

Waiāhole Action Plan

APPENDICES

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SEPTEMBER 2020 TO MARCH 2021

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Prepared by Townscape, Inc.

For the Hawai'i Housing, Finance, and Development Corporation

June 29, 2022

APPENDIX A:
SMS “WAIĀHOLE VALLEY
COMMUNITY STRATEGIC PLAN”
March 2019



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WAIĀHOLE VALLEY COMMUNITY STRATEGIC PLAN

March, 2019



Waiāhole at Kāneʻohe Bay

Source: The Trust for Public Land (photo by Douglas Peebles)

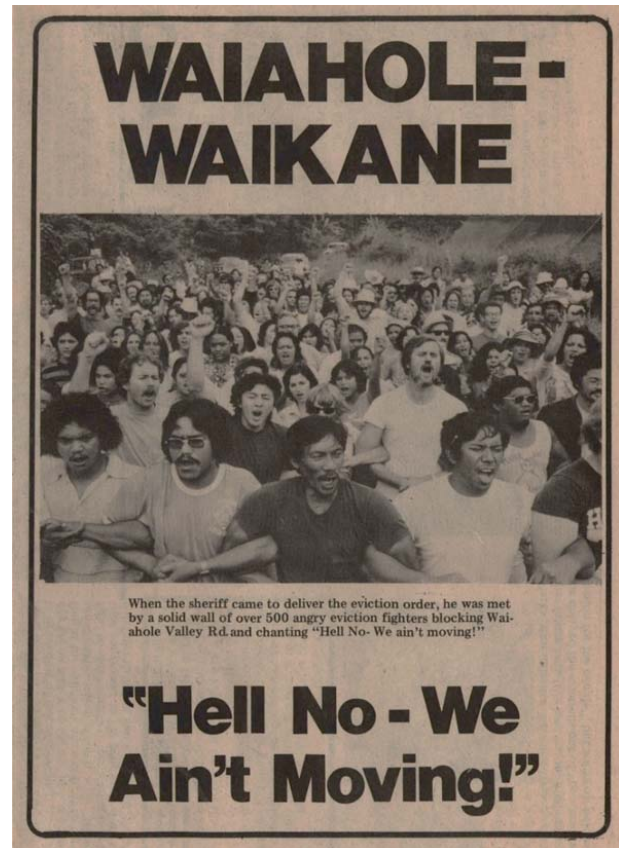
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HISTORICAL BACKGROUND

Waiāhole Valley has long been an agricultural community. At the time of Captain James Cook's arrival in 1778, there were over 500 Kānaka Maoli cultivating the Valley, living sustainable lifestyles in the 'Ahupua'a system.¹

During the boom of Hawaii's Plantation Era in the 1890s, Lincoln "Link" Loy McCandless oversaw the boring of a tunnel (commonly referred to as the McCandless tunnel) through the Ko'olau mountain range at the back of Waiāhole Valley to provide water for private agricultural business interests in the Central and 'Ewa regions of O'ahu. In 1903, just 10 years after the end of the Hawaiian Monarchy, McCandless was a key influencer in the passing of the Torrens Land Court Law by the Territorial Senate that allowed the wealthy businessmen who controlled the Territorial Government to acquire Kuleana Lands through Acts of Law that they created. It was through this process that Link McCandless came to own 40 Kuleana in Waiāhole and Waikane Valleys alone. He eventually acquired 200 Kuleana (comprising 36,000 acres), making him the 13th-largest private landowner in Hawaii. In 1959, the McCandless heirs (the Marks family) began to actively pursue development options for their land holdings in the Valley and began converting all of their tenancies to month-to-month leases. In the mid-1970s, Elizabeth Loy McCandless Marks entered into an agreement to sell Waiāhole and Waikāne lands to a hui led by developer Joe Pao. Mr. Pao planned to upzone valleys and construct approximately 4,000 homes. Community protests started related to the planned evictions of month-to-month tenants. In April of 1974, the Waiāhole-Waikāne Community Association (WWCA) was formed to share information and organize community opposition to the proposed development. After more than a three-year struggle to protect their rural lifestyle and the agricultural integrity of the Valley, the threat of eviction and development ended with action taken by the State of Hawaii.²



Community Newsletter ca. 1977

In 1977, Hawai'i Housing Finance and Development Corporation (HHFDC)'s predecessor the Hawai'i Housing Authority acquired 795 acres in Waiāhole Valley from Mrs. Marks. The \$6 million acquisition cost was paid by the Dwelling Unit Revolving Fund (DURF), and the purchase was made under threat of condemnation. The public purpose of this acquisition was to preserve

¹ Waiāhole-Waikāne Community Association. *Waiahole and Waikane Valleys, the people the land*. Waiāhole: Waiāhole-Waikāne Community Association, 1976.

² Ibid.

the rural, agricultural nature of the Valley. The State agreed to issue long-term ground leases: priority was first given to Mrs. Marks' Waiāhole Valley tenants, and second priority was given to Waiāhole and Waikāne tenants threatened with eviction by Mrs. Marks in the 1970s.

From the late 1980s to 1991, road, bridge, drainage, utilities, and potable-water system improvements were made by the State at a cost of \$11 million. During this time, the City and County of Honolulu (the City) granted development exemptions pursuant to Chapter 359G (now 201H), Hawai'i Revised Statutes (HRS). The exemptions require that the State maintain and operate the roadways, streetlights, and potable-water system.

In 1993, Act 330 was enacted by the Legislature whereby the Department of Land and Natural Resources (DLNR) was directed to transfer 108 acres of ceded lands in Waiāhole to Housing Finance and Development Corporation (HFDC), a predecessor to HHFDC. Leases were required to be offered to DLNR permit holders.

In 1995, the Declaration of Restrictive Covenants for Waiahole Valley Agricultural Park and Residential Lots Subdivision and Homestead Road Lands (the Declaration) was recorded by HFDC, designating lots for agricultural, residential, and other uses. The Declaration stated:

Recognizing that there is a growing scarcity of agricultural lands caused by urban encroachment which has made it difficult for agricultural enterprises to survive and that the acquisition of private property for agricultural purposes is a public purpose or use necessary to facilitate sound agricultural land-use planning Housing Finance and Development Corporation acquired or received in fee simple and this Declaration encumbers the following real property in Waiāhole Valley, District of Koolāupoko, City and County of Honolulu, State of Hawai'i.

The stated purposes of the Declaration were to:

- Protect and preserve the use and character of the Agricultural Lots for Diversified Agriculture; and
- Protect and preserve the agricultural and rural nature of the Project as an agricultural park and rural residential subdivision.

In 1998, approximately 90 long-term leases were signed with HFDC, and 20 lots were transferred to the Department of Hawaiian Home Lands (DHHL)³. In 2004, an agreement was reached to transfer all of Waiāhole Valley to DHHL. However, because of community protests the transfer agreement was terminated in 2005.⁴

HHFDC has ownership of approximately 292 acres of land (zoned P-1 Restricted Preservation) located outside the subdivision and 593 acres of land (nearly all zoned AG-2 General Agricultural District) within the subdivision. HHFDC is responsible for: lease administration and land management of 93 ground leases and permittees (the latter composed of two DLNR holdovers) plus 13 vacant lots; and infrastructure management and maintenance of the potable

³ Chinen, David Y. *History of the Waiāhole Agricultural Park and Residential Lots Subdivision – March 1977 to April 1998 – A Summary*. Waiāhole: David Y. Chinen, 1998.

⁴ HHFDC. Minutes of the Regular Meeting of the Board of Directors. August 18, 2005.

water system, roads, bridges, streetlights, rights-of-way, storm drains, open space lots, and Waiāhole Stream floodway lot.

In 2016, HHFDC determined that a strategic plan should be developed for Waiāhole Valley. The strategic planning process is one by which the community defines its vision and agrees on strategies to accomplish its goals. Its purpose is to identify key issues; establish priorities for addressing issues; direct limited resources (funding, human resources, etc.); and build community consensus. The rationale for undertaking the strategic plan is summarized as follows:

- Project operating expenses exceed revenues.
 - Annual base lease rent, agricultural lot percentage rent, and water services charges total approximately \$150,000.
 - Annual operating expenses total approximately \$300,000 to \$400,000;
 - Shortfalls are funded by DURF.
 - Cash is outlaid with no repayment to the revolving fund.
 - DURF is primarily used to provide interim loans for the construction of affordable housing.
- Housing conditions are largely substandard, primarily attributable to lessees' inability to obtain mortgage loans for renovations or new construction.
- Agricultural-lot utilization is low.
 - Small-farm economics have changed.
 - Farmers who reside on agricultural lots are aging, and their children and grandchildren are pursuing other careers.
- There is no disposition process in place for vacant residential and agricultural lots.
- Water system issues include the failing potable-water system and maintenance issues with irrigation systems.
- With two exceptions, all leases are scheduled for rent renegotiation in 2023.

The goals for the strategic plan were to:

- Address the needs of current and future generations of residents and farmers, including increasing the productivity of agricultural lots and improving substandard housing;
- Identify disposition options for vacant lots;
- Determine long-term ownership, management, and maintenance of water systems;
- Eliminate the burden of DURF subsidies to enable these financial resources to be redirected to HHFDC's core mission; and

- Address other priority community issues.

In 2017, HHFDC issued a Request for Proposals to develop a long-term strategic plan for the Waiāhole Valley community. SMS Research & Marketing Services, Inc. and its team members, EKNA, Inc., Hastings, Conboy & Associates, and Robin Campaniano (collectively, the SMS Team), were awarded the contract.



Project Lot Map

COMMUNITY-BASED PLANNING PROCESS

The Waiāhole Valley community has a mix of property owners and lot types.

- HHFDC owns 119 parcels (subject to 93 ground leases/permits).
 - 62 residential lots, of which 10 are vacant
 - 44 agricultural lots, of which three are vacant
 - 4 commercial and market-rate lots, which are all leased
 - 11 open-space and infrastructure lots
- DHHL owns 20 parcels.
 - 18 residential lots, of which 12 are vacant
 - Seven of the vacant lots are leased but have no structures on them. It is unclear what the plans are for the other lots.
 - Two agricultural lots
- Private parties own 20 parcels, of which two are vacant.

The overall planning process was designed to work closely with HHFDC and regularly gather insights and feedback from Waiāhole residents and farmers.

At the beginning of the project in December 2016, HHFDC provided SMS with access to historical and current reports, and background documents to educate and inform the SMS Team about the unique history and status of Waiāhole Valley and the families and individuals that reside there. SMS staff compiled two initial reports based on analysis of these documents to provide both a historical overview and informative background as the foundation of the planning process.

Waiāhole Historical Document Analysis

As the first step, the SMS staff created the Waiāhole Historical Document Analysis. The three primary documents reviewed were:

- Architects Hawai'i LTD. *Waiāhole Valley*. Honolulu: Architects Hawai'i LTD, 1978.
- M & E Pacific, Inc. *Revised Environmental Impact Statement for the Waiāhole Valley Agricultural Park and Residential Lots Subdivision*. Honolulu: M & E Pacific, Inc., 1985.
- Department of Planning and Permitting. *Ko'olau Poko Sustainable Communities Plan*. Honolulu: City and County of Honolulu, 2017.

Other materials reviewed included:

- HHFDC. *Approve an Increase in the Waiahole Valley Agricultural Park and Residential Lots Subdivision Budget*. Regular Meeting of the Board of Directors. June 9, 2016.
- HHFDC. *Minutes of the Regular Meeting of the HHFDC*. Regular Meeting of the Board of Directors. June 9, 2016.
- Chinen, David Y. *History of the Waiāhole Agricultural Park and Residential Lots Subdivision – March 1977 to April 1998 – A Summary*. Waiāhole: David Y. Chinen, 1998.
- HHFDC. *Information on the Waiahole Valley Agricultural Park and Residential Lots Subdivision*. Regular Meeting of the Board of Directors. July 9, 2015.
- Hawaii Revised Statutes. *Chapter 343 (Environmental Impact Statements)*.
- Miyagi, Michihiro. *Land Use in Waiāhole*. Honolulu: University of Hawaii. 1963.
- Land Use Commission. *In the Matter of the Petition of Department of Planning and Economic Development, State of Hawaii for Reclassification of Certain Lands Situate at Waiahole, Koolaupoko, City and County of Honolulu, State of Hawaii*. Docket No. A-85-591. January 20, 1986.
- Umeda, Gary. *Notes on Waiāhole Valley*. Honolulu: HHFDC. 2011

This analysis was designed to provide an informative foundation for the SMS Team as a collective starting point for the data procurement process and direct interaction with valley residents. As most of the valley residents have generational ties to this community, SMS wanted to exude respect for this community through a strong working knowledge of its unique history and the collective vision behind its inception.

Initial Tour of the Valley – February 2017

The objective of the visit was to give the planning team an overview of the physical aspects of the Valley and to meet with some of its residents to better prepare for the individual meetings/interviews to follow.

- The tour was conducted by Chris Woodard and Jason Takata of HHFDC.
- SMS Team members in attendance included Robin Campaniano, Andy Conboy, David Miyamoto, Hersh Singer, Faith Rex, Kekoa Soon, and Kanaloa Schrader.
- Recurring themes shared throughout the day were as follows:
 - There is a need for better maintenance of the common areas and potential hazards (such as Albizia trees).
 - Alternative lease rates should be offered for specific types of farming.
 - Lease rules and regulations need to be updated.

Stakeholder Interviews

Key stakeholders with an interest in Waiāhole Valley were identified including by the SMS Team through weekly meetings with HHFDC. Other stakeholders who contributed during the planning process included:

- State of Hawai'i
 - Executive Branch
 - Office of the Governor
 - Department of Agriculture (DOA)
 - Department of Education
 - DHHL
 - DLNR
 - Commission on Water Resource Management
 - State Legislators
- City and County of Honolulu
- Private developers
- Not-for-profit home building organizations

An interview outline was developed and used to ensure that every interviewee was asked a similar suite of questions regarding issues and concerns identified by stakeholders. An Interview Request Letter was sent to all potential interviewees, and in-person interviews were scheduled by SMS staff. Twelve (12) interviews with were conducted from March 2017 through June 2017.

Waiāhole Residents and Farmers Interview Summary

The objective of the Waiāhole interviews was to gather input to develop the Issues Survey discussed below. Throughout the process, SMS worked to ensure that all the Valley residents were given an equal opportunity to share their interests and concerns and that no one voice was given priority over another.

All residents who had a mailing address, telephone number, and/or email address were asked to participate in the interviews. The interview outline was designed to elicit responses that could be used to develop the survey. Each of the interview sections, which are summarized below, encouraged participants to express what was important to them. (Commonly expressed responses are noted after each section heading.)

- Respondent's Personal History in the Valley
 - Family ties, agricultural kuleana, and residential kuleana
- What Respondent Likes Best About the Valley
 - Lifestyle and rural environment
- Issues and Concerns
 - Water access challenges for both potable and non-potable water systems; negative activities in the Valley including trespassing; people who commit crimes; off-roading; inconsistent rules
- Desires for the Future
 - Clear land use guidelines; houses that are maintained throughout the community; overall Valley infrastructure improvements, including streetlights, water and sidewalks
- Barriers to Future Vision
 - Old water systems; contentious community association; inconsistent enforcement of rules and regulations
- Major Community Issues and Needs
 - Funding for community improvement; enforcement of rules and regulations; infrastructure improvements
- Information Wanted
 - Changes in the lease agreements, especially rent increases; desire for ongoing communication

A total of 31 community members were interviewed. A summary of the results indicated that the majority of those interviewed are long-term residents of the Valley who are concerned about protecting their current way of life. Important issues identified were the aging water systems, Albizia tree hazards, access to funding for improvements, flooding, bad elements/crime, the aging community, increases in rent and water rates, and a lack of next generation farmers.

Survey #1 (Issues Survey)

The Issues Survey was drafted by SMS staff and approved by HHFDC in May 2017. Survey design was based on feedback collected in the interviews. The objective of the survey was to identify quantitative measures to prioritize the issues identified during the interviews. The survey was conducted by telephone and through personal interviews from June 2017 through August 2017.

All residents who had a means of contacting them were asked to participate in the survey. Phone surveys were conducted by the SMS call center in Honolulu. In-person surveys were completed by experienced SMS interviewers recording participant responses on the paper

format of the approved questionnaire. A total of 117 surveys were mailed or households phoned, and 74 surveys were completed.

SMS staff analyzed the data and prepared infographics to complete the report in October 2017. A copy of the report is included as Appendix B. A summary of the report was sent to all verified resident addresses for review.

Waiāhole Valley Community Meeting #1

The SMS Team hosted a Waiāhole Valley Community Meeting on July 18, 2017 at Waiāhole Elementary School. Meeting announcements were sent out to all verified addresses three weeks in advance, and SMS provided fliers to the WWCA for distribution. The meeting included a presentation by SMS and HHFDC that described the planning process and which provided time for residents to provide feedback and insights to the process. A one-page *Overview of the Planning Process* flier for residents to take home was distributed. SMS used the opportunity to update contact information of those who attended, to schedule appointments to meet with residents to complete the survey, and to conduct surveys with residents who attended. Forty-eight (48) community members attended the meeting.



