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GOVERNOR
STATE OF HAWAII



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DEPARTMENT OF HAWAIIAN HOME LANDS
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STATEMENT OF RAYNARD C. SOON
CHAIRMAN
HAWAIIAN HOMES COMMISSION

REGARDING FEDERAL RECONCILIATION EFFORTS
PURSUANT TO P.L. 103-150
THE APOLOGY RESOLUTION

HONOLULU, HAWAII
DECEMBER 10, 1999

The Honorable John Berry, Assistant Secretary, Policy, Management, and Budget, for the U.S. Department of the Interior, and the Honorable Mark Van Norman, Director, Office of Tribal Justice, U.S. Department of Justice, aloha and welcome to Hawaii. Thank you for the opportunity to testify on federal reconciliation efforts as called for in P.L. 103-150, the Apology Resolution.

Background Information

The Hawaiian Homes Commission Act (HHCA) was passed by the U.S. Congress in 1920. As a condition for statehood, the State of Hawaii accepted a trust responsibility in 1959 to implement the HHCA. However, the United States retained and continues to exercise the authority to enforce the trust, to consent to any amendments to the HHCA affecting beneficiary rights, and to consent to any actions affecting the trust lands.

The Hawaiian Home Lands Recovery Act of 1995 (HHLRA), Title II of P.L. 104-42, designates the Assistant Secretary for Policy, Budget, and Administration of the U.S. Department of the Interior (DOI) with responsibilities to advance the interests of native Hawaiians, assist the Department of Hawaiian Home Lands (DHHL) and its beneficiaries in obtaining assistance from DOI and other federal programs, and administer the responsibilities of the United States under the HHCA and HHLRA.

Honorable John Berry
Honorable Mark Van Norman
December 10, 1999
Page 2

Our mission is to develop and deliver land to native Hawaiians, defined by the U.S. Congress as persons of one-half or more Hawaiian ancestry, and to effectively administer trust assets which include 203,500 acres of trust lands.

DHHL is the primary housing delivery agency for native Hawaiians. We provide direct benefits in the form of 99 year leases at an annual rental of \$1 for residential, agricultural, or pastoral purposes. Mortgage financing options are available to homesteaders to purchase their homes. The DHHL is able to offer single family homeownership for under \$100,000 as compared to the average private single family home cost of \$350,000 in Hawaii.

There are 6,856 existing homestead leases and 30,595 applications for homestead leases.

The challenges we face include covering infrastructure costs and providing homeownership opportunities for the sizeable group of lower income native Hawaiians who have difficulty qualifying for mortgages. The DHHL is moving ahead to allow rental units on existing homesteads to alleviate crowding, lower cost multi-family projects, and actively promotes self-help housing as a viable alternative. However, the housing needs of native Hawaiians are severe and beyond DHHL's current resources.

Reconciliation Objectives

DHHL concurs fully with the reconciliation objectives outlined by U.S. Senator Daniel K. Akaka in his letter of November 8, 1999:

- (1) Establish permanency to the reconciliation dialogue by establishing an office within the DOI to focus on Native Hawaiian issues;
- (2) Establish a framework for addressing long-standing issues such as self-determination and ceded lands; and
- (3) Take maximum advantage of the time left under the Clinton Administration to focus on actions that will better the social and economic conditions of Native Hawaiians.

Honorable John Berry
Honorable Mark Van Norman
December 10, 1999
Page 3

We believe strongly that two parallel efforts must be followed as a result of these hearings:

First, a long-term dialogue is required to define the content and process for reconciliation. This will not occur in 12 months. Starting the dialogue is only the first step in this journey to complete the intent of federal reconciliation.

Second, the parallel effort has less to do with long-term reconciliation, but rather, more to do with a good faith effort to take immediate actions in the last months of this Administration.

