

Summary Report on the Office of Hawaiian Relations Beneficiary Forum with the U.S. Department of the Interior Office of Hawaiian Relations.

Overview

The following is a summary of input by participants during the Beneficiary Forum with the U.S. Department of the Interior Office of Hawaiian Relations. The forum was held on May 22, 2008, in Honolulu, Hawaii, to discuss with leaders of the Native Hawaiian Beneficiaries Community, State enactments proposing to amend the Hawaiian Homes Commission Act. The consultation comment period for this forum ended July 30, 2008. However, due to public request, an electronic consultation with the Native Hawaiian community remained open until December 31, 2008.

The Beneficiary Forum was done in partnership with the Council for Native Hawaiian Advancement (CNHA), the Sovereign Councils of the Hawaiian Homeland Assembly (SCHA), and Hui Kakoo Aina Hoopulapula. The meeting was historic in two ways. To start with, this is the first time the SCHA (represents more than half of the Native Hawaiian Homestead Associations throughout the State) and Hui Kakoo Aina Hoopulapula (represents those persons who have qualified for Hawaiian Home lands but are waiting for a homestead) have ever convened a meeting together. Second, this was the first time the Federal government had consulted with Native Hawaiian Beneficiaries regarding amendments to the Hawaiian Homes Commission Act. The Department received high praise from the Native Hawaiian community for facilitating these actions.

Participant Demographic Statistics

The initial goal was to convene 25 leaders from the Native Hawaiian Beneficiaries community. However, due to a high level of interest, 51 leaders were accommodated. These leaders represent over 14,000 Native Hawaiian Beneficiaries.

Demographics of Participants

- **51** community leaders in attendance, diverse and engaged;
- **78%** or **40** attendees are either a homestead lessee or resident;
- **92%** or **47** attendees are eligible under the Hawaiian Homes Commission Act;
- **78%** or **40** attendees are members of SCHHA;
- **100%** of the main Hawaiian Islands were represented;
- **82%** or **42** attendees are members of CNHA; and
- **14%** or **7** attendees are members of Hui Kakoo Aina Hoopulapula.

Participant Evaluation Response Statistics

Each attendee was provided a one page evaluation to assess and give feedback on the quality and relevance of the forum. Responses indicate extremely high ratings on topic relevance and the quality of the materials provided to attendees. They also indicate great satisfaction on the length of the forum as well as the selection of the convening location.

- Return rate of **69%** or **31** attendees, an excellent return rate, completed evaluation forms.
- Topic Relevance - **90.3 %** scored *Excellent* on the relevance and importance of the topic with **9.7%** scored *Very Good*. On a scale of 1 – 5, with 5 being excellent, the average rating is 4.9.
- Materials & Handouts - **100%** responded with *Excellent* on the quality of forum materials provided.
- Length of Forum - **80.6%** scored *Excellent*, **16.1%** scored *Very good*, with **3.2 %** scored *Good* on the length of forum and on the sufficiency of the length of the forum. On a scale of 1-5, with 5 being excellent, the average rating is 4.7.
- Convening Facility Location – **93.5%** Scored *Excellent*, while **6.5%** scored *Very Good* on the quality of the meeting space to meet the needs of the convening purpose. On a scale of 1-5, with 5 being excellent, the average rating is 4.9.
- Helpfulness of Speakers/Presenters and Opportunities to Provide Input – verbatim responses are provided indicating the highest levels of satisfaction.
- Ways to Improve a Future Convening – verbatim responses are provided under and include gracious thanks, next step suggestions and other recommendations.

Participant Input on Forum Topic of HHCA Amendments

The Forum featured 16 amendments to the HHCA enacted by the State of Hawaii between 1995 and 2006, a period of 11 years, spanning two Governors and three DHHL Chairmen. A compilation of unedited input by various participants verbally and through written responses is provided as follows:

1. 1995 Act 14 (Chairman Watson/Governor Cayetano) adds a new section designated as the “Hawaiian home lands trust fund” into which the State agrees to make 20 annual deposits of \$30 million dollars or their discounted value equivalent.

- Should be understood that this settlement does not replace Article XII, the responsibility of the state of Hawaii to adequately fund DHHL.
- An audit or a report issued by DHHL should be done to report how the funding has been spent in the spirit of accountability to the beneficiaries, the legislature and DOI.

2. 1996 ACT 232 (Chairman Watson/Cayetano) Relating to ceiling on Loan Guarantees.

- Support for this amendment, needed.
- May require an additional amendment to increase the ceiling to current economic realities.

3. 1997 ACT 196 (Chairman Watson/Governor Cayetano) Lodging within lessee’s home or other dwelling.

- At time community opposition was voiced only to dissuade DHHL from using the approach as an excuse for not building more homes, otherwise supportive and helps beneficiaries.
- Support this amendment.
- On Molokai we practice “Ohana Zoning”, wherein children and grandchildren live on the homestead they grew up on in a separate dwelling. High rent in Hawaii is the reason for them moving home. I support this Act.

4. 1997 ACT 197 (Chairman Watson/Governor Cayetano) Non-substantive technical corrections.

- [Beneficiaries] Need to review further to review specific corrections.

5. 1998 ACT 27 (Chairman Watson/Governor Cayetano) Relating to designation of “special” and “trust” funds.