Community Meeting at Waiāhole Elementary School Cafeteria

Survey #2 (Solutions Survey)

Subsequent to Waiāhole Valley Community Meeting #1, SMS drafted the Solutions Survey, which was approved by HHFDC in August 2017. The objective of this phase was to quantify support for possible solutions to issues and concerns identified in the first survey. The same process as in Survey #1 was undertaken for the Solutions Survey, using both the telephone and in-person methods to improve participation rates. The survey was conducted from August 2017 through October 2017.

All residents who had a means of contacting them were asked to participate in the survey. In-person surveys were completed by experienced SMS interviewers recording participant responses on the paper format of the approved questionnaire. A total of 117 households were mailed surveys or were contacted for a telephone survey, and 68 surveys were completed. A summary of the report was sent to all verified residents' addresses for them to review, and the full version of the report is included as Appendix C.

Waiāhole Valley Community Meeting #2

After the completion of the Solutions Survey portion of the data collection process, SMS conducted a second community meeting to discuss the results of the survey and offer residents an opportunity to provide further feedback and offer alternative solutions. SMS sent invitations to all verified addresses of residents two weeks prior to the meeting on November 16, 2017. SMS provided feedback opportunities and used electronic “clickers” for real-time “votes” of possible solutions during the presentation.

Developing the Plan

Based on feedback from stakeholder interviews, community meetings, and the two surveys, SMS developed materials for a planning session with HHFDC and the SMS Team. The meeting was held on May 3, 2018. The focus of the session was to address Valley issues as identified by the residents and farmers, and how these issues could be balance against the needs and resources of HHFDC. The foundation of the Strategic Plan was established during this meeting.

In August 2018, SMS hosted **Waiāhole Valley Community Meeting #3**. The purpose of this meeting was to share an outline of the Strategic Plan and to update the community on the status of the overall planning process.

In early September 2018, SMS informed Waiāhole Valley community members of the upcoming HHFDC Board of Directors meeting at which the plan outline would be reviewed. Community members were invited to attend the meeting and given the opportunity to receive a copy of the presentation that would be shared at the meeting. The meeting was held on September 13, 2018, and four members of the community were in attendance. Fourteen (14) copies of the presentation were requested and sent to Valley residents and farmers. Additional copies were made available to WWCA leadership and at the Waiāhole KEY Project in Kahaluu, and an electronic version of the presentation was posted to the HHFDC website.

The presentation provided a high-level summary of the more detailed plan that follows.

STRATEGIC PLAN VISION

Waiāhole Valley is a self-sustaining, thriving rural agricultural community.

This vision can be fulfilled through:

- Preservation of rural character;
- Proliferation of diversified agriculture;
- Decent, affordable housing;
- Vibrant community life; and
- Economic and educational opportunities.



Mural in Waiāhole Elementary School Cafeteria

STRATEGIC PLAN GOALS

The goals of the plan to be realized by 2025 are as follows:

- Residential lots are maintained, and residents can access financing.
 - HHFDC leases have been rewritten in a manner that will enable households to have access to mortgage loans to rehabilitate their homes.
 - HHFDC lessees have their rents established (fixed without reopening) for a term of years that will provide residents and farmers with the clarity they need for future planning and financing.
 - Vacant lots have been cleared and developed.
- Agriculture in the Valley is thriving.
 - All agricultural lots in the Valley are being actively cultivated.
 - Farming in the Valley is economically viable.
 - Economic development efforts within the community are focused on supporting agricultural endeavors.
- Infrastructure for the residential and agricultural lots within the Valley is adequate to support robust agriculture in addition to domestic demand from a rural lifestyle.
 - Waiāhole Valley potable water service reliability is comparable to the rest of the island, if not better.
 - Waiāhole Valley potable water infrastructure is continually being maintained or improved.
 - Revenue generation from lease rents and water fees will be sufficient to cover ongoing potable water infrastructure operating and maintenance costs.
 - The Waiāhole Homesteads 'auwai (the 'auwai) and McCandless irrigation systems are being appropriately managed.
 - Community members feel safe and secure.
 - Street lighting is maintained.
 - Sidewalks are walkable and safe for residents.
 - Cesspools are being converted to septic systems.
 - Albizia trees are eliminated where they pose the greatest threat to electrical wires and other infrastructure. Community members are educated in how to minimize Albizia trees spreading in the future.

- Waiāhole residents and farmers are working together to strengthen their community through support for agriculture and economic development.

These goals were supported by the Waiāhole Valley community members that provided feedback as well as by HHFDC.

The following section provides strategic recommendations to address issues identified by community members and HHFDC. Action Plans begin on page 28.

STRATEGIC PLAN RECOMMENDATIONS

RESIDENTIAL AND AGRICULTURAL LEASES

HHFDC is responsible for 119 parcels that are subject to the Declaration. The leases were structured to function as long-term use permits, which was consistent with the State's goal of not displacing Mrs. Marks's tenants. Under these leases, lessees have "limited equity" interests limited to the market value of crops and physical improvements with no interest in the land. As a result, the leases are generally not financeable. Leases allow for free assignment to spouses and children (subject to HHFDC fees pursuant to Hawaii Administrative Rules); however, transfers to others require a payment of allocated subdivision capital improvement costs (equal to about \$24,000 in 2018).

At the time that the leases were issued, there were no up-front payments made by the lessees. Currently, the leases provide for nominal rent payments as follows:

- Agricultural lots: \$100/acre/year
- Residential lots: \$45/month (for the average half-acre lot size)

Rents are fixed through June 29, 2023 and then are subject to periodic renegotiation. The leases have an expiration date of June 29, 2053 with a 20-year extension option triggered by vote of 51 percent of project lessees, as stated in the Declaration and the leases.

In 2006, seven ground leases were amended upon lessee request. In each case, the lease was converted to a leasehold interest that allowed for mortgage-loan financing from American Savings Bank. New homes were constructed with assistance from Self-Help Housing Corporation of Hawai'i. The purchase of leasehold interests at market value was facilitated by highly leveraged seller financing.

HHFDC and lessees are looking toward the 2023 renegotiation of leases. Most of the current residential lessees are well informed about this timetable. Residents and farmers recognize that their current lease rents are at below-market levels and will likely increase. At the same time, they long for the security of knowing that their leases are long term and can be left to their children.

Based on a visual survey conducted by SMS staff, roughly half of the houses in the Valley are older and in relatively poor condition. Current lease terms, such as limited equity interests and uncertain lease rent increases, make qualifying for home renovation financing very difficult. Another challenge related to financing is that residents have relatively low household income levels, with approximately 65 percent of Valley households reporting income of less than the 2018 HUD area median income level for the City and County of Honolulu (as adjusted by household size.⁵

Based on an appraisal report prepared by Hastings, Conboy & Associates, lease rents in the Valley are only 18 percent of the estimated market lease rent levels. In addition, there are many households that are not current with their lease rent payments even at this low level.

⁵ Based on responses to Survey #1.

To better manage all of the issues related to complying with the Declaration and managing leases, an option for future consideration is to convert the parcels owned by HHFDC to a Community Land Trust. Community Land Trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They are primarily used to ensure long-term housing affordability. The trust acquires land and maintains ownership of it permanently.⁶ The trust enters into a long-term, renewable lease with homeowners instead of a traditional sale. When the homeowner sells his/her property, the seller earns only a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future low-to moderate-income families. Community Land Trusts play a critical role in building community wealth for several key reasons:

- They provide low-and moderate-income people with the opportunity to build equity through homeownership and ensure that these residents are not displaced due to land speculation and gentrification.
- Land trust housing also protects owners from downturns because people are not over extended; as a result, foreclosure rates for land trusts have been as much as 90 percent less than conventional home mortgages.
- Most commonly, at least one-third of a land trust's board is composed of community residents, allowing for the possibility of direct, grassroots participation in decision-making and community control of local assets.
- In addition to the development of affordable housing, many land trusts are involved in a range of community-focused initiatives including homeownership education programs, commercial development projects, and community greening efforts.⁷

Voluntary Lease Modifications

Strategic Recommendations:

During voluntary renegotiations, HHFDC should:

- Implement changes to facilitate lessee mortgage-loan financing.
 - Convert limited-equity interest to leasehold interest.
 - Negotiate lease rents for a 35 years duration. This will meet the needs of lenders who require a five-year "tail" for mortgage loans.
 - Consider a 20-year extension of leases to 2073 (reflecting the project's available 20-year extension option).
- In return for enabling lessees to have greater opportunities to finance home improvements, increase lease rents closer to market values over time.

⁶ HHFDC could contribute its Waiāhole parcels to a Community Land Trust either in leasehold or in fee simple. To effectuate the latter, the approval of the Legislature would be required pursuant to Section 171-64.7, HRS.

⁷ Community-Wealth.org. "Community Land Trusts (CLTs)." *Community-Wealth.org*. December 2017, <https://community-wealth.org/strategies/panel/clts/index.html>

- Develop a long-term plan to oversee the Valley and manage the leases in a way that better meets the needs of residents and farmers and is designed for the long-term future of the Valley beyond 2053.
 - Consider converting to a “sustainable affordable lease” pursuant to Chapter 516, HRS⁸.
 - As a longer-term quasi-exit strategy, consider converting the parcels owned by HHFDC to a Community Land Trust.

Lease Enforcement

A concern for some community members is that lease requirements are not being enforced consistently among all lessees. For example, for the most part action is not taken against lessees who are not current on their lease rent payments. This adds to the deficits that HHFDC incurs in managing the Valley. Lack of enforcement is due to insufficient resources within HHFDC, including staffing and/or funds to contract with a third party.

Strategic Recommendations:

HHFDC should make lease enforcement a priority by addressing⁹:

- Lease rent collection;
- Evidence of liability insurance;

⁸ As defined in Section 516-1, HRS, “Sustainable affordable lease” means a residential lot lease in a sustainable affordable development that satisfies all of the following requirements:

(1) The lease provides for a consideration to the fee owner below a fair market return on the fair market value of the land; provided that compensation to the fee owner for land, including lease rent, shall be either:

(A) Totally capitalized into the initial sales price for the residential lot, including all buildings and improvements; or

(B) Partially capitalized with a share of appreciation paid to the lessor upon resale of the residential lot;

(2) In order to maintain the continued affordability of the residential lot, the lease limits the lessee’s maximum sales price on the residential lot upon resale, including all buildings and improvements, to the lesser of:

(A) The fair market value of the residential lot, including all buildings and improvements, encumbered by the restrictions of the lease; or

(B) The sum of:

(i) The lessee’s purchase price for the residential lot, including all buildings and improvements;

(ii) Any appreciation on the residential lot, including all buildings and improvements as measured by multiplying the amount in clause (i) by the increase in the consumer price index for all urban consumers as determined by the United States Department of Labor for the applicable county (or if not published for the county, then for the State), from the date of the purchase to the date of the contract for resale; and

(iii) The fair market value of all lessor-approved capital improvements made by the lessee; and

(3) The lease may allow the lessor to receive a share of the appreciation in accordance with paragraph (2), as agreed to by the lessor and lessee, and as set forth in the sustainable affordable lease.

⁹ These priorities were established during the planning meeting with HHFDC on the basis of requirements already set forth in the current leases.

- Payment of real property taxes;
- Payment of water-service charges; and
- Agricultural lot percentage rent collection and tax-return submission.

The next level priority should be:

- Observance of City ordinances; and
- Observance of residency requirement.

HHFDC should require an increase in staffing and/or budget to enable a greater level of enforcement.

Vacant Residential Lots

The nine vacant residential lots in the Valley are not being maintained, and all have some type of structural debris on them. It appears that a few lots have debris beyond structural from unknown sources. This has created safety issues for residents and cost issues to clear the lots for HHFDC. Vacant lots also mean less revenue for HHFDC and fewer housing options for O'ahu residents.

One challenge to planning for future leasing options is that community members do not want "outsiders" moving into the Valley even though they know that such restrictions are not permitted under the Fair Housing Act. Thirty-five percent (35%) of respondents surveyed supported the construction of affordable, single-family rental homes on the properties.

It is important that the vacant lots be developed for security and financial reasons for HHFDC.

Strategic Recommendation:

- HHFDC should issue a Request for Proposals (RFP) to construct affordable, single-family homes on all nine vacant lots. This RFP would be sent to qualified eligible developers pursuant to Section 15-307-24, Hawai'i Administrative Rules. Lots potentially could be for sale in leasehold with a 2073 lease expiration date. Most of the vacant lots will need to be cleared of debris, possibly hazardous materials, thick vegetation, and abandoned structures to show the potential of the land.
- It is suggested that preference be given to a non-profit housing developer such as Self-Help Housing Corporation of Hawai'i or Honolulu Habitat for Humanity to build housing on vacant lots. The benefit of working with a non-profit is their positive image and the process, which provides an opportunity for community members to observe the construction and get to know the new families. The downside of a non-profit developer may be their limited capacity to build homes. Also, the cost of clearing the lot may become a cost issue for the buyer and/or non-profit.

AGRICULTURAL STRATEGIC RECOMMENDATIONS

There are 44 HHFDC Agricultural Lots in Waiāhole covering 155.4 acres. Of these lots, three (7%) are vacant. It is unclear how many of the 41 occupied lots are actively being farmed. Six lots were available to be inspected by the SMS Team, and four of these appeared to be active. Approximately half of the farmers say that they produce crops/flowers for sale.

Overall, there is a high level of support within the community for agriculture and a concern that not all agricultural land was being farmed. Over half of the community surveyed felt that it is important for farmers to make a viable living. For a valley that claims to be an agricultural community, these are major areas to be addressed.

Under the terms of the Declaration and the City Land Use Ordinance, agricultural lots can only have one house on the property and one additional dwelling for farm workers.¹⁰ Based on interviews, some of the land that is not being actively farmed is due to aging farmers who no longer can work their properties; their children do not want to take over the farm. At the same time, these farmers do not want to leave the property and give up their leases. One suggestion made was to enable farmers to sublease their property to someone who will farm the land now and will take over the lease in the future. The idea is to allow farmers to live the rest of their lives on the land, and still have the land be productive now. Note that this is currently not permitted under the Declaration and, depending on the lot, may not be permitted under the Land Use Ordinance.

One concern expressed by all of the farmers interviewed is the need to encourage more young people to become farmers. The perceived barrier to entry is the belief that farming is not economically viable. In fact, some of the Waiāhole farmers supplement their income with other jobs.

Agricultural Production

Based on discussions with farmers, they are currently growing the following within the Valley: sweet potatoes, herbs, tropical flowers, tropical foliage, tropical fruit (lychee, Rambutan, etc.) cacao, and taro. There are also some aquaponics operations in the Valley.

¹⁰ City and County of Honolulu Land Use Ordinance, Sec. 21-3.50-2 Agricultural cluster--Site standards. (a) The minimum land area required for an AG-1 district agricultural cluster shall be 15 contiguous acres. The minimum land area required for an AG-2 district agricultural cluster shall be six contiguous acres. (b) The maximum number of farm dwellings in an AG-1 district agricultural cluster shall not exceed one unit per five acres. The maximum number of farm dwellings in an AG-2 district agricultural cluster shall not exceed one unit per two acres. (c) Within agricultural clusters, detached, duplex and multifamily dwellings shall be permitted. Multifamily dwellings shall not exceed four dwelling units in any structure. (d) Within an agricultural cluster, all principal, accessory and conditional uses and structures permitted within the AG-1 restricted agricultural district and AG-2 general agricultural district shall be permitted, subject to the minimum standards and conditions specified in this chapter for these uses. (e) Within an agricultural cluster each dwelling may be sited on a lot not to exceed 5,000 square feet. For structures with more than one dwelling unit, the maximum lot size shall be a multiple of 5,000 square feet per dwelling. (f) Height and yards shall be the same as permitted in AG-1 and AG-2 districts..

Strategic Recommendations:

- Bring the farmers together to explore options to ensure the consistent production of crops that are suited to the Valley environment and have higher potential value. The goal is to focus on crops that can thrive in the Valley and be sold at a reasonable price, or developed into a value-added product that commands a higher price.
 - Based on the crop suitability by soil type (based on Waikāne Silty Clay and a 3% to 8% percent slope) “very good” potential crops include sweet potatoes, string beans, cucumbers, eggplant, mountain yams, and bananas.¹¹
 - Where the field slope is 8% to 15%, bananas have good potential. Crops such as sweet potatoes, string beans, cucumbers, eggplant, mountain yams, tomatoes, and papayas have fair-to-good potential.
- Consider modifying leases to provide an incentive for farmers to cultivate their lands as follows:
 - Include audited agriculture output rent incentives to encourage farmers to actively farm.
 - For farmers who are older or can no longer farm, for whatever reason, consider options that enable them to sub-lease farm lands to someone outside the family.
 - Seek opportunities for grants and assistance for low-income farmers to restore fallow lands to and enable agricultural production.
 - HHFDC must be prepared to enforce lease requirements if agricultural lots still lie fallow after multiple approaches.
- To bring vacant or fallow lands to a level that can be farmed, farmers will be encouraged to access resources from Rural Economic Development programs and Community Economic Development guidance, grants, and low-interest loans.

Vacant Agricultural Lots

There are three vacant agricultural lots. Lot 33 (a 13-acre parcel behind Waiāhole Elementary School) presents a unique opportunity because of its location once landfill remediation has been completed¹².

