

DATE: February 2, 2021

TO: Chair Mark M. Nakashima, Vice-Chair Scot Z. Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs

MEASURE: HB 776
Thursday, February 4, 2021
2:00 pm
Via Videoconference

SUBJ: Testimony in Strong Support of HB 776

Aloha Chair Nakashima, Vice-Chair Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs. My name is Bob Hall, partner with Pueo Development, LLC, and I submit testimony in strong support of SB 715.

This measure was introduced at last year's Legislative Session and received both House and Senate support. However, due to COVID-19, the 2020 Legislative Session was suspended, and the measure stalled from advancing. We appreciate your committee's consideration to confer on this measure again.

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.

Waiohuli Hawaiian Homestead Association, Inc. (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. 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.

WHHA has been issued Right of Entry (ROE) #688 from DHHL 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, Kula, Maui. The initial due diligence period is 36-month, during which time Pueo Development, LLC plans to assemble a financing package for the master plan, inclusive of a Special Purpose Revenue Bond.

Mahalo for the opportunity to provide testimony



Bob Hall, Partner
Pueo Development, LLC

HB-776

Submitted on: 2/2/2021 12:01:55 PM

Testimony for JHA on 2/4/2021 2:00:00 PM

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

Comments:

I support HB 776

Danette Nakooka

HB-776

Submitted on: 2/2/2021 1:09:31 PM

Testimony for JHA on 2/4/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Emma Yap	Individual	Support	No

Comments:

Aloha--

I am in support of this bill as it will further our community to the new tomorrow and help our kupuna and our next generations.

Mahalo,

Emma Yap

HB-776

Submitted on: 2/2/2021 2:09:03 PM

Testimony for JHA on 2/4/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Simeon Alo	Individual	Support	No

Comments:

I am giving written testimony in favor of HB776. As a leasee in Waiohuli since 2006, I have seen, and continue to see, with my own eyes what Waiohuli Hawaiian Homestead association has done for our community and what they will continue to due for the foreseeable future.

Sincerely, Simeon K. Alo

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 HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 776**

**February 4, 2021
2:00 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 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; 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.



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

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

February 2, 2021

TO: Chair Mark M. Nakashima, Vice-Chair Scot Z. Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs

MEASURE: HB 776.
Thursday, February 4, 2021
2:00 PM
Via Videoconference

SUBJ: Testimony in Strong Support of HB 776

Aloha Chair Nakashima, Vice-Chair Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs. My name is Perry Artates, President of the Waiohuli Hawaiian Homestead Association, Inc, and I submit the following testimony in strong support of HB 776

This measure was introduced at last year's Legislative Session and received both House and Senate support. However, due to COVID-19, the 2020 Legislative Session was suspended, and the measure stalled from advancing. We appreciate your committee's consideration on this measure again.

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 \$50M Special Purpose Revenue Bond (SPRB) to support WHHA's "Project: WE-DO" (Waiohuli Economic Development Opportunities).

Historically, WHHA received a land disposition from the Department of Hawaiian Home Lands (DHHL) in 2005 to a 17-acre parcel of land in Waiohuli Homesteads, Kula, Maui. Since then, WHHA has received strong support from the Legislature through the Grant in Aid Program. WHHA has leveraged community participation to create multiple facilities and infrastructure, including a certified commercial kitchen, patio banquet area, hale halawai, cultural garden and open amphitheater. Prior to COVID-19, these facilities have provided rental revenue which WHHA is using for educational scholarships. WHHA anxiously awaits overall relief from this pandemic.

As a result of their development experience, WHHA has focused on a new initiative, "Project: WE-DO". 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



HAWAIIAN HOMESTEADERS ASSOCIATION INC.

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

- 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.

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.

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

Perry Artates
President
Waiohuli Hawaiian Homesteaders Association, Inc.

HB-776

Submitted on: 2/2/2021 5:12:44 PM

Testimony for JHA on 2/4/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Aruda	WHH board of directors	Support	No

Comments:

As both a member of the Waiohuli Board of Directors & a resident of this community, I support bill HB776. It will bring affordable housing, much needed employment & a deeper sense of community bonding. By allowing this bill to pass it will help dreams become reality.

Mahalo,

Steve Aruda

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 HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HEARING ON FEBRUARY 4, 2021 AT 2:00PM VIA VIDEOCONFERENCE

IN SUPPORT OF

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

February 4, 2021

Aloha Chair Nakashima, Vice-Chair Matayoshi 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.

HB-776

Submitted on: 2/3/2021 6:16:30 AM

Testimony for JHA on 2/4/2021 2:00:00 PM

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

Comments:

On behalf of myself and family that resides in the Waiohuli Hawaiian Homestead Lands, we support this bill. Mahalo a nui loa.

**HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND**



*Uniting our strengths and working together
for a better tomorrow.*

Affiliated AFL-CIO
OPEIU - 3 - AFL-CIO (3)

House of Representative Committee on Judiciary & Hawaiian Affairs
Honorable Mark M. Nakashima, Chair
Honorable Scot Z. Matayoshi, Vice Chair
Honorable Members of the Committee on Judiciary & Hawaiian Affairs

February 3, 2020

RE: **H.B. 776- RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PUEO DEVELOPMENT, LLC.**

Dear Chair Nakashima, Vice Chair Matayoshi, and Members of the Committee,

My name is Myles Miyasato and I am the Executive Director representing the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF). We are a labor management fund representing 3000 unionized members in the heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction. Hawaii Operating Engineers Industry Stabilization Fund **strongly supports the passing of H.B. 776.**

The development of low- and moderate-income housing, alternative energy sources, infrastructure, and economic opportunities continue to be in the public's best interest. The partnership between Waiohuli Hawaiian Homestead Association, Inc. (WHHA), a non-profit, 501(c)3 and Pueo Development, LLC, a Hawaii-based company, is the perfect example of how a public-private partnership can work in developing communities here in Hawaii.

Their project "Project WE-DO" (Waiohuli Economic Development Opportunities) is a great template on how communities can partner with private business entities to create a comprehensive community plan. The issuance of GO bonds will help a community in dire need of low- and moderate- income housing units; rental housing units; elderly care units; alternative energy development systems; and infrastructure development, including roads and utilities.

We strongly urge this committee to pass this bill.

Sincerely,

Myles Miyasato
Executive Director
Hawaii Operating Engineers
Industry Stabilization Fund

**HAWAII OPERATING ENGINEERS
INDUSTRY STABILIZATION FUND**



*Uniting our strengths and working together
for a better tomorrow.*

Affiliated AFL-CIO
OPEIU - 8 - AFL-CIO (8)

House of Representative Committee on Judiciary & Hawaiian Affairs
Honorable Mark M. Nakashima, Chair
Honorable Scot Z. Matayoshi, Vice Chair
Honorable Members of the Committee on Judiciary & Hawaiian Affairs

February 3, 2020

RE: **H.B. 776- RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PUEO DEVELOPMENT, LLC.**

Dear Chair Nakashima, Vice Chair Matayoshi, and Members of the Committee,

My name is Myles Miyasato and I am the Executive Director representing the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF). We are a labor management fund representing 3000 unionized members in the heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction. Hawaii Operating Engineers Industry Stabilization Fund **strongly supports the passing of H.B. 776.**

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Sincerely,

Myles Miyasato
Executive Director
Hawaii Operating Engineers
Industry Stabilization Fund