- At the original enactment, SCHHA supported, and Hui took no position.
- Support this amendment.
- Need more flexibility.

6. 1999 ACT 17 (Chairman Soon/Governor Cayetano) Relating to Lease Transfers to Quarter Blood relatives.

- DOI/OHR Action – 02/23/2003 Notifies No Congressional Consent Required.
- SCHHA supports the enactment. At the time, the SCHHA also provided a sliding scale methodology that would lower the blood quantum over increments of 10 years.
- Concern shared on further exacerbating the length of time on the waitlist.
- Important enactment to keep family stability in tact, and family assets in the family.
- Kupuna community support all Hawaiians.
- Positive and negative arguments on both sides.
- Must change the blood quantum to original proposal of Prince Kuhio (1/32) after fulfilling the needs of 50% blood quantum first on the waitlist.
- We want to have the higher quantum to take preference.

7. 2000 - Act 107 (Chairman Soon/Governor Cayetano) Relating to the establishment of loan interest rates.

- The result of this enactment has been an increase in interest rates/costs on beneficiaries.
- Seriously misapplied, not implemented to benefit beneficiaries, but rather to benefit DHHL.
- Hui made a specific request of the Commission to lower rates, which responded that an action of lowering would encourage defaults!
- Not happy with amendment as administered, needs consultation and discussion specifically on loan portfolio management.
- Needs discussion with DHHL and oversight of how this amendment being applied.
- Interest rates are too high.

8. 2000 – Act 119 (Chairman Soon/Governor Cayetano) Relating to Bidding Processes to Beneficiary Orgs/Persons.

- Deserves further review and education of DHHL and beneficiaries to understand intent and how it benefits the purposes of the trust and beneficiaries.
- At the time of enactment, SCHHA was against this bill, used to be a preference to beneficiary companies which promotes the purposes of the HHCA.
- Opposition to this amendment.
- Please review this amendment.

9. 2001 - Act 110 (Chairman Soon/Governor Cayetano) DHHL rulemaking and annual reporting requirements.

- Should apply to general and sub-leases.
- Concur with enactment, it's an important fiduciary duty.
- Beneficiary Consultation is important on the content of annual reports.

10. 2001 – Act 122 (Chairman Soon/Governor Cayetano) Relating to successor requirements and repayment of loans.

- Not that great on the implementation side.
- The effect has been to require successors to assume debt of non-beneficiary borrowers.
- No review of interest rates is done or workouts to make the debt acquisition manageable.
- Discourages successorship when loan interest is high, is problematic with elderly, makes this particularly challenging.
- Benefits DHHL not beneficiaries, DHHL moves to make their job administratively easier and that should not be their priority.
- Need further review and consultation to assist DHHL to apply more appropriately.
- DHHL does not appear to do critical analysis of special loans.

11. 2001 Act 302 (Chairman Soon/Governor Cayetano) Federal reaffirmation and community self governance.

- Recommend moving legislation in 2009 to remove the congressional consent clause, although full federal support is beneficial.
- Leadership need to implement Act 302, regardless of Akaka Bill.
- Very much support Act 302, important to well-being of beneficiary community, empowering and taking responsibility for ourselves.
- SCHHA established the Ka Paepae Aupuni Council with a diverse and knowledgeable group to implement the intent of Act 302.
- Act 302 helps us demonstrate capacity for self governance, self determination, making good decisions for our people and communities.
- Tremendous support for this amendment.

12. 2002 Act 12 (Chairman Soon/Governor Cayetano) Relating to successorship to siblings.

- No problem – Maikai.
- Detriment to wait list because lease/improvements don't return to DHHL inventory.
- Support, as it promotes families on the land in perpetuity, stability.
- Plenty of land to give out, getting existing leases back not priority.
- No opposition.
- Move this to the first priority in the process.

13. 2002 Act 117 (Chairman Soon/Governor Cayetano) NHRF for use by homestead families and communities.

- Yeah!
- Concern that the use of NHRF is broadening resulting in fewer opportunities for homestead organizations.
- Caution that regional planning should not be paid from NHRF.
- Connected to Act 12, bottom line – 25%
- Yes, agree. DHHL needs to pay for project they are responsible for (example water projects) this will allow monies to be used more in and for community projects.

14. 2005 Act 16 (Chairman Kane/Governor Lingle) Designation to a brother/sister to succeed to leasehold interest.

- DOI/OHR Action – 11/22/2006 Congressional Consent Required.
- Support this enactment, good for families and family asset building.
- Concern that DHHL will never meet waitlists.
- A good thing.
- Yes, add this into the Act as first priority

15. 2005 Act 53 (Chairman Kane/Governor Lingle) Allowing private mortgage insurance on loans.

- DOI/OHR Action – 11/22/2006 No Congressional Consent Required.
- Beneficiaries are paying mortgage insurance unnecessarily, since DHHL guarantees the lenders.
- PMI is still charged to beneficiary families even when LTV is below 80%.
- Private banks are building the cost of PMI into interest rate pricing.
- Careful to add new products and not replace FHA products.
- Support for this amendment.
- Need more discussion, was not approved by Congress.

16. 2006 Act 177 (Chairman Kane/Governor Lingle) Deposit of moneys in depositories other than the State treasury.

- Need to be discussed
- A good thing