Located on Waiāhole Homestead Road, Lot 133, is being considered for use by the Hawai‘i DOA “for training in pesticides, food safety and basic agricultural practices. The Department will implement a conservation plan with United States DOA (USDA) National Resource Conservation Service and will walk the farmers through good conservation practices that are implemented with good conservation plans. The Department will also partner with the University of Hawai‘i College of Tropical Agriculture and Human Resources (CTAHR) on training

¹¹ Ishii, Brian. *Waiāhole Water System Strategic Plan*. Honolulu: EKNA Services, Inc., December 2017.

¹² As of December 2018, a company has been selected for the remediation project management, but a new landscaping contract is required to address clearing and maintaining the vegetation in that area.

farmers to successfully grow the crops they've chosen to cultivate and to develop business plans.”¹³ Currently, HHFDC is negotiating a Right-of-Entry agreement with the DOA.

The third vacant lot, Lot 61, has some challenges due to the slope of the parcel and periodic flooding.

Strategic Recommendations:

- Continue the current process with Lots 33 and 133.
- For Lot 61, develop and publish an RFP, possibly with assistance from the DOA and CTAHR.

Consider including RFP evaluation criteria that encourages cultivation of the next generation of farmers. The evaluation committee should include outside parties with agricultural economics and community development expertise.

Agriculture Irrigation Systems

Currently, water for crops differs by the location of agricultural lots. Some of the farms are watering their crops from the ‘auwai¹⁴ or the McCandless System.¹⁵ Other farms, that do not have access to those options, are using potable water available in the Valley.¹⁶

The ‘auwai is currently being maintained by one to five families who access this water source. The McCandless System is currently being maintained by three to four of the families who use this water source. Challenges for maintenance include: trees falling into the systems damming the water flow and causing inadvertent water streams; flooding during times of heavy rainfall; the ‘auwai flows through private land and cannot be easily accessed for maintenance; more farmers using the water than those that maintain the systems. Another consideration is that for the water from the ‘auwai and the McCandless System to be at the standard required for certain crops under the Food and Drug Administration (FDA) Food Safety Modernization Act, a method of testing water quality would have to be implemented.

One challenge in managing these non-potable water systems is that it is unclear who is responsible for them.

Strategic Recommendations:

- HHFDC should retain counsel with expertise in water rights. They would consult with DLNR Commission on Water Resource Management and advise HHFDC on its rights and responsibilities for the Waiāhole Homesteads ‘auwai and the McCandless system.

¹³ Provided by Micah MuneKata, Legislative Coordinator, Office of the Chairperson, Hawai'i DOA to Jason Takata November 27, 2018.

¹⁴ Based on location the ‘auwai is a water source option for 10 to 12 lots; however, it is uncertain how many actually use it as their primary water source for farming.

¹⁵ Based on DLNR Commission on Water Resource Management files, in 1990 there were 29 registered users.

¹⁶ There are nine agricultural lots that use over 50,000 gallons per month from the potable water system.

- Enable maintenance of the water systems by creating a public access zone on the sides of the systems to allow for ongoing maintenance. The zone should be approximately four to five feet on each side to enable a cart to pass for maintenance. Legal counsel may be able to provide advice on implementation of such zones.
- Identify a third-party to manage and maintain these water systems and a mechanism whereby fees would be collected from users to fund maintenance services.
- Consider lower lease rents for farmers who must access potable water due to the higher cost of production.
- Bring farmers together to discuss the FDA Food Safety Modernization Act and its proposed regulations regarding water quality standards and food processing. For example, the FDA is proposing a rule for agricultural water requirements to go into effect in January 2022 for large farms, and 2023/2024 for smaller and smallest farms. Requirements are likely to include testing for water quality that could possibly be done to benefit the group rather than requiring each individual farmer to conduct their own test. Note that large hotel and food chains are already requiring farmers to have certain certifications.

Economic Development

All farmers that were interviewed are selling their agricultural products outside the Valley through Farmers' Markets and to wholesalers, restaurants, and producers of higher value products such as cacao to be made into chocolate. As noted earlier, many of the farmers interviewed are struggling to earn an income sufficient to support themselves and their family. A model that may generate higher incomes may be agriculture-based economic development focused on farmers' retaining a greater share of the final sales price. In this model, the farmer retains his share of the product price as well any markup that would be taken by a wholesaler or value-added producer. This approach is closer to the original intent of an agricultural-based valley and reinforces the rural lifestyle within the valley.

Strategic Recommendations:

Support the marketing and distribution of Waiāhole Valley agricultural products.

- Develop a Waiāhole Valley brand that differentiates the produce and products from similar options around the island. This value-added differentiation will create higher demand and over time a higher price for that product. The brand will also enhance the sense of community and pride for the Valley. Examples of successful branding efforts may be found in the coffee industry, where growers have branded their coffee as "Kona" or "Kaua'i" coffee.
 - The DOA has approved a \$20,000 grant request to SMS to support branding efforts.¹⁷
- Explore the feasibility and benefits of a cooperative processing plant based on the crops being grown. This should enable farmers to be more efficient and sell additional

¹⁷ The brand will be owned by either DOA or HHFDC.

products. This will require production to be at levels sufficient to make the plant viable. Discussion has started with the Department of Education to explore using the Waiāhole Elementary School Cafeteria after hours.

- Food safety standards must guide the processing facility to enable agricultural products to be sold to a larger market. It is unclear at the present time what changes, if any, would need to be made to the Cafeteria to meet standards.
- Explore establishment of a marketplace selling Waiāhole produce, flowers and value-added products such as organic dried fruits, poi, baked goods, etc. The market would make it more convenient for farmers to sell their produce/flowers, reinforce the branding of the products, and provide other opportunities for residents in the Valley.
- The DOA has grants available for marketplace planning.

COMMUNITY INFRASTRUCTURE AND ISSUES

Potable Water

Forty-eight percent (48%) of respondents to Survey #1 said that the quality of their drinking water was a major problem. During interviews, many households said they purchase bottled water for drinking.

HHFDC has engaged a consultant to design an appropriate water system and prepare an Environmental Assessment. This process is expected to take up to two years to complete. The process will include evaluating groundwater options with new wells and a reservoir within the subdivision and may consider use of surface water or rights to Waiāhole Ditch transmission tunnel water. The community will be kept involved and updated during the process.

Seventy-six percent (66%) of Survey #2 respondents said that they supported HHFDC's plan to upgrade the system, including relocating wells to within the subdivision and constructing a new reservoir tank to improve service reliability.

Strategic Recommendations:

HHFDC should honor its previous commitment to not increase in water rates until construction begins on the new potable-water system. Over time, residential rates should increase to Board of Water Supply (BWS) levels. To encourage agricultural production, HHFDC should consider increasing the agricultural rates to something less than what BWS charges.

The long-term ownership of the system will depend on the system design implemented and discussions with the BWS.

Cesspools/Septic Systems

Based on interviews with lessees, home renovations and improvements have been hampered because new building permits require that lessees replace their cesspools with septic systems. The challenge is the relatively high cost of that conversion (estimated to be about \$25,000) in addition to the cost of renovations that is required. This conversion is required to be completed by 2050 per Act 125, Session Laws of Hawai'i 2017. This is an additional financial burden on lower-income households in the Valley.

Strategic Recommendation:

- Encourage and support lower-income household community members to seek financial assistance from low-cost loans or grants that are available through Rural Economic Development or Community Economic Development programs. A nonprofit may be identified to assist with writing grant requests.

Albizia Trees

The biggest community infrastructure problem identified by residents in the survey was Albizia tree infestation, with 75% of respondents agreeing that it was a major problem. Based on interviews, the biggest issue was the impact of falling trees: on electrical lines, and falling and damming the 'auwai and the McCandless system flow into the agricultural lots.

Strategic Recommendation:

- The State of Hawai'i Invasive Species Council has developed a "Strategic Plan for the Control and Management of Albizia in Hawai'i (2018)." Using this document as a guideline, HHFDC in conjunction with the community should create a plan for Albizia tree removal and long-term management. The plan may include applying for grants to cut down and minimize regrowth of Albizia trees, especially those that could fall on electrical lines or along the two water infrastructure systems. At the same time, HHFDC should explore options to engage a commercial user of Albizia trees to harvest easily accessible trees.

Safety and Security

Safety and security were major concerns for 58 percent of the Valley survey respondents. It was reported that streetlights were often not working, and that it was unclear who to contact for assistance – some streetlight maintenance is the responsibility of HHFDC, and other street lights are the responsibility of the City and County of Honolulu. In interviews, residents also expressed a desire for streetlights to go deeper into the Valley. Another issue raised by residents was that sidewalks were impassable due to overgrowth; community members were not maintaining the sidewalk area alongside their lots.

As the community comes together and neighbors begin to trust neighbors, general safety and security may be less of an issue. Where possible, HHFDC should address basic safety and security issues such as overgrowth of vegetation onto sidewalks and streetlight maintenance.

Strategic Recommendations:

- Lighting and sidewalk issues will continue to be a concern. Community members should be provided with information on who to contact for specific problems.
- Owners of lots fronting sidewalks should be reminded of their responsibility to keep the sidewalks accessible, with specific reference made to lease language or the Revised Ordinances of Honolulu.
- Cost estimates for expanding street light coverage and sidewalks should be gathered and evaluated as a priority for the community.

THRIVING COMMUNITY

As noted earlier, the Waiāhole Valley community is a mix of HHFDC, DHHL, and privately-owned lots. The challenging history of the Valley has created factions among residents beyond the differences in land ownership. There continues to be a high level of disagreement and distrust among families and factions. This distrust makes it difficult for the community to come together and make progress in any direction. However, feedback gathered through surveys suggests that there is general agreement and support in how best to move forward focusing on agriculture and community economic development.

Community Cohesiveness Recommendation:

- Build on the momentum created by this strategic planning process to create more trust within the Valley by focusing on areas where there is common agreement. Within the Valley, there is strong support for farmers and increasing production on agricultural land. We recommend that either HHFDC or the WWCA consider hiring a consultant/facilitator to bring the community together around supporting farmers. The goal is for the facilitator to lead a community-driven effort to organize an entity that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code that can be self-sustaining and enhance the quality of life within the Valley. This organization would lead efforts to write grant requests for:
 - Agricultural economic development – developing a Waiāhole brand and Farmer’s market;
 - Funding to replace cesspools with septic systems; and
 - Elimination of Albizia trees.

The consultant will reach out to DHHL to connect with their households and private land owners. One goal is to bring the community together regardless of type of lease.

As an alternative to HHFDC or the WWCA funding the cost of a consultant/facilitator, HHFDC could work with DOA or another State department or agency to see if that entity could take on some or all of the consultant role.

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

The Declaration states that:

[R]ecognizing that there is a growing scarcity of agricultural lands caused by urban encroachment which has made it difficult for agricultural enterprises to survey and that the acquisition of private property for agricultural purposes is a public purpose or use necessary to facilitate sound agricultural land-use planning, Housing Finance and Development Corporation acquired or received in fee simple...real property in Waiahole Valley.”

While a worthwhile purpose, it is unclear how this objective connects with the mission of HHFDC, which is “to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development.”¹⁸

While not its primary mission, HHFDC is the landlord for the properties under its management in Waiāhole Valley. HHFDC collects rents, oversees infrastructure and maintenance, and owns and operates the present potable water system. Beyond the rents it collects, HHFDC funds Valley improvements through the Dwelling Unit Revolving Fund (DURF). In 2016, HHFDC had the following budgets for Waiāhole Valley:

- Operations & Maintenance – Water Systems: \$3,572,620
- Operations & Maintenance – Infrastructure: \$2,042,219
- Lease Maintenance: \$2,207,684

Review of the current Waiāhole Valley annual budget indicates an estimated negative cash flow in excess of \$500,000.

Roles and Responsibilities

Currently, HHFDC has the equivalent of approximately 1.5 full-time staff members assigned to oversee Waiāhole Valley. These staff members are responsible for maintaining communications with lessees and responding to questions and complaints. The major enforcement issues facing HHFDC are:

- Compliance with lease requirements including payment of rent, evidence of liability insurance, payment of real property taxes, payment of water-service charges, and agricultural lot percentage rent collection and tax-return submission; and
- Illegal dumping of hazardous materials on vacant properties.

Challenges with enforcement is due to limited HHFDC staff and budget, State and Legislative interference, and the inconsistency of this effort with the mission of the corporation. HHFDC has issued default notices, and for “repeat offenders” letters are sent out with eviction notices. In recent years, no evictions have taken place.

¹⁸ 2017 HHFDC Annual Report.

Strategic Recommendations:

Given the limited resources within HHFDC, we recommend that HHFDC consider retaining a third-party company to take on responsibility for lease enforcement. HHFDC would be responsible for community relations, lease renegotiations, and management of third parties including property managers, 'auwai and McCandless system managers, and (if engaged) a community facilitator. Using a third-party for lease enforcement may make the process less political and able to be achieved more expeditiously.

ACTION PLANS

RESIDENTIAL LOT LEASES

- Begin the process of developing a new form of lease to be offered to all residential leases.
 - Extend leases to 2073.
 - Set lease rents for 35 years' duration.
 - Set lease rents to move closer to market values over time.
 - Modify lease language to ensure mortgage-financing opportunities to enable residents to make home improvements.
 - Maintain requirement to pay rent, provide liability insurance, pay water-service fees and real property taxes, and meet City and County of Honolulu housing standards.
 - Schedule meetings with individual lessees starting in 2020 and complete prior to scheduled lease rent renegotiation in 2023.

AGRICULTURAL LOT LEASES

- Begin the process of developing a new form of lease to be offered to all agricultural leases.
 - For lessees that have dwellings on-site and need mortgage financing:
 - Extend leases to 2073 and provide set lease rents for 35 years' duration;
 - Set lease rents to move closer to market values over time; and
 - Modify lease language to ensure mortgage-financing opportunities to enable residents to make home improvements.
 - Include audited agriculture output rent incentives to encourage farmers to actively farm.
 - Maintain requirement to pay rent, provide liability insurance, pay water-service fees and real property taxes, and meet City and County of Honolulu housing standards.
 - Evaluate the possibility of allowing subleasing. Alternatively, evaluate the possibility of incentivizing inactive farmers to assign their leases to new farmers, with the inactive farmer taking a subleasehold life estate in the dwelling only.
 - Schedule meetings with individual lessees starting in 2020 and complete prior to scheduled lease rent renegotiation 2023.

AGRICULTURE DEVELOPMENT

- Hire a consultant/facilitator to support agricultural production, marketing and distribution. The consultant/facilitator may be funded by the WWCA or HHFDC initially, but the goal is to lead a community-driven effort that can be self-sustaining and enhance the quality of life within the Valley. The consultant will reach out to DHHL to connect with their households and private land owners. One goal is to bring the community together regardless of type of lease. The consultant will:
 - Develop a marketing plan for the Valley that includes:
 - A Waiāhole Valley branding plan to optimize agricultural revenues
 - The branding strategy will reflect the produce/products being grown/made in the Valley and will reflect the “terroir” and rural nature of Waiāhole.
 - Develop a plan for the Waiāhole Valley Marketplace.
 - A distribution site perhaps through a Farmer’s Market at the entrance of the valley or at a site that already has larger number of visitors (such as Kualoa Ranch).
 - At the same time work with Farmers to identify the best crops for cultivation in the Valley given the environment and the value of the output.
 - The suggestion for crops will take into consider the opportunity to create higher value products from the selected crops. For example, cacao into chocolate, or certain fruits into organic dried fruits, or taro into poi doughnuts.
 - Options for a processing plant within the Valley will be explored. One thought is that using the Elementary School cafeteria at night and on weekends may be a good interim step until the volume reaches a level to warrant a free-standing site. The Cafeteria will need to be reviewed to ensure that it meets certification standards.
- The consultant can identify initial funding opportunities and options. Overtime, as trust builds within the community, community members may want to create their own non-profit.
- The benefit of a non-profit is the ability to attract outside funding and grants. Ideally the community comes together to create an economic development non-profit such as a Community Development Corporation. This non-profit will over time take over the role of the consultant, becoming the economic driver for the valley by accessing outside resources and expertise. In some communities, an outsider is the first executive director of the non-profit, but most of the Board must be community members.
- Additional funding opportunities from USDA include:
 - Farm loans, direct and guaranteed farm ownership and operating loans;

- Housing assistance for low-to-moderate income rural Americans;
 - Crop and livestock insurance;
 - Federal and/or State Marketing Improvement Program, to explore new market opportunities;
 - Specialty Crop Block Grant Program for certain crops;
 - Farmers Market Promotion Program to help improve farmers' markets and roadside stands;
 - Organic Cost Share Program which provides cost-share programs for certified organic farms.
- To complement the community trust building efforts, HHFDC must implement enforcement approaches to encourage Farmers to cultivate their lands.
 - This may require the sub-leasing of farm lands to someone outside the family.
 - This may also require helping low-income farmers to apply for grants and assistance to restore fallow lands to allow for agricultural production.
 - HHFDC must be prepared to act if agricultural lots still lie fallow after multiple approaches.

As an alternative to HHFDC or the WWCA funding the cost of a consultant/facilitator, HHFDC could work with DOA to see if that department could take on some or all of the consultant role.

