Members of the Senate Committee on Ways and Means. My name is Bob Hall, partner with Pueo Development, LLC, and I submit testimony in strong support of HB 776 HD1 SD1.

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 30, 2021

TO: Chair Donovan M. Dela Cruz, Vice-Chair Gilbert S.C. Keith-Agaran and Members of the Senate Committee on Ways and Means

MEASURE: HB 776 HD1 SD1
Thursday, April 1, 2021
9:30 am
Conference Room 211

SUBJ: Testimony in Strong Support of HB 776 HD1 SD1

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran and Members of the Senate Committee on Ways and Means. 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 SD1.

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-SD-1

Submitted on: 3/31/2021 9:59:21 AM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Saafiga Foster	Testifying for Waiohuli Hawaiian Homestead Association	Support	No

Comments:

I support HB 776 for the betterment of the Waiohuli community. Mahalo.

Saafiga Foster

HB-776-SD-1

Submitted on: 3/29/2021 11:10:40 AM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John D. Smith	Individual	Support	No

Comments:

I support.

HB-776-SD-1

Submitted on: 3/30/2021 4:31:52 PM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Aruda	Individual	Support	No

Comments:

I support HB 776 relating to the issuance of special purpose revenue bond to assist PUEO Development LLC.

HB-776-SD-1

Submitted on: 3/30/2021 8:55:02 PM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jo Addie Brown	Individual	Support	No

Comments:

Aloha Chair and Committee Members,

My family and I continue to support the fruition of the communities visions for Waiohuli. Pueo Development, LLC, along with Waiohuli Hawaiian Homesteaders Association will persevere with sensitivities to the land, residents, and surrounding districts. Maui Nui and the State of Hawaii, we believe, will benefit. Mahalo for your continued support!

Sincerely yours,

Jo-Addie Brown

HB-776-SD-1

Submitted on: 3/31/2021 7:12:17 AM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alani Artates	Individual	Support	No

Comments:

Aloha Chairman Dela Cruz, Vice Chair Keith-Agaran and Committee Members,

As a Waiohuli Hawaiian Homesteader since the year 2002, I have witnessed the Prosperity of this Homestead through the dedicated volunteer efforts in the Safety, Health, and Welfare of this community. Your continuous support has made our Vision become a Reality.

Self Sustainability and Economic Development will help our Waiohuli Homestead Community through the passage of Bill HB 776 HD1 SD1. Much Mahalo for allowing me to submit my testimony as a Waiohuli Homesteader.

I am,

Ronnette Alani Artates

HB-776-SD-1

Submitted on: 3/31/2021 9:21:44 AM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Danette Nakooka	Individual	Support	No

Comments:

Aloha,

I continue to support HB776, for the betterment of our community our island communities and all that would benefit from the creativity of this opportunity.

Mahalo,

Danette Nakooka