LONG-TERM DIALOGUE

Since the 1980's there have been several discussions between the Federal government and the Native Hawaiian community to establish a Native Hawaiian "desk" in the Department of Interior (DOI) to address Native Hawaiian issues.

Section 206 of the HHLRA provides that the DOI Assistant Secretary be responsible for advancing the interests of the beneficiaries and assisting the DHHL in obtaining assistance from DOI and other Federal agencies.

We recommend that a permanent office be established in the DOI Office of the Assistant Secretary for Policy, Management, and Budget to create the framework(s) for addressing short and long term issues, continue the dialogue between Native Hawaiians and the Federal government, and carry out or coordinate the federal responsibilities involving Native Hawaiians (e.g., pursuant to the HHCA, Hawaii Admission Act, HHLRA, and Apology Bill).

Further, we respectfully request that an Advisory Board from Hawaii be formed to be an integral part of the design of a federal reconciliation process.

IMMEDIATE ACTIONS

S.225, Native Hawaiian Housing

Since passage of the HHCA in 1920, DHHL has received less than \$7 million in federal housing assistance. On November 4, 1999,

Honorable John Berry
Honorable Mark Van Norman
December 10, 1999
Page 4

the U.S. Senate passed S.225, a bill to provide federal assistance for affordable housing on Hawaiian home lands. The bill will be before the U.S. House next year.

We urge your support for this measure as passed by the U.S. Senate. Native Hawaiians have worked for more than ten years on this initiative and it is very close to passage by Congress. Native Hawaiians currently have the highest documented housing needs in the Nation.

Surplus Federal Property

The General Services Administration (GSA) has a surplus property use program which allows communities to access government surplus property. For two years, efforts have been undertaken to secure access to this program in order to provide immediate benefits so that native Hawaiian homestead communities can improve and better use Hawaiian home lands resources and for elderly Hawaiians and families to repair and renovate their homes. As part of the reconciliation process, DHHL and native Hawaiians should be granted access to the GSA program. This is an action that can be taken immediately under sponsorship of the DOI.

Amended FHA 247 Agreement

The Federal Housing Administration (FHA) 247 program currently provides mortgages to native Hawaiians residing on Hawaiian home lands. This was originally a pilot program and a special mortgage insurance fund was established. Efforts are required to revise the program to benefit homestead successors and place the program in the larger general mortgage insurance fund. Your assistance through the reconciliation process will assist many native Hawaiian families directly.

Land, Water, Natural Resource Surveys

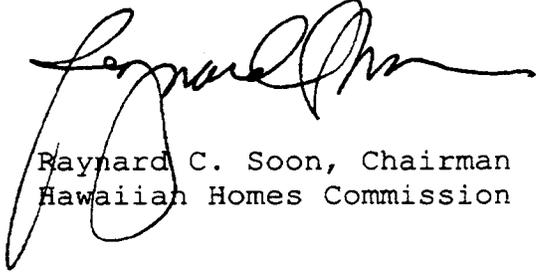
Section 205(e)(1) of the HHLRA requires that DOI conduct a land survey of all Hawaiian home lands. Since DHHL has received new lands from the State and has cleared many long-standing land issues, it is timely that DOI begin this process. We recommend that DOI update its 1991 Bureau of Land Management report to establish the basis for any necessary DOI funding requests.

Honorable John Berry
Honorable Mark Van Norman
December 10, 1999
Page 5

The DHHL and DOI U.S. Geological Survey (USGS) have undertaken several hydrological studies to assess the surface and groundwater resources of Hawaiian home lands. This relationship has been very productive, and must continue and be expanded.

In its role as manager of federal lands and natural resources, the DOI has a tremendous capacity to provide technical assistance to DHHL and conduct studies of Hawaiian home lands timber, forest, mineral, and other natural resources. We recommend that this be explored and implemented.

DHHL and its beneficiaries look forward to working closely with the federal government on implementing these recommendations.



Raynard C. Soon, Chairman
Hawaiian Homes Commission