SAFETY & SECURITY ACTIONS:

- HHFDC or their representative will have quarterly meetings, develop a website or dedicated page on a website and an information flyer to be sent out to all Waiāhole Valley residents and farmers. The objective of providing the information is to show community members that proactive actions are being taken to upgrade the infrastructure and to reduce the stress level of community members by having them know who to contact when they have concerns.
- Contacts for HHFDC, DHHL and the City & County of Honolulu will be identified relative to the issues to be resolved. HHFDC, the Consultant or the non-profit Executive Director will lead the effort to make it easier for residents to have a contact who will respond quickly to their issues, especially those that relate to safety.
 - Information about who to contact regarding a variety of key issues will be addressed by setting up a Waiāhole Valley website and mailing a series of flyers (because the internet connection is not consistent throughout the valley.)
 - It will be necessary for HHFDC to reach out to DHHL to encourage working together for the benefit of both their Lessees.

- Over time if the community comes together to support a non-profit some of these responsibilities can be taken over by that entity.
- New leases should have clear statements of responsibility regarding maintaining accessible sidewalks. Penalties for non-compliance should be clear and enforced.

CESSPOOL ACTIONS:

- HHFDC, a consultant, or community non-profit will share information with residents about opportunities to help fund the transition from cesspools to septic tanks including tax credits of up to \$10,000 for cost of upgrading or converting to septic system.
 - Explore options to reduce the price of moving to a septic system by negotiating transitioning multiple systems simultaneously.
 - Work with the Department of Health to inform community members about the reasons for the transition to a septic system.

VACANT RESIDENTIAL LOT ACTIONS:

Specific options for lots provided from the SMS Team real estate consultant are shown below.

Lot 7 (1 acre)

Lot 7 was used before and may have structural debris from the prior tenant. The lot is in the flood zone and has roadway frontage. The lot should be cleared of debris and large vegetation.

Recommendation:

- Located along Farrington Highway, this lot may be used for commercial or agricultural market use, however, traffic safety maybe a concern.

Lot 13 (0.75 acres)

According to neighbors, Lot 13 is suspect for burials. It also contains visible structural debris.

Recommendation:

- Additional investigation should be performed to determine if an Archaeological Inventory Survey is required before proceeding with development of the parcel (likely with a single-family dwelling.)

Lot 14 (0.35 acres)

This is a relatively small lot surrounded on two sides by Lot 13. There may be hazardous materials on the site.¹⁹

Recommendation:

This parcel is suitable for the construction of a single-family dwelling.

Lot 25 (1 acre)

Lot 25 has access through Maihua Place and is one acre in size. Based on conversations with neighbors, there likely is structural debris on the site.

Recommendation:

- This parcel is suitable for the construction of a single-family dwelling.

Lots 95 (0.21 acres) and 96 (0.19 acres)

These two lots (located across from Waiāhole Elementary School) were set aside for a WWCA Community Center, but the WWCA never followed through with its plans.

Recommendation:

- This is still a good site for a community center, possibly a multi-purpose facility including an agricultural processing plant. The WWCA or other community organizations would need to support and implement this undertaking. Alternatively, the parcels are suitable for the construction of a single-family dwellings.

Lots 30 (0.2 acres), 36 (0.2 acres), 102 (0.19 acres), and 103 (0.23 acres)

These lots were formerly leased and therefore may have structural debris that needs to be cleared in addition to overgrowth. The relatively small size of most of these lots suggests that single-family dwellings be considered.

Recommendation:

- These smaller lots may be used for single-family residential dwellings.

For those vacant properties that are deemed suitable for residential homes, the following steps are recommended:

- Issue a Request for Proposals seeking non-profit housing organizations and developers to submit a proposal to build single family for sale leasehold homes on some of the lots.

¹⁹ Conboy, Alan J. and Andy B. *Real Estate Consultation Report Involving Various Waiahole Valley Lots Owned by Hawaii Housing Finance & Development Corporation*. Honolulu: Hastings, Conboy & Associates, Ltd., 2018.

- Review proposals to identify the best option for the building of affordable housing in keeping with the mission of HHFDC and vision of Waiāhole Valley.
- Consider giving preference to nonprofit developers such as Habitat for Humanity or Self-Help Housing to identify the potential for new projects on the vacant lots.
 - Introduce the option of self-help homes to the community, connecting the cleaning of the lots with these new homes that will be built for deserving families.
 - This will require HHFDC investment in the cleaning of the vacant lots prior to the building effort.
 - Engage the community in supporting the project (note this can be done through the Consultant/Community Economic Development organization.)
- To minimize community disruption may want to develop one lot at a time. However, to maximize rental income may want to develop all at once.

VACANT AGRICULTURAL LOT ACTIONS:

At the present time, there are three vacant agricultural lots: Lots 33, 61, and 133. The following is a discussion and recommendation for each of the lots.

Lot 33 (12.8 acres)

This lot is located behind Waiāhole Elementary School and has waste material considered to be regulated and/or hazardous. A company has been selected for remediation project management. A new landscaping contract has to be undertaken to clear and maintain the vegetation in the lot so that the remediation can begin.

Recommendation:

Once remediated, this lot can be used for agriculture. However, its size and location next to the elementary school may make the lot ideal for other purposes, such as a low-income rental housing project for families.

Lot 61 (6.2 acres)

Lot 61 needs to be cleared to properly assess the site. The property is elevated from Waiāhole Valley Road (South Branch), and lower than Waiāhole Valley Road (North Branch), therefore access may be an issue. HHFDC has reported that the slopes on this property can range from 25 to 40 percent, but this has not been verified. The larger slopes are on the South Branch side of the lot. The lot is overgrown with understory and larger shrubs and trees, and will be expensive to clear. The lot likely has access to the McCandless non-potable water system.

Recommendation:

- Continue to seek agricultural use, but this will likely require clearing the lot to allow a better assessment of the site for potential lessees.

Lot 133 (3.9 acres)

Lot 133, located on Waiāhole Homestead Road, is being considered for use by the Hawai'i DOA "for training in pesticides, food safety and basic agricultural practices. The Department of will implement a conservation plan with USDDA's NRCS and will walk the farmers through good conservation practices that are implemented with good conservation plans. The Department will also partner with the UH CTAHR on training farmers to successfully grow the crops they've chosen to cultivate and to develop business plans."²⁰ Currently HHFDC is working on a "Right of Entry" (ROE) agreement with the DOA.

Recommendation:

Continue to work with DOA in this effort to support farmers and farming in the Valley.

Note: If the larger agricultural lots are difficult to lease, HHFDC may consider subdividing the larger lots into smaller parcels. These smaller agricultural, potentially about two acres in size, will allow for a smaller commitment of resources. There will a cost to provide subdivision access and infrastructure. Depending on the area and water availability the smaller lots would be used for flower or foliage crops, subsistence farming, or for farming by one person with a limited market.

WATER SYSTEM

Continue with the evaluation and recommendation process currently underway.

²⁰ Provided by Micah MuneKata, Legislative Coordinator, Office of the Chairperson, Hawai'i DOA to Jason Takata November 27, 2018.

FINANCIAL ANALYSIS

A review of Waiahole Valley annual budget indicates an estimated annual negative cash flow in the range of \$150,000 to \$250,000. One of the goals of the strategic plan was to identify the means of reducing this outflow, thus re-directing HHFDC funds to the agency's core mission of increasing and preserving the supply of workforce and affordable housing in Hawaii.

The primary source of incremental cash inflow will be generated through increases in the approved market-based rent structure. The strategic plan also proposes to invest in property management resources to better administer the Valley as well as funds to better maintain the current open water systems for farmers.

The financial analysis is planned to be discussed in detail with the HHFDC Board of Directors in executive session at its March 14, 2019 regular meeting.

TIMETABLE

ACTION	START	END
Finalize Strategic Plan		
Present plan to HHFDC staff for review and approval.	December 2018	February 2019
HHFDC staff presents to HHFDC Board of Directors.	March 2019	March 2019
Upon approval, create a summary of the plan that will be shared with stakeholders and the community.	March 2019	April 2019
Mail strategic plan summary to lessees and hold a community meeting to answer questions.	March 2019	May 2019
Create Form of Residential Lease Modification		
Draft form of modified residential lease for review by the Department of the Attorney General.	March 2019	June 2019
Schedule individual meetings with lessees.	July 2019	September 2019
Finalize form of modified leases.	October 2019	December 2019
Execute new leases with interested lessees.	January 2020	June 2020
Create Form of Agricultural Lease Modification		
Draft form of modified agricultural lease for review by the Department of the Attorney General.	July 2019	September 2019
Schedule individual meetings with lessees.	October 2019	December 2019
Finalize form of modified leases.	January 2020	March 2020
Execute new leases with interested lessees.	April 2020	September 2020
Evaluate Lease Enforcement Resources	July 2019	June 2020
Determine whether additional staff should be sought or a third-party should be retained to manage and enforce the leases. Obtain funding/approval for such additional resource.		
Evaluate the financial feasibility and practicality of engaging a third-party to regularly maintain the 'auwai and McCandless System.		

ACTION	START	END
<p>Develop Safety and Security Resources</p> <p>Develop a website and an introductory information flyer for Waiāhole Valley farmers and residents. The purpose of the site is to keep community members informed about the proactive actions being taken.</p> <ul style="list-style-type: none"> • Site will have a “who to contact” section regarding streetlights being out and guidelines on whose responsibility it is to keep sidewalks clear. 	July 2019	December 2019
<p>Potable Water Systems</p> <p>Continue with current plans to evaluate options. Complete Environmental Assessment.</p> <p>Keep the community involved in and informed about the progress. This issue must have a sense of urgency.</p>	March 2019	June 2020
<p>Vacant Residential Lots</p> <p>Estimate the cost of clearing vacant lots.</p> <p>Clear vacant lots for marketing purposes if deemed advantageous to the RFP process. Develop and publish an RFP to develop vacant family lots for single-family dwellings. Include consideration of self-help housing.</p>	<p>July 2019</p> <p>January 2020</p>	<p>September 2019</p> <p>December 2020</p>
<p>Vacant Agricultural Lots</p> <p>Consider if the use of Lot 33 should be changed from agricultural to an alternative use. Estimate the cost of clearing the lot. Develop and publish an RFP as appropriate.</p> <p>Consider if the other two lots should be considered for residential rather than agricultural use. Estimate the cost of clearing these lots for such uses. Develop and publish an RFP as appropriate.</p>	July 2020	June 2021

ACTION	START	END
<p>Community Facilitator</p> <p>Engage a community facilitator that may organize a 501(c)3 not-for-profit community development corporation or similar entity that will be responsible for supporting the community by writing grant requests, managing grants and to support agricultural economic development. Alternatively, engage DOA or another governmental entity to assist HHFDC in this effort.</p> <p>Meet with farmers to identify crops currently being grown that would benefit from a processing plant and/or Farmers' Market.</p> <p>Write two grant requests to support agriculture economic development based on feedback from farmers.</p> <p>Develop template requests for low-cost loans and grants that community members can use to apply for assistance to convert from cesspools to septic systems.</p> <p>Write grants to control Albizia trees.</p>	July 2019	June 2021

APPENDICES

- A. Discussion on Land Uses for Waiāhole Valley
- B. Summary Report Survey #1
- C. Summary Report Survey #2

APPENDIX A: DISCUSSION OF LAND USES FOR WAIĀHOLE VALLEY

The SMS Team attempted to identify and document opportunities for the subject property including, but not limited to, rezoning, consolidation of smaller sites into larger sites and even subdivision opportunities. Primary emphasis for the subject's immediate Waiahole area has always been the continued preservation of the area's cultural and scenic character and the protection of agricultural, natural resources and open space. The local residents, state & county government and the community as a whole desires to preserve and manage the area's rural nature has served to prevent the spread of most commercial development. This no growth attitude serves to limit any development beyond Kaneohe and limits housing and commercial develop and focuses on maintaining the status quo which is the protection of the area's existing agricultural, historic, cultural and natural scenic resources and character.

The Team also attempted to identify and document realistic examples of other properties on Oahu that received approval and community support to develop a commercial operation that can be identified with improving a public need and what key aspects of the subject property need to be changed or can realistically be changed to realize any type of commercial operation. Examples include, but are not limited to, commercial, school/education institutions, senior living projects and diversified agricultural uses. Very little data involving recent and realistic examples of properties were available to the Team.

The subject's area is characterized as rural in nature and dominated by agricultural or country zoned lands. Development in the immediate area is limited to agricultural or related uses and single-family dwellings on agricultural and country zoned lots. Direct access to the area is by way of Kamehameha Highway, a two-way, single-lane, an asphalt paved roadway extending along the majority of the windward coastline. Commercial development for the most part occurs in random spot fashion along Kamehameha Highway in Temple Valley (Koolau Center), Kahalu'u, Kaa'awa, Kahana, Punalu'u and in strip fashion in Hau'ula. Kaneohe Town, a low-density residential neighborhood or bedroom community located 7 miles south of the subject, represents the nearest major urban community in the area.

The subject properties are classified entirely within the State Land Use Agricultural District. The Agricultural District is intended to establish areas for agricultural activities with allowances for accompanying, agricultural-related residential use

The majority of the subject properties are zoned AG-2, General Agricultural District, under the City and County of Honolulu Land Use Ordinance (LUO). The intent of the AG-2, General Agricultural District is to conserve and protect agricultural activities on smaller parcels of land. Permitted principal uses within the AG-2, General Agricultural District include aquaculture, crop production, farm dwellings, forestry, game preserves, livestock grazing, livestock production, livestock veterinary services and public uses and structures.

Three of the subject lots are zoned City and County zoning. The purpose of the Country District is to recognize and provide for areas with limited potential for agricultural activities but for which the open space or rural quality of agricultural lands is desired. The district is intended to provide for some agricultural uses, low density residential development and some supporting services and uses. Principal uses include aquaculture, crop production, daycare facilities, detached one-family dwellings, livestock grazing, livestock production and veterinary services, meeting facilities, public uses and structures, elementary, intermediate and high schools, and utility installations Type A as well as other special accessory and conditional uses.

One of the subject lots is zoned P-1, Restricted Preservation District. The purpose of the preservation district is to preserve and manage open space and recreation lands and lands of scenic and other natural resource value.

Several of the subject properties located along Kamehameha Highway, Waiahole Valley Road and Waiahole Homestead Road are located within a Special Management Area (SMA) which is designed to regulate development along all coastal shorelines within the State of Hawaii.

Lessees shall use their respective properties based on the Character of use whether Diversified Agriculture or Residential Use. Diversified Agriculture includes the production and marketing of nursery products and horticultural crops such as vegetables, melons, orchards, flowers, foliage, and others, including activities related thereto, and shall include aquaculture. The raising of animals in connection with a feedlot operation is absolutely prohibited. Lessees are permitted to raise animals as long as all existing laws are observed, and operations are approved by the Department of Health and do not create any public health problems as determined by the Department of Health. Properties designated Residential Use are allowed only one single-family dwelling to be used as that Lessee's principal dwelling.

Lots located in the subject's agricultural subdivision are also subject to the Declaration of Restrictive Covenants for Waiahole Valley Agricultural Park and Residential Lots Subdivision and Homestead Road Lands. The purposes of this Declaration is to protect and preserve the use and character of the subject Agricultural Lots for Diversified Agriculture and to protect and preserve the agricultural and rural nature of the subject development as an agricultural park and rural subdivision. This Declaration runs with the land.

The subject properties are primarily zoned for agricultural use and improved with mostly residential structures and/or structures related to past and/or ongoing agricultural activity. Older improvements were constructed circa 1940 based on tax office records. These improvements are generally nearing the end of their economic life without substantial renovations. The improvements are located within a mostly agricultural area and generally conform to the immediate neighborhood. The demand for agricultural zoned properties is presently strong on the windward side of Oahu area and should continue due to lack of residential zoned properties. It should be noted that purchasers of these agricultural zoned properties are purchasing agricultural zoned properties with the intention of utilizing the properties for residential uses.

Rezoning

It should be noted that while the following discussion of potential uses for the subject site involving an up zoning to a higher and better use such as commercial, multi-family, assisted living and/or residential subdivision could result in a higher value for the subject property any higher value/use would have to be discounted to compensate for time and risk.

Community opposition is inevitable with any development, especially in an old rural neighborhood like the subject's Waiahole area. Development of the subject lots will also be minimized due to those aforementioned uses allowable under the current zoning and the subject's CCR's.

The site is located within the State Land Use Agriculture District and is zoned primarily Agricultural District by the City and County of Honolulu. The subject is also designated Agriculture under the Sustainable Communities Plan. The subject property is located in a rural

neighborhood with the closest commercial area approximately 7 miles south (Kaneohe Town). The subject's area represents one of the oldest agricultural/residential neighborhoods on Oahu and is considered more suitable to accommodate agricultural and single-family uses as opposed to commercial and multi-family residential development.

For purposes of this evaluation, alternative uses for vacant properties were explored including educational facilities, senior living facilities and a residential subdivision.

Educational Facilities

The Team's research revealed that several schools including Holy Trinity (Hawaii Kai), Star of the Sea (Kahala), Liliuokalani Elementary (Kaimuki) and more recently Academy of the Pacific (Alewa Heights) closed only to be replaced by Assets and St. Anthony's (Kalihi) will be closing in 2018. Several more schools including St. Francis, Damien and more recently St. Andrew's have switched to coed in order to increase enrollment and fend off financial struggles. Educational facilities are not considered an option for Waiāhole Valley.

Senior Living/Assisted Living Facilities

The Team considered an assisted living project, utilizing a portion of the subject site, as representing a practical and relevant possible use of the property given the current demand for such facilities and the aging population. The subject property might have to be rezoned apartment, more than likely A-1, Low Density Apartment. One of the most active developers of senior living projects on Oahu is the MW Group, Ltd. They currently have six assisted living centers open or in the planning stages. Their Plaza at Pearl City location near the Pearl Highlands Center opened late 2014 and the Plaza at Waikiki broke ground in April 2014 with an early 2016 opening. MW Group, Ltd. is also developing a Windward Oahu location in Kaneohe behind Windward Mall scheduled to open in 2019. The Kaneohe project will consist of a 146 bed, four-story structure located on a 1.6 acre portion of a 4.8 acre site. The Kaneohe location involved a long-term ground lease (their only one) with Kamehameha Schools Bishop Estate. A representative of MW Group would not disclose the terms of the deal but did indicate that in order for the development to make sense, by way of a long-term ground lease, the fair market value of the existing site was discounted by 60 to 70 percent.

Interviews with MW Group, Ltd. indicated the following:

- Any proposed development, without some type of variance, would be limited in height and density. Therefore, an assisted living facility would need between 2.5 to 3.0 acres at most to pencil out for a developer instead of a smaller lot with a higher maximum height limit and/or density.
- A long-term lease would not be feasible for an assisted living project or a single-family development primarily due to financing. A developer of an assisted living project would have limited financing. HUD (60%) and Fannie Mae and Freddie Mac (25-30% of financing) have too many restrictions. A representative of MW Group, Ltd. cited their proposed project in Kaneohe in which they are doing a long-term lease with Kamehameha Schools Bishop Estate (KSBE). They did a lease based on 30-40% of FMV of the land because of the financing. They are actually going to downzone from B-2, Commercial to A-1 or A-2, Apartment. So, a developer of an assisted living project would rather pay fee (not lease) and may be willing to pay a premium especially if there is competition.

- MW Group, Ltd. bases their purchases on a per bed basis. Their recent Waikiki purchase (which they are up zoning from B-2 to BMX-3) at \$3.5 million and 152 beds = \$23,026 per bed. Four of their most recent land purchases are summarized on the next page. The land areas are much smaller than would be required to develop the subject site with an assisted living facility because of zoning and maximum height limits. The Moanalua and Pearl City sites are both zoned Apartment and have maximum height limits of 90 and 150 feet, respectively. The Waikiki site is zoned Commercial with a maximum height limit of 150 feet. MW Commercial was able to develop or has developed facilities of six stories or more on these sites, thereby requiring less land area, which would not be the case with the subject property.



<u>Project</u>	<u>Location/Address</u>	<u>Total Beds</u>	<u>Purchase Price</u>	<u>Sale Date</u>	<u>Size (Sq. Ft.)</u>	<u>Price Per Bed</u>
Plaza @ Punchbowl	Honolulu 918 Lunalilo St.	137	\$1,850,000	Nov-01	37,370	\$13,504
Plaza @ Moanalua	Moanalua 1280 Moanalualani Pl.	156	\$2,500,000	May-11	38,812	\$16,026
Plaza @ Pearl City	Pearl City/Manana Kuala St.	158	\$3,665,905	Dec-12	89,346	\$23,202
Plaza @ Waikiki	Waikiki 1812 Kalakaua Ave.	152	\$3,500,000	Dec-13	28,761	\$23,026

Residential Subdivision

The overall size of the subject is considered conducive to possible future subdivision given the nature of the immediate, surrounding neighborhood and the strength of the local real estate market. Allowing for internal roadways, common elements, utilities, landscaping and setbacks, the existing larger vacant lots do have the potential to be subdivided.

Long term leasing of the entire subject property or even a portion of the subject property for residential purposes is still a viable option. Residential leasehold began in the 1950's as a means of creating more housing. It was a system that meant well until commercial leasehold concepts were applied resulting in market lease rent increases tied to unknown land value fluctuations and reversion (surrender) of the property at the end of the lease. Most businesses are accustomed to these terms but not the average single-family and/or apartment owner. Most large landowners, most notably Kamehameha Schools Bishop Estate, got out of residential leasehold land in the late 1980's and early 1990's by offering the fee to lessees. There were less than 19,000 leasehold units remaining in 2007 which is down significantly from the 70,000 apartments and 25,000 single-family homes that were built on leased land after World War II. Leasehold residential subdivisions can be found all over Oahu, including but not limited to, Waimanalo, Kahulu'u, Palolo and Waipahu.

The Team assumed that portions of the subject could be sold to a developer to be developed into a residential subdivision. The Hawaii housing market has been cyclical over the last 35 years with three (3) major market expansions followed by periods of post-expansion adjustment. There are no indications that the underlying factors responsible for those three expansions will

change significantly and most of the forecasts suggest continued growth in the Hawaii housing market in the short term. Again, as with any forecasting, these projections are subject to change due to changes in employment, household incomes and interest rates. Again, any development resulting in a higher value for the subject property would have to be discounted to compensate for time and risk.

A developer would have to deduct at least 25.0 percent of the usable land area to allow for internal roadways, common elements, utilities, landscaping and setbacks.

Certain expenditures will have to be made that are required to bring the development to fruition. The following direct construction costs were based on interviews with developers and real estate professionals either knowledgeable or experienced in site development. The in-tract costs typically range from \$18.00 to \$25.00 per square foot of developable land area and depend on the size, slope and soil composition of the site.

There would be marketing and sales costs associated with the forecasted absorption of any proposed development including, but not limited to, provisions for real estate sales commissions, closing costs, advertising and promotion, developer's overhead, financing costs and real property taxes.

Overall Conclusions

The General Plan of the City and County of Honolulu designates the subject property as a rural area that is to remain in predominantly agricultural and preservation land uses. The subject is located in the City's Ko'olau Poko Sustainable Communities Plan (Plan). This plan establishes policies for future land use and development in the subject property's area and encourages the preservation, continuation and potential expansion of agricultural land use. The Plan also recognizes that the subject's area has been one of Oahu's principal regions for wetland taro cultivation and aquaculture due to the year round wet climate and abundant streams. Selected excerpts from the Plan include the following:

- New housing should be limited in the subject's area and any new residential development should be concentrated in urban Honolulu and in West Oahu.
- Revitalize and maintain existing commercial centers and limit the expansion of commercial centers and economic activity in the subject's area and again focus on these types of development in urban Honolulu and West Oahu.
- Maintain predominantly low-rise, low-density, single-family form of residential development.
- Maintain and promote small-scale agricultural uses especially in the mauka areas.
- Encourage continuation of small-scale agricultural uses.

It is the opinion of the Waiahole Valley Strategic Team that the subject's zoning, existing development plans and older rural neighborhood would present challenges to any type of development other than agricultural use and low-density residential development. Therefore, considering the location, zoning and demand, it is our opinion that the highest and best use of the subject Waiahole properties, as vacant, would be either agricultural or mixed

agricultural/residential use with accessory agribusiness activities which would promote and complement the existing agricultural operations.



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APPENDIX B: SUMMARY REPORT SURVEY #1

Database Marketing

Economic & Social Impact Studies

Evaluations

Research

Modeling/Forecasting

October 11, 2017

Background

Gathering input from Waiāhole residents is an important part of the strategic planning process. Resident Surveys are the primary way of gathering quantitative feedback from residents. Surveys were conducted with HHFDC lessees, DHHL lessees, and Private Title owners. This is a summary of responses to the Waiāhole Valley Resident Issues Survey conducted in person and over the phone by SMS professionals.

Methodology

All residents who have a means of contacting them were asked to participate in the survey.

Phone surveys were conducted by the SMS Call Center in Honolulu.

In-person surveys were led by: Kekoa Soon and Kanaloa Schrader and involved experienced SMS interviewers.

Survey questions were developed based on responses to the resident interviews that were previously conducted by SMS.

A total of seventy-five surveys (73% overall) were completed. Of the seventy-five completed surveys, sixty-six identified as lessees and nine as private title owners. Of those who identified as lessees eighty seven percent identified as HHFDC lessees, six percent identified as DHHL lessees, and eight percent declined to respond or were unsure. Additionally, fifty nine percent identified as residential lots, twenty eight percent as Agricultural, eleven percent as both, and three percent declined to answer or were unsure.

Summary tables of survey responses are provided in Appendix 1.

SMS

1042 Fort Street Mall
Suite 200
Honolulu, HI 96813
Ph: (808) 537-3356
Toll Free (877) 535-5767
E-mail: info@smshawaii.com
Website: www.smshawaii.com

A draft of the Issues Survey script with response frequencies inserted is provided in Appendix 2.

Slides from the community presentation of the Issues Survey Report are provided in Appendix 3.

Highlights of the Survey

The majority (98%) of participants reported that they were *Happy, Very Happy, or Extremely Happy* living in the valley.

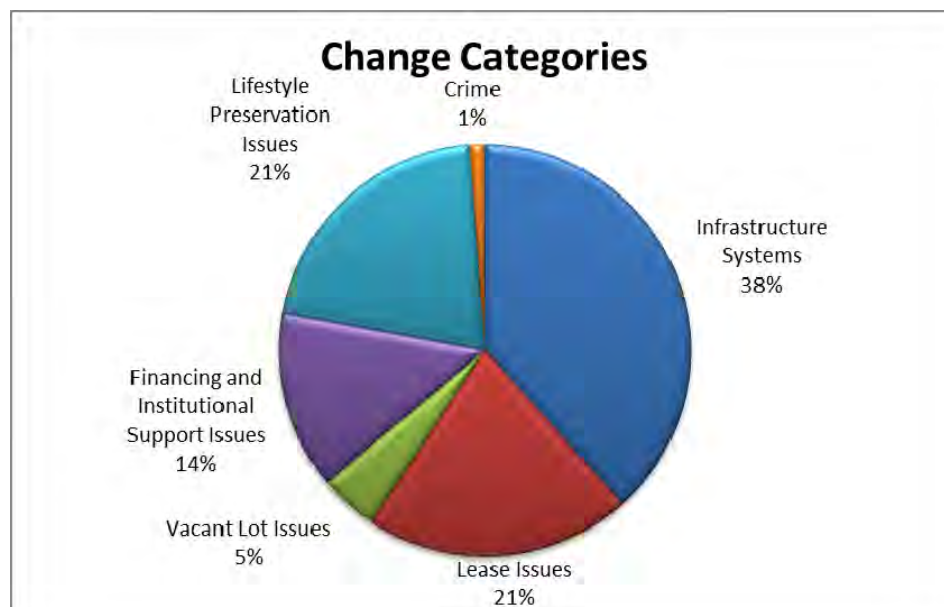
The change that more residents reported wanting over the next ten years is Infrastructure Systems.

Seventy seven percent of residents reported that developing a long-term plan for Waiāhole was *Very Important* and an additional nine percent felt it was at least *Somewhat Important*.

Desired Changes

Participants were asked to share what changes they would like to in the valley in the next ten years. These open-ended responses were combined into six categories based on their similarity.

Figure 1



The largest category was Infrastructure Systems at forty four percent. Examples of responses placed in this category include: maintenance of over growth along roads and

streams; repairs to the potable and non-potable water systems; better lighting along valley roads at night; and addressing the Albizia tree hazards to homes, farms, common areas, and waterways.

Lease Issues and Lifestyle Preservation Issues were tied at second at twenty four percent. Examples of responses categorized as Lease Issues include: 'Ohana housing options; farm worker housing options; enforcement of rules and regulations; and co-op options. Examples of responses categorized as Lifestyle Preservation Issues include: limiting/preventing large scale development of any kind; maintaining the rural integrity of the valley; more farmers given access to unused land; and simply keeping the country, country.

Financing and Institutional Support Issues were third at sixteen percent. Examples of responses placed in this category include: helping residents access funding for repairs and improvements to their homes and/or farms; partnerships with UH/WCC; and agricultural specialist to consult on crop potential and educate farmers on best practices.

Vacant Lot Issues is next with just five percent followed by Crime with just one percent. Examples of responses categorized as Vacant Lot issues Include: overgrown lots creating hazards for neighbors; and illegal dumping. Examples of responses categorized as Crime include: illegal drug use and trafficking; and property theft.

Seventeen percent of participants declined to respond.

Long term plan for Waiāhole Valley

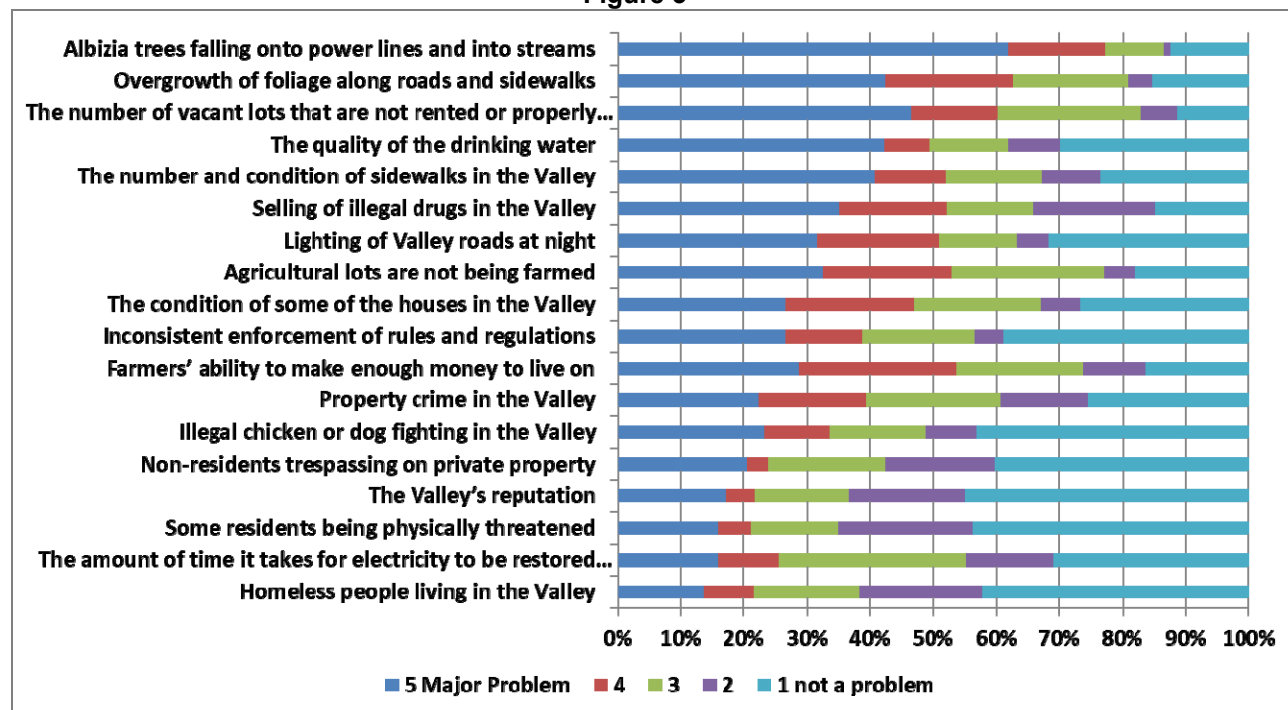
When asked how important it is to develop a long-term plan for the valley seventy seven percent responded that it is *Very Important*.



Current Issues

The following are concerns that residents expressed. They were grouped into four categories (Infrastructure, Crime, Agriculture, and Miscellaneous) and participants were asked to rank them on a scale of 1 to 5 where 5 is a major problem and 1 is not a problem at all. The following summary of responses is based on level 1 - 5 response rates to individual issues.

Figure 3



Infrastructure:

The major problem ranked highest in this category is Albizia tree hazards at sixty percent followed by the quality of the drinking water and overgrowth along the roads and sidewalks at forty one percent, the number and condition of sidewalks and vacant lots that are not maintained at forty percent, the lighting of valley roads at night at thirty one percent, the poor condition of some of the homes in the valley at twenty five percent, and the time it takes to restore power after an outage at fifteen percent.

Crime:

The major problem ranked highest in this category is the selling of illegal drugs in the valley at thirty one percent, followed by property crime at twenty one percent, illegal chicken or dog fighting at twenty percent, and residents being physically threatened at fifteen percent.

Agriculture:

The major problem ranked highest in this category is Agricultural lots not being farmed at twenty seven percent followed by farmer's ability to make a living at twenty three percent.

Miscellaneous:

The top major problem ranked highest in this category is the inconsistent enforcement of rules and regulations at twenty four percent, followed by non-residents trespassing on private property at nineteen percent, the valley's reputation at fifteen percent, and homeless people living in the valley at twelve percent.

Participants were also asked if they had additional issues or concerns about life in the valley they would like to share with us. Responses were placed into one of six categories based on their content as discussed in the Desired Changes section.

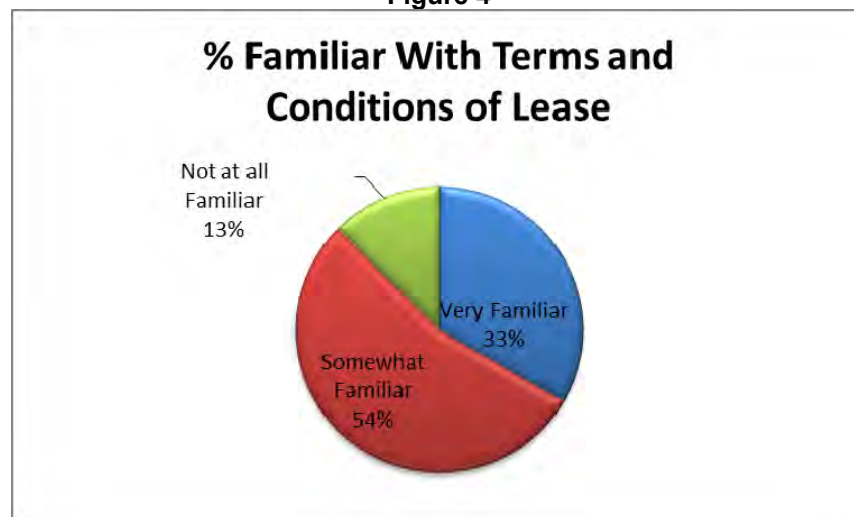
The top category of responses shared by participants is Infrastructure Systems at twenty three percent followed by Lease Issues and Lifestyle Preservation Issues at fifteen percent, Financing and Institutional Support Issues at seven percent, Vacant Lot Issues at three percent, and Crime at one percent.

Lease Logistics

Seventy nine percent of participants identified themselves as the primary lease holder, nineteen percent were not, and two percent did not know.

When asked how familiar they were with the terms of their leases thirty three percent said that they were *very familiar*, fifty four percent said they were *somewhat familiar*, and thirteen percent said they were *not at all familiar*.

Figure 4



When asked how concerned they were about the number of years left on their leases fifty two percent said they were very concerned, twenty five percent said they were somewhat concerned, and fifteen percent said they were not concerned at all.

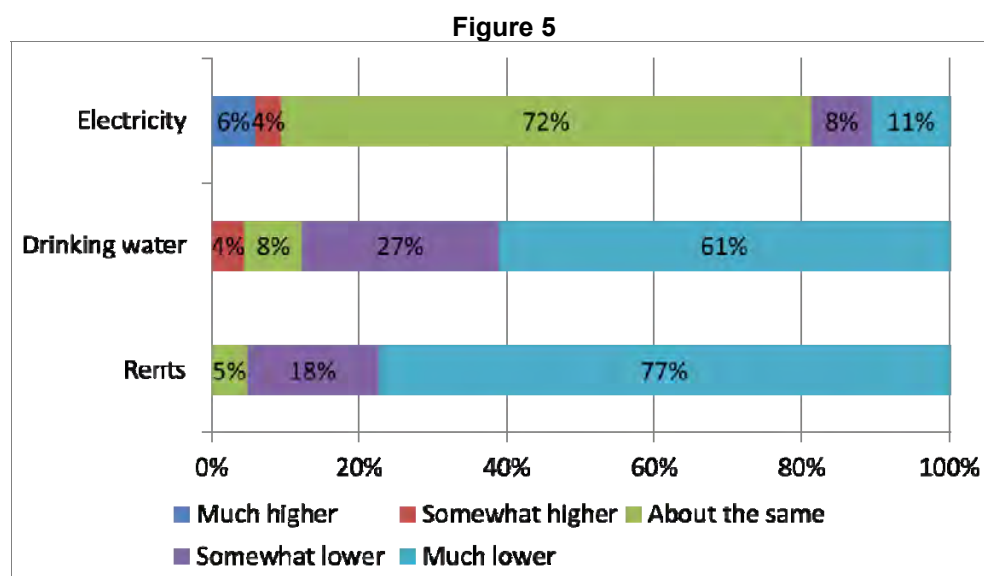
When asked how concerned they were about being able to get financing for renovations to their homes because of the length of their lease thirty eight percent said they were very concerned, seventeen percent said they were somewhat concerned, and forty percent said they were not concerned at all.

When asked how concerned they were that they won't retain any value from their home or improvements they have made to their property when their lease ends sixty percent said they were very concerned, fifteen percent said they were somewhat concerned, and nineteen percent said they were not concerned at all.

When asked how the current rent payments made by HHFDC Lessees compare with the rents paid for similar properties on O'ahu sixty five percent said they were much lower, fifteen percent said they were somewhat lower, and four percent said they were about the same.

When asked how the current rate being charged for drinking water in the Valley compares with the drinking water rates paid elsewhere on O'ahu fifty five percent said it was much lower, twenty four percent said it was somewhat lower, seven percent said it was about the same, and four percent said it was somewhat higher.

When asked how the current rate being charged for electricity in the Valley compare with the electricity rates paid elsewhere on O'ahu nine percent said it was much lower, seven percent said it was somewhat lower, sixty one percent said it was about the same, three percent said it was somewhat higher, and five percent said it was much higher.



The following was only responded to by the twenty eight percent who identified themselves as Agricultural Lot Lessees.

Ag Lessees were asked if and what they produce farm products in an average year for. Fifty three percent said they produce for commercial sales, twenty two percent said they only produce for personal use, three percent said the produce for other uses (mainly sharing with neighbors and providing cut flowers for friends, family, and churches), and twenty two percent said they do not produce at all.

Ag lessees were also asked if there were any changes they would like in the valley in the next ten years to help farmers. Open-ended responses were placed into one of six categories based on their content as discussed in the Desired Changes section. The largest category of responses shared by participants is Financing and Institutional Support Issues at twenty nine percent followed by Infrastructure Systems at twenty three percent lease Issues and Lifestyle Preservation Issues at thirteen percent and Vacant Lot Issues at ten percent. There were no responses in the Crime category.

Participant Demographics

Eighty seven percent of participants said they have children, thirteen percent said they did not.

Of those who have children, ninety one percent said they were eighteen years old or older, nine percent said they were younger than eighteen.

Of those who have children eighteen or older, sixty two percent said that they live in the valley, thirty one percent said they live elsewhere (mostly elsewhere on O'ahu), and seven percent said they have children who live in the valley and elsewhere.

Of those who live elsewhere, sixty three percent said their adult children plan to move back to the valley at some point in the future, twenty seven percent said that they did not think so, and ten percent said they did not know.

When asked if it would be possible for us to contact their children to participate in the survey forty one percent said yes and fifty nine percent said no.

Forty three percent of participants were male, and fifty seven percent were female.

When asked about their current employment status thirty three percent said they work full-time, five percent said they work part-time, thirteen percent said they are self-employed, three percent said they are not employed, three percent said they are homemakers, and forty three percent said they are retired.

When asked how many years they have lived in Hawaii eighty three percent said they are lifetime residents, sixteen percent said they have lived in Hawaii more than twenty

years, but not lifetime, and one percent said they have lived in Hawaii for eleven to twenty years.

When asked how many years they have lived in Waiāhole Valley twenty four percent said they are lifetime residents of the valley, forty nine percent said they have lived there more than twenty years, but not lifetime, thirteen percent said they have lived there from eleven to twenty years, seven percent said they have lived there from six to ten years, four percent said they have lived there for one to five years, and three percent said they have lived in the valley for less than a year.

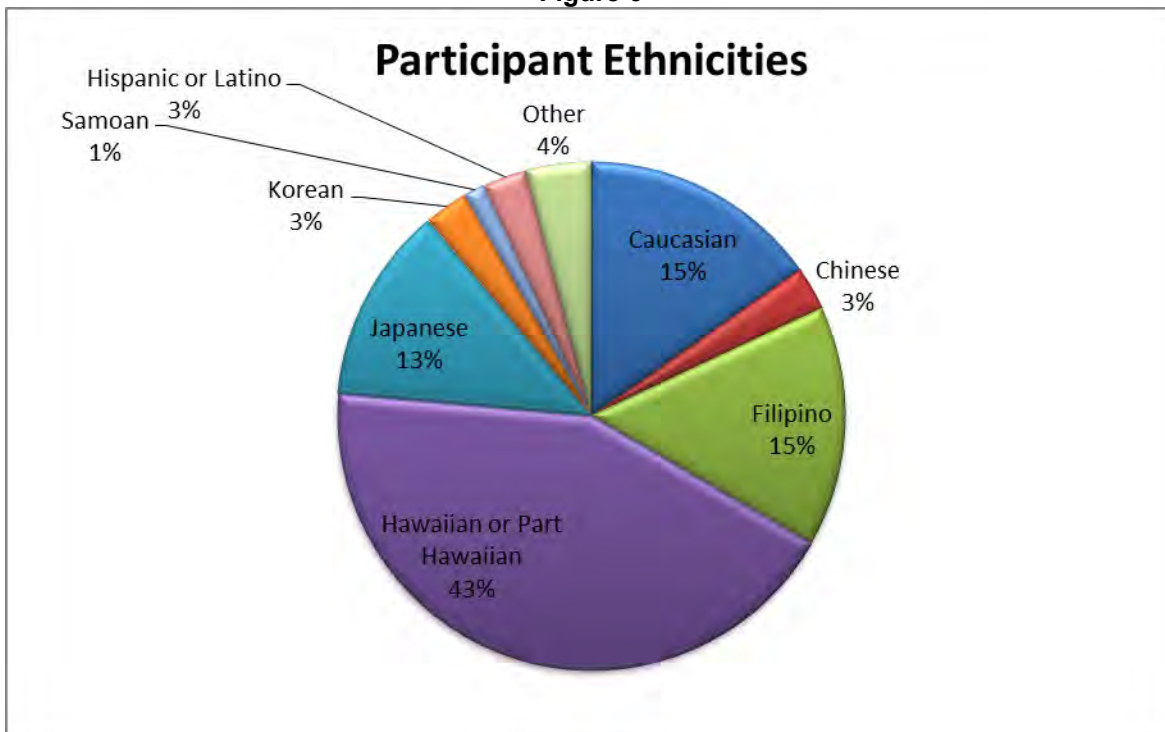
When asked their marital status sixty seven percent said they are married, fifteen percent said they are single, never married, and nineteen percent said they are divorced, separated, or widowed.

When asked how many people live in their households including themselves nine percent said it was only themselves (1), twenty five percent said there were two of them,

Twenty percent said there were three, twenty percent said that there were four, and twenty five percent said that there were five or more people living in their households.

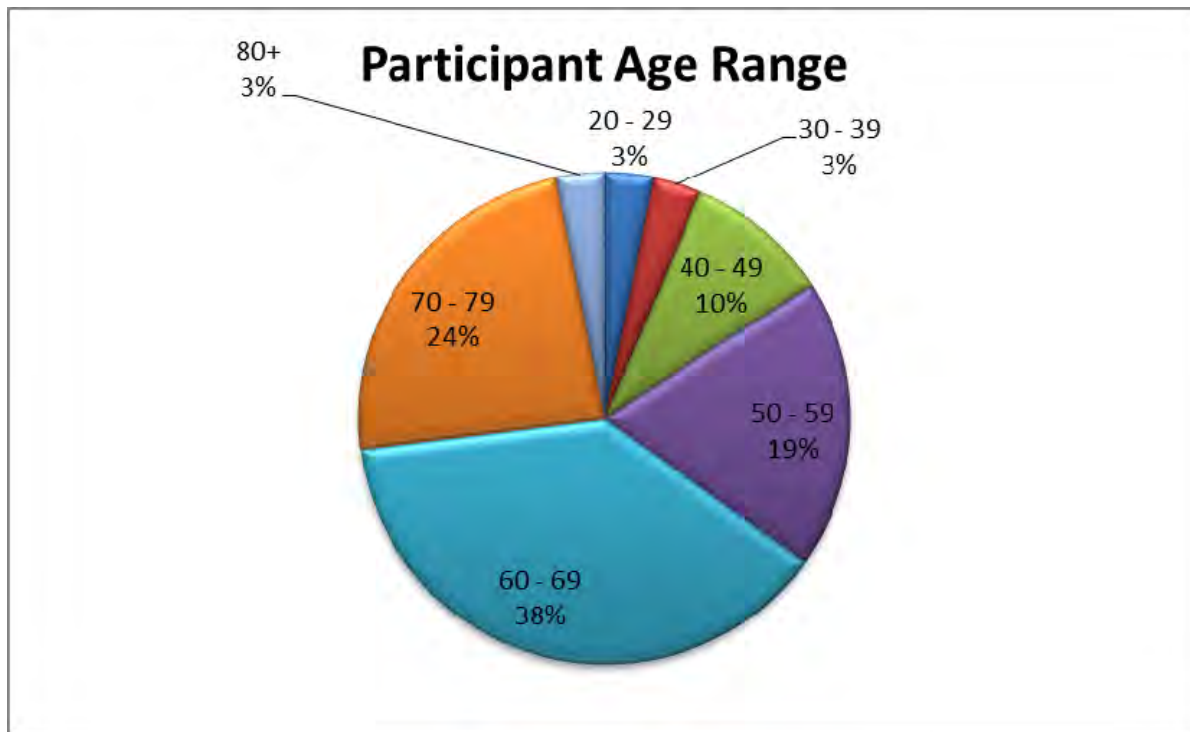
When asked to identify their primary ethnicity fifteen percent identify as Caucasian, three percent identify as Chinese, fifteen percent identify as Filipino, forty one percent identify as Hawaiian or part-Hawaiian, twelve percent identify as Japanese, three percent identify as Korean, one percent identify as Samoan, three percent identify as Hispanic or Latino, and four percent identify as Other Non-specified.

Figure 6



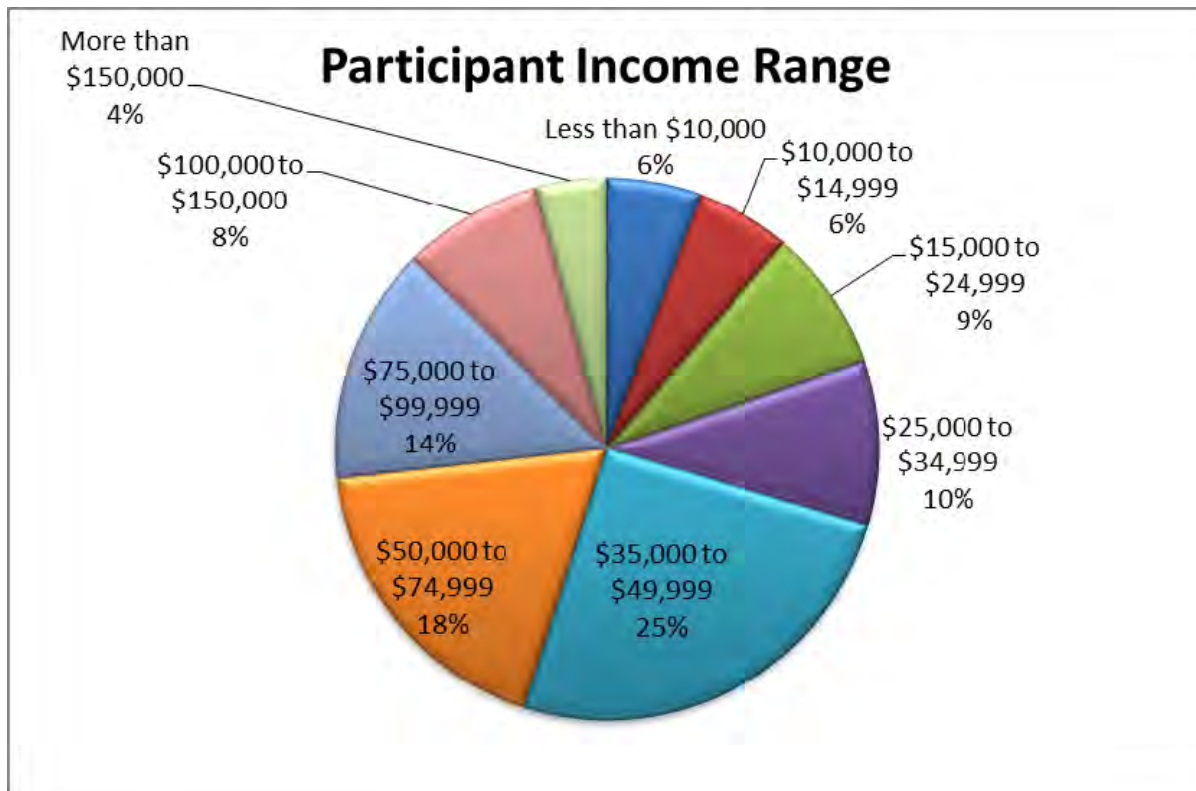
Participants were asked to provide their age. The following chart is a summary of response rates.

Figure 7



Participants were asked the total 2016 income range for all members of their household's. The following chart is a summary of response rates.

Figure 8



APPENDIX 1:

Summary Table Methodology

The raw data was collected via two methods using an approved questionnaire script (see Appendix 2).

Phone surveys were conducted electronically with WinCati programming in the SMS call center in Honolulu. Completed survey data was exported from WinCati in SPSS format for analysis purposes.

In-person surveys were completed by experienced SMS interviewers recording participant responses on the paper format of the approved questionnaire. Completed surveys were processed in the SMS Scanning Department in Honolulu with TeleForm Scanning programming and exported in SPSS format for analysis purposes.

The Summary Tables were created using SPSS to merge data from both the phone and in-person survey data sets and run response frequencies to individual quarry fields.

Are you at least 18 or older			
		Frequency	Percent
Valid	1 Yes	75	100.0
Are you a Waiahole resident			
		Frequency	Percent
Valid	1 yes	72	96.0
	2 no	1	1.3
	Total	73	97.3
Missing	System	2	2.7
Total		75	100.0
Do you own or lease you lot			
		Frequency	Percent
Valid	1 OWN	9	12.0
	2 LEASE	66	88.0
	Total	75	100.0

Who do you lease from			
		Frequency	Percent
Valid	1 DHHL	4	5.3
	2 HHFDC	58	77.3
	9 Unknown	5	6.7
	Total	67	89.3
Missing	System	8	10.7
Total		75	100.0

Lot Type			
		Frequency	Percent
Valid	1 Residential	44	58.7
	2 Agricultural	21	28.0
	7 Both	8	10.7
	Total	73	97.3
Missing	System	2	2.7
Total		75	100.0

How happy are you			
		Frequency	Percent
Valid	1 Extremely Happy	41	54.7
	2 Very Happy	21	28.0
	3 Happy	11	14.7
	4 Very Unhappy	2	2.7
	Total	75	100.0

Changes in the Valley Over the Next 10 Years			
		Count	Percent
Q7 Coded Responses	1 Infrastructure Systems	33	44.0%
	2 Lease Issues	18	24.0%
	3 Vacant Lot Issues	4	5.3%
	4 Financing and Institutional Support Issues	12	16.0%
	5 Lifestyle Preservation Issues	18	24.0%
	6 Crime	1	1.3%
	9 No Answer	13	17.3%
	Total	75	100.0%

How Important is it to Develop a Long Term Plan for Waiahole			
		Frequency	Percent
Valid	1 Very Important	58	77.3
	2 Somewhat Important	7	9.3
	3 Not Important	8	10.7
	9 Don't know/Refused	2	2.7
	Total	75	100.0

Time to Restore Electricity			
		Frequency	Percent
Valid	1 Not a Problem at All	22	29.3
	2	10	13.3
	3	21	28.0
	4	7	9.3
	5 Major Problem	11	14.7
	8 Don't Know/Unsure	3	4.0
	9 Refused	1	1.3
	Total	75	100.0

Quality of Drinking Water			
		Frequency	Percent
Valid	1 Not a Problem at All	22	29.3
	2	6	8.0
	3	9	12.0
	4	5	6.7
	5 Major Problem	31	41.3
	8 Don't Know/Unsure	2	2.7
	Total	75	100.0

Overgrown Roads and Sidewalks			
		Frequency	Percent
Valid	1 Not a Problem at All	11	14.7
	2	3	4.0
	3	13	17.3
	4	15	20.0
	5 Major Problem	31	41.3
	8 Don't Know/Unsure	1	1.3
	Total	74	98.7
Missing	System	1	1.3
Total		75	100.0

Albizia Trees			
		Frequency	Percent
Valid	1 Not a Problem at All	9	12.0
	2	1	1.3
	3	7	9.3
	4	11	14.7
	5 Major Problem	45	60.0
	8 Don't Know/Unsure	2	2.7
	Total	75	100.0

Number and Condition of Sidewalks			
		Frequency	Percent
Valid	1 Not a Problem at All	17	22.7
	2	7	9.3
	3	11	14.7
	4	8	10.7
	5 Major Problem	30	40.0
	8 Don't Know/Unsure	2	2.7
	Total	75	100.0

Lighting of Roads at Night			
		Frequency	Percent
Valid	1 Not a Problem at All	23	30.7
	2	4	5.3
	3	9	12.0
	4	14	18.7
	5 Major Problem	23	30.7
	8 Don't Know/Unsure	2	2.7
	Total	75	100.0

Condition of Homes			
		Frequency	Percent
Valid	1 Not a Problem at All	19	25.3
	2	6	8.0
	3	14	18.7
	4	14	18.7
	5 Major Problem	19	25.3
	8 Don't Know/Unsure	3	4.0
	Total	75	100.0

Vacant Lots			
		Frequency	Percent
Valid	1 Not a Problem at All	7	9.3
	2	4	5.3
	3	15	20.0
	4	9	12.0
	5 Major Problem	30	40.0
	8 Don't Know/Unsure	9	12.0
	Total	74	98.7
Missing	System	1	1.3
Total		75	100.0

Drugs			
		Frequency	Percent
Valid	1 Not a Problem at All	10	13.3
	2	13	17.3
	3	9	12.0
	4	11	14.7
	5 Major Problem	23	30.7
	8 Don't Know/Unsure	9	12.0
	Total	75	100.0

Chicken or Dog Fighting			
		Frequency	Percent
Valid	1 Not a Problem at All	28	37.3
	2	5	6.7
	3	10	13.3
	4	7	9.3
	5 Major Problem	15	20.0
	8 Don't Know/Unsure	10	13.3
	Total	75	100.0

Property Crime			
		Frequency	Percent
Valid	1 Not a Problem at All	18	24.0
	2	10	13.3
	3	15	20.0
	4	12	16.0
	5 Major Problem	16	21.3
	8 Don't Know/Unsure	4	5.3
	Total	75	100.0

Physical Threats Toward Residents			
		Frequency	Percent
Valid	1 Not a Problem at All	31	41.3
	2	9	12.0
	3	10	13.3
	4	4	5.3
	5 Major Problem	11	14.7
	8 Don't Know/Unsure	10	13.3
	Total	75	100.0

AG Lots Not Being Farmed			
		Frequency	Percent
Valid	1 Not a Problem at All	11	14.7
	2	3	4.0
	3	15	20.0
	4	13	17.3
	5 Major Problem	20	26.7
	8 Don't Know/Unsure	12	16.0
	9 Refused	1	1.3
	Total	75	100.0

Farmers Ability to Make a Living			
		Frequency	Percent
Valid	1 Not a Problem at All	10	13.3
	2	6	8.0
	3	12	16.0
	4	15	20.0
	5 Major Problem	17	22.7
	8 Don't Know/Unsure	14	18.7
	9 Refused	1	1.3
	Total	75	100.0

Enforcement of Rules and Regulations			
		Frequency	Percent
Valid	1 Not a Problem at All	26	34.7
	2	3	4.0
	3	12	16.0
	4	8	10.7
	5 Major Problem	18	24.0
	8 Don't Know/Unsure	8	10.7
	Total	75	100.0

Homeless			
		Frequency	Percent
Valid	1 Not a Problem at All	28	37.3
	2	13	17.3
	3	11	14.7
	4	5	6.7
	5 Major Problem	9	12.0
	8 Don't Know/Unsure	9	12.0
	Total	75	100.0

Non-resident Trespassing			
		Frequency	Percent
Valid	1 Not a Problem at All	28	37.3
	2	12	16.0
	3	13	17.3
	4	2	2.7
	5 Major Problem	14	18.7
	8 Don't Know/Unsure	6	8.0
	Total	75	100.0

The Valleys Reputation			
		Frequency	Percent
Valid	1 Not a Problem at All	29	38.7
	2	12	16.0
	3	10	13.3
	4	3	4.0
	5 Major Problem	11	14.7
	8 Don't Know/Unsure	10	13.3
	Total	75	100.0

Additional Issues and Concerns			
		Count	Percent
Q11 Coded Responses	1 Infrastructure	17	22.7%
	2 Lease Issues	11	14.7%
	3 Vacant Lot Issues	2	2.7%
	4 Financing and Institutional Support Issues	5	6.7%
	5 Lifestyle Preservation Issues	11	14.7%
	6 Crime	1	1.3%
	9 No Answer	33	44.0%
	Total	75	100.0%

Primary Lease Holder			
		Frequency	Percent
Valid	1 Yes	42	56.0
	2 No	10	13.3
	9 Don't Know/Refused	1	1.3
	Total	53	70.7
Missing	System	22	29.3
Total		75	100.0

Familiar With Terms and Conditions of HHFDC Lease			
		Frequency	Percent
Valid	1 Very Familiar	16	21.3
	2 Somewhat Familiar	26	34.7
	3 Not at all Familiar	6	8.0
	Total	48	64.0
Missing	System	27	36.0
Total		75	100.0

Concern of Years Left on Lease			
		Frequency	Percent
Valid	1 Not Concerned at All	7	9.3
	2 Somewhat Concerned	12	16.0
	3 Very Concerned	25	33.3
	9 Don't Know/Refused	4	5.3
	Total	48	64.0
Missing	System	27	36.0
Total		75	100.0

Concern of Access to Financing for Renovations			
		Frequency	Percent
Valid	1 Not Concerned at All	19	25.3
	2 Somewhat Concerned	8	10.7
	3 Very Concerned	18	24.0
	9 Don't Know/Refused	3	4.0
	Total	48	64.0
Missing	System	27	36.0
Total		75	100.0

Concern of Not Retaining Value			
		Frequency	Percent
Valid	1 Not Concerned at All	9	12.0
	2 Somewhat Concerned	7	9.3
	3 Very Concerned	29	38.7
	9 Don't Know/Refused	3	4.0
	Total	48	64.0
Missing	System	27	36.0
Total		75	100.0

Rent Comparison			
		Frequency	Percent
Valid	3 About the Same	2	2.7
	4 Somewhat Lower	7	9.3
	5 Much Lower	31	41.3
	9 Don't Know/Refused	8	10.7
	Total	48	64.0
Missing	System	27	36.0
Total		75	100.0

Compare Water Rates			
		Frequency	Percent
Valid	2 Somewhat Higher	3	4.0
	3 About the Same	5	6.7
	4 Somewhat Lower	18	24.0
	5 Much Lower	41	54.7
	9 Don't Know/Refused	7	9.3
	Total	74	98.7
Missing	System	1	1.3
Total		75	100.0

Compare Electricity Rates			
		Frequency	Percent
Valid	1 much Higher	4	5.3
	2 Somewhat Higher	2	2.7
	3 About the Same	46	61.3
	4 Somewhat Lower	5	6.7
	5 Much Lower	7	9.3
	9 Don't Know/Refused	10	13.3
	Total	74	98.7
Missing	System	1	1.3
Total		75	100.0

Produce Farm Products			
		Frequency	Percent
Valid	1 Commercial Sales	17	22.7
	2 Personal Use	7	9.3
	3 Other	1	1.3
	7 Do Not Produce	7	9.3
	Total	32	42.7
Missing	System	43	57.3
Total		75	100.0

Changes to Help Farmers			
		Count	Column N %
Q21 Coded Responses	1 Infrastructure	7	23.0%
	2 Lease Issues	4	13.0%
	3 Vacant Lot Issues	3	10.0%
	4 Financing and Institutional Support Issues	9	29.0%
	5 Lifestyle Preservation Issues	4	13.0%
	6 Crime	0	0.0%
	9 No Answer	6	20.0%
	Total	31	100.0%

Do You Have Children			
		Frequency	Percent
Valid	1 Yes	65	86.7
	2 No	10	13.3
	Total	75	100.0

Children 18 or Older			
		Frequency	Percent
Valid	1 Yes	59	78.7
	2 No	6	8.0
	Total	65	86.7
Missing	System	10	13.3
Total		75	100.0

Where Children Live			
		Frequency	Percent
Valid	1 In Valley 2	28	37.3
	2	14	18.7
	3	3	4.0
	Total	45	60.0
Missing	System	30	40.0
Total		75	100.0

Children Plan to Move Back			
		Frequency	Percent
Valid	1 Yes	26	34.7
	2 No	11	14.7
	8 Don't Know	4	5.3
	Total	41	54.7
Missing	System	34	45.3
Total		75	100.0

Contact Children			
		Frequency	Percent
Valid	1 Yes	13	17.3
	2 No	19	25.3
	Total	32	42.7
Missing	System	43	57.3
Total		75	100.0

Gender			
		Frequency	Percent
Valid	1 Male	32	42.7
	2 Female	43	57.3
	Total	75	100.0

Employment Status			
		Frequency	Percent
Valid	1 Full Time	25	33.3
	2 Part Time	4	5.3
	3 Self-Employed	10	13.3
	4 Unemployed	2	2.7
	5 Homemaker	2	2.7
	6 Retired	32	42.7
	Total	75	100.0

Years Lived in Hawaii			
		Frequency	Percent
Valid	4 11 to 20	1	1.3
	5 More than 20	12	16.0
	6 Lifetime	62	82.7
	Total	75	100.0

Years in Waiahole			
		Frequency	Percent
Valid	1 Less than 1	2	2.7
	2 1 to 5	3	4.0
	3 6 to 10	5	6.7
	4 11 to 20	10	13.3
	5 More than 20	37	49.3
	6 Lifetime	18	24.0
	Total	75	100.0

Marital Status			
		Frequency	Percent
Valid	1 Married	50	66.7
	2 Single, Never Married	11	14.7
	3 Divorced, Separated, or Widowed	14	18.7
	Total	75	100.0

People in Household			
		Frequency	Percent
Valid	1 1 Person	7	9.3
	2 2 People	19	25.3
	3 3 People	15	20.0
	4 4 People	15	20.0
	5 5 or More	19	25.3
	Total	75	100.0

Ethnicity			
		Frequency	Percent
Valid	1 Caucasian	11	14.7
	2 Chinese	2	2.7
	3 Filipino	11	14.7
	4 Hawaiian or Part Hawaiian	31	41.3
	5 Japanese	9	12.0
	6 Korean	2	2.7
	7 Samoan	1	1.3
	9 Hispanic or Latino	2	2.7
	11 Other	3	4.0
	12	1	1.3
	Total	73	97.3
Missing	System	2	2.7
Total		75	100.0

Income			
		Frequency	Percent
Valid	1 Less than 10,000	4	5.3
	2 10,000 to 14,999	4	5.3
	3 15,000 to 24,999	6	8.0
	4 25,000 to 34,999	7	9.3
	5 35,000 to 49,999	18	24.0
	6 50,000 to 74,999	13	17.3
	7 75,000 to 99,999	10	13.3
	8 100,000 to 150,000	6	8.0
	9 More than 150,000	3	4.0
	88 Don't Know/Unsure	2	2.7
	99 Refused	2	2.7
	Total	75	100.0

Age			
		Frequency	Percent
Valid	20	1	1.3
	27	1	1.3
	33	1	1.3
	37	1	1.3
	42	1	1.3
	45	1	1.3
	46	2	2.7
	47	1	1.3
	48	1	1.3
	50	3	4.0
	51	1	1.3
	52	1	1.3
	53	1	1.3
	54	1	1.3
	57	2	2.7
	58	1	1.3
	59	2	2.7
	60	2	2.7
	61	3	4.0
	62	2	2.7
	63	2	2.7
	64	2	2.7
	65	4	5.3
	66	2	2.7
	67	5	6.7
	68	1	1.3
	69	1	1.3
	70	3	4.0
	71	2	2.7
	72	1	1.3
	73	2	2.7
	75	2	2.7
	76	2	2.7
	77	1	1.3
	79	2	2.7
	82	2	2.7
	Total	63	84.0
Missing	System	12	16.0
Total		75	100.0

APPENDIX 2

Waiāhole valley confidential IN-Person Survey |

Hello, I'm _____ with SMS Research, a Honolulu research company. Today, we are doing a CONFIDENTIAL survey among Waiāhole Valley residents.

A long-term plan for the Valley is being developed. As part of this plan, SMS is interviewing as many Valley residents as possible to ensure that their perspectives and insights are represented in the plans for the Valley's future.

All of the answers you provide on this survey will be totally confidential and only reported combined with responses from other residents. At the end of the study, the results of interviews will be assembled into a report and shared with all residents of the Valley.

SCREENING QUESTIONS

Q1. Are you at least 18 years of age?

Yes..... 100%
No (*Ask for an adult member of household*)
No adult is available (*schedule callback*).....0
No adult lives in the household (*Terminate*).....0

Q2. Are you a resident of Waiāhole Valley

Yes..... 96%
No 1%
Missing..... 3%

Q3. Do you own your lot or lease it?

Own..... 12%
Lease..... 88%
Both (have more than one lot) 0%

Q4. Who do you lease it from?

DHHL..... 6%
HHFDC..... 87%
Don't Know..... 8%

Q5. Is your lot...

Residential..... 59%
Agricultural 28%

DO NOT READ

Both..... 11%
Missing..... 3%

Q6. How happy are you living in Waiāhole Valley? Would you say you are...

Extremely happy..... 55%
Very happy 28%
Happy..... 15%
Very unhappy 3%
Extremely unhappy..... 0%
DK/REF 0%

Q7. What changes would you like to see happen in the Valley over the next 10 years?

1 Infrastructure Systems 44%
2 Lease Issues 24%
3 Vacant Lot Issues 5%
4 Financing and Institutional Support Issues 16%
5 Lifestyle Preservation Issues 24%
6 Crime 1%
9 No Answer 17%

% Answers based on Q7 Multiple Response Table

Q8. How important is it to develop a long term plan for the Waiāhole Valley and its residents? Would you say it is...

Very Important..... 77%
Somewhat Important..... 9%
Not important..... 11%
Don't Know, Refused..... 3%

Q9.

(RANDOMIZE BLOCKS)	Major Problem				Not a Problem at All	Don't Know	Refused
	5	4	3	2	1		
INFRASTRUCTURE BLOCK (RANDOMIZE WITHIN BLOCK)							
The amount of time it takes for electricity to be restored after an outage	15%	9%	28%	13%	29%	4%	1%
The quality of the drinking water	41%	7%	12%	8%	29%	3%	0
Overgrowth of foliage along roads and sidewalks	41%	20%	17%	4%	15%	1%	0
Albizia trees falling onto power lines and into streams	60%	15%	9%	1%	12%	3%	0
The number and condition of sidewalks in the Valley	40%	11%	15%	9%	23%	3%	0
Lighting of Valley roads at night	31%	18.7%	12%	5%	31%	3%	0
The condition of some of the houses in the Valley	25%	19%	19%	8%	25%	4%	0
The number of vacant lots that are not rented or properly maintained	40%	12%	20%	5%	9%	12%	0
CRIME BLOCK (RANDOMIZE WITHIN BLOCK)							
Selling of illegal drugs in the Valley	31%	15%	12%	17%	13%	12%	0
Illegal chicken or dog fighting in the Valley	20%	9%	13%	7%	37%	13%	0
Property crime in the Valley	21%	16%	20%	13%	24%	5%	0
Some residents being physically threatened	15%	5%	13%	12%	41%	13%	0
AGRICULTURE BLOCK (RANDOMIZE WITHIN BLOCK)							
Agricultural lots are not being farmed	27%	18%	20%	4%	15%	16%	1%
Farmers' ability to make enough money to live on	23%	20%	16%	8%	13%	19%	1%
MISCELLANEOUS BLOCK (RANDOMIZE WITHIN BLOCK)							
Inconsistent enforcement of rules and regulations	24%	11%	16%	4%	35%	11%	0
Homeless people living in the Valley	12%	7%	15%	17%	37%	12%	0
Non-residents trespassing on private property	19%	3%	17%	16%	37%	8%	0
The Valley's reputation	15%	4%	13%	16%	39%	13%	0

Q11. (GO TO END FOR RESPONSES) Are there any issues or concerns about life in the Valley that we haven't talked about but you would like to share? If so, what are they?

You told us earlier you have an HHFDC lease...

Q12a. Are you or your spouse the primary holder of the lease?

Yes 79%
No 19%
Don't Know 2%

Q12b. Who is the primary leaseholder?

Q13. How familiar are you with the terms and conditions of your HHFDC lease?

Very familiar 33%
Somewhat familiar 54%
Not at all familiar 13%
Don't Know, Refused 0%

Q14. How concerned are you about the number of years left on your lease?

Not concerned at all 15%
Somewhat concerned 25%
Very concerned 52%
Don't Know, Refused 8%

Q15. How concerned are you about being able to get financing for renovations to your house because of the length of your lease?

Not concerned at all 40%
Somewhat concerned 17%
Very concerned 38%
Don't Know, Refused 6%

Q16. How concerned are you that you won't retain any value from your house or improvements you made to the property when your lease ends?

Not concerned at all 19%
Somewhat concerned 15%
Very concerned 60%
Don't Know, Refused 6%

Q17. In your opinion, how do the current rent payments made by HHFDC Lessees compare with the rents paid for similar properties on O'ahu? Would you say HHFDC rents are:

Much higher	0%
Somewhat higher.....	0%
About the same.....	4%
Somewhat lower.....	15%
Much lower.....	65%
Don't know.....	17%

Q18. In your opinion, how does the current rate being charged for drinking water in the Valley compare with the drinking water rates paid elsewhere on O'ahu? Would you say water rates in the Valley are:

Much higher	0%
Somewhat higher.....	4%
About the same.....	7%
Somewhat lower.....	24%
Much lower.....	55%
Don't know.....	9%
Missing.....	1%

Q19. In your opinion, how does the current rate being charged for electricity in the Valley compare with the electricity rates paid elsewhere on O'ahu? Would you say electricity rates in the Valley are:

Much higher	5%
Somewhat higher.....	3%
About the same.....	61%
Somewhat lower.....	7%
Much lower.....	9%
Don't know.....	13%
Missing.....	1%

(ALL BUT AG LESSEE SKIP TO Q22)

Q20. [Interviewer instructions: if the respondent hesitates to answer the question or gives a refusal, remind them that their answers are completely confidential.]

Do you produce farm products during the year for:

Commercial sales	53%
Personal use.....	22%
Other Use (specify):	3%
Do not produce farm products	22%
Refused	0%

Q21. (GO TO END FOR RESPONSES) Are there any changes you would like to see happen in the valley in the next 10 years to help farmers?

Because we are developing a plan for the future of the Valley, we would also like to consider how the plan might affect your children.

Q22. Do you have any children?

Yes.....	87%
No (Skip to Q28).....	13%

Q23. Are any of your children 18 years old or older?

Yes.....	91%
No (Skip to Q28).....	9%

Q24a. Do your children over age 18 live in the Valley or elsewhere?

In Valley (Go to Q24b).....	62%
Elsewhere (specify):	31%
(Skip to Q25).....	0
Both (Skip to Q25).....	7%

Q25. Do you think your adult children plan to move back into the Valley at some point in the future?

Yes.....	63%
No (Skip to Q28).....	27%
Don't Know.....	10%
Refused (Skip to Q28).....	0

Q26. Would it be possible for us to speak with your adult children to better understand their vision of the Valley?

Yes (Go to Q27a).....	41%
No.....	60%

Q27a. (IF YES) Can you please share their phone number so we can ask them a few questions about their vision for the future?

DEMOGRAPHIC QUESTIONS

Q28. Gender

Male..... 43%
Female..... 57%

Q29. What is your current employment status? Are you employed:

Full-time..... 33%
Part-time..... 5%
Self-employed..... 13%
Not employed..... 3%
Homemaker..... 3%
Retired..... 43%
Don't Know, Refused..... 0

Q30. How many years have you lived in Hawai'i?

Less than 1 year..... 0%
1 to 5 years..... 0%
6 to 10 years..... 0%
11 to 20 years..... 1%
More than 20 years, not lifetime..... 16%
Lifetime resident of Hawai'i..... 83%
Don't Know, Refused..... 0

Q31. How many years have you lived in Waiāhole Valley?

Less than 1 year..... 3%
1 to 5 years..... 4%
6 to 10 years..... 7%
11 to 20 years..... 13%
More than 20 years, not lifetime..... 49%
Lifetime resident in Waiāhole Valley..... 24%
Don't Know, Refused..... 0

Q32. What is your marital status?

Married..... 67%
Single, never married..... 15%
Divorced, separated, or widowed..... 19%
Other..... 0
Don't Know, Refused..... 0

Q33. Including yourself, how many people live in your household?

1 person..... 9%
2 people..... 25%
3 people..... 20%
4 people..... 20%
5 or more people..... 25%
Don't Know, Refused..... 0

Q34. What is your primary ethnic background

Caucasian..... 15%
Chinese..... 3%
Filipino..... 15%
Hawaiian or Part-Hawaiian..... 41%
Japanese..... 12%
Korean..... 3%
Samoan..... 1%
Black or African American..... 0%
Hispanic or Latino..... 3%
Mixed, Not Hawaiian..... 0%
Other..... 4%
No Answer / Refused..... 4%

Q35. What is your age?

Q36. What was the total 2016 income, before taxes, for all members of your household? Was it...

Less than \$10,000..... 5%
\$10,000 to \$14,999..... 5%
\$15,000 to \$24,999..... 8%
\$25,000 to \$34,999..... 9%
\$35,000 to \$49,999..... 24%
\$50,000 to \$74,999..... 17%
\$75,000 to \$99,999..... 13%
\$100,000 to \$150,000..... 8%
More than \$150,000..... 4%
No Answer, Refused..... 5%

Q11. Are there any issues or concerns about life in the Valley that we haven't talked about but you would like to share? If so, what are they?

1 Infrastructure Systems	23%
2 Lease Issues	15%
3 Vacant Lot Issues	3%
4 Financing and Institutional Support Issues	7%
5 Lifestyle Preservation Issues	15%
6 Crime	1%
9 No Answer	44%

% Answers based on Q11 Multiple Response Table

Q21. Are there any changes you would like to see happen in the valley in the next 10 years to help farmers?

1 Infrastructure Systems	23%
2 Lease Issues	13%
3 Vacant Lot Issues	10%
4 Financing and Institutional Support Issues	29%
5 Lifestyle Preservation Issues	13%
6 Crime	0%
9 No Answer	19%

% Answers based on Q21 Multiple Response Table

APPENDIX 3

Waiāhole Valley Community Issues Survey - Top Line Results

Waiāhole Valley
Strategic Planning Process
August 11, 2017

*Waiāhole Valley - a self-sustaining, thriving,
rural agricultural community*



What is this Waiāhole Valley survey?

- This Issues Survey will enable the Strategic Plan team to prioritize the challenges facing the Waiāhole Community.
- The survey was based on insights from personal interviews with Waiāhole farmers and residents conducted in July.
- The survey also included issues from past plans and meetings with state & county officials.
- The survey was conducted by telephone and in-person - attempted to reach ALL farmers and residents.
- The survey is just one stage in involving the community in the strategic planning process (see next chart)

SMIS Beyond information. Intelligence.

Strategic Plan Timeline



SMS Beyond Information. Intelligence.

Waiāhole Valley Survey Top Line Results

Methodology:

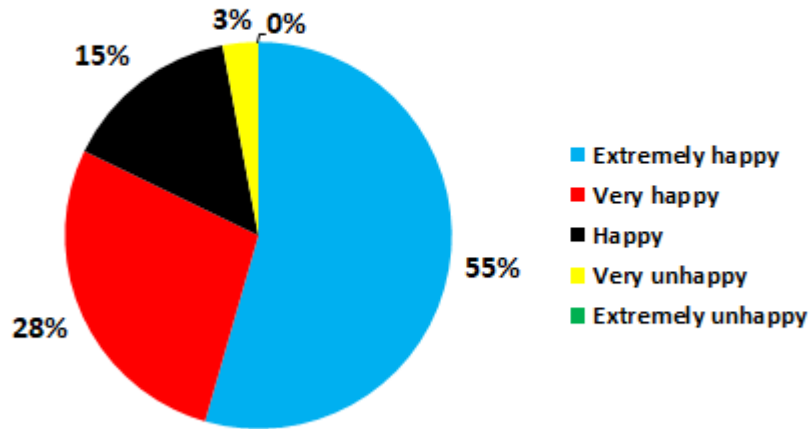
- 74 surveys were completed out of a potential of 103 housing/farm units. This represents 72% plus of all valley residents
- Surveys were done by phone and in-person
- Multiple efforts were made to non respondents

How to read the data:

- Each chart has the specific question pertaining to the data presented
- Unless otherwise stated, results represent the answers from all participants
- Don't know or refused to answer are excluded from the data.

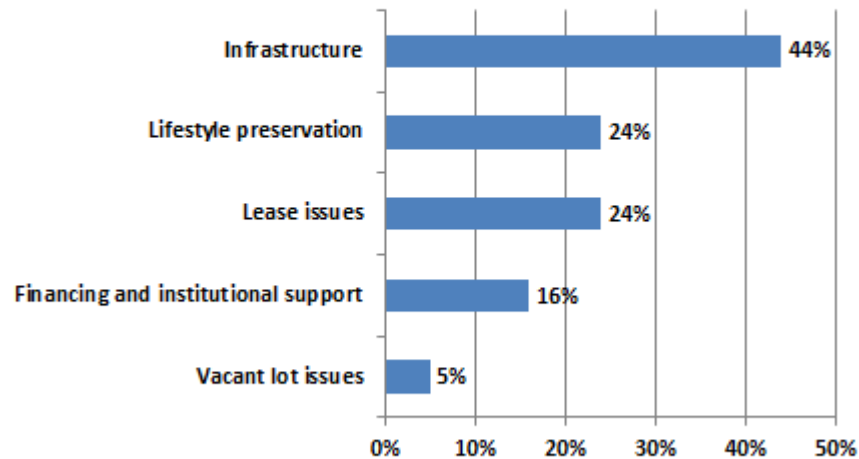
SMS Beyond Information. Intelligence.

When asked: **How happy are you living in Waiāhole Valley?**



SIIS Beyond information. Intelligence.

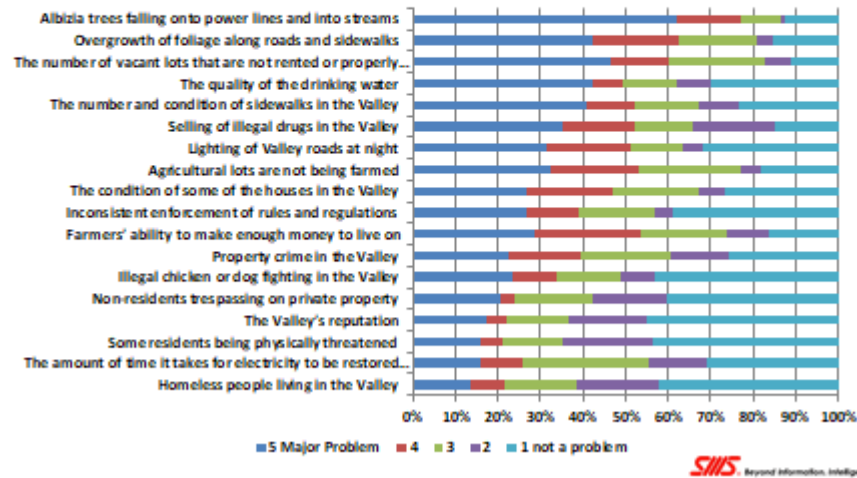
When asked: **What changes would you like to see happen in the Valley over the next 10 years?(PROBE)**



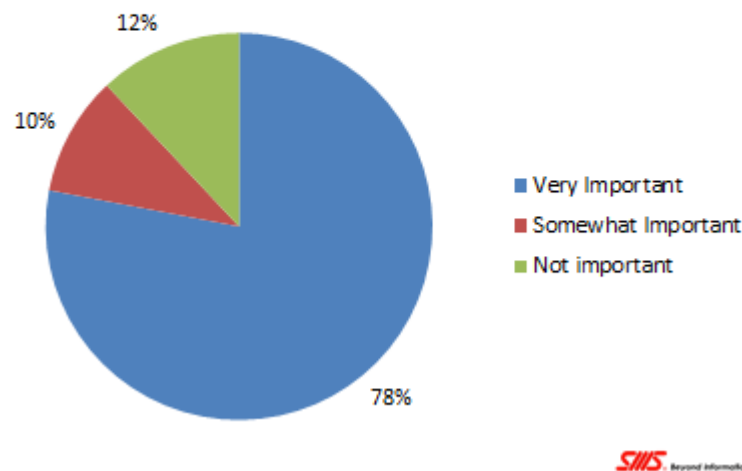
Responses were unaided and coded into categories

SIIS Beyond information. Intelligence.

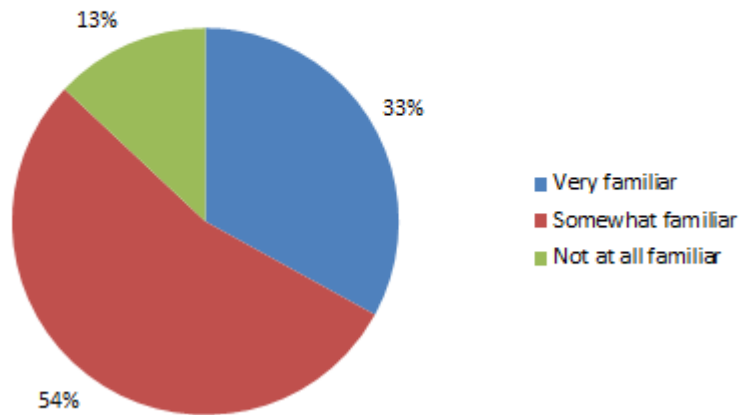
When asked: **I'm going to read you a list of concerns that some Valley residents expressed during previous interviews. We would like you to rate the seriousness of each of these concerns. On a scale of 1 to 5, where 1 is not a problem at all and 5 is a major problem, how big a problem is ...**



When asked: **How important is it to develop a long term plan for the Waiāhole Valley and its residents?**

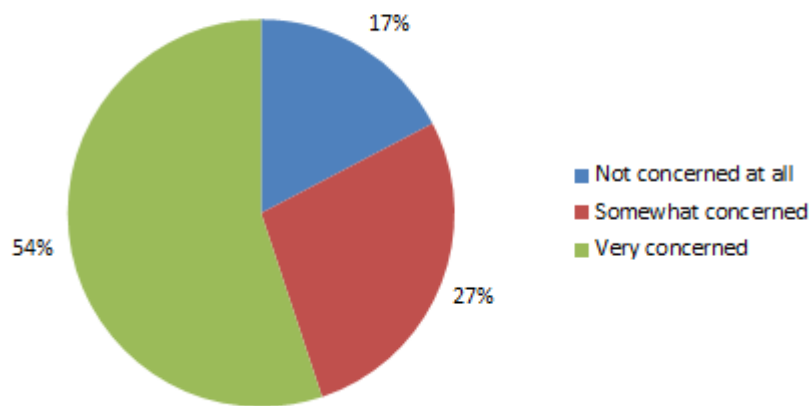


When asked: **How familiar are you with the terms and conditions of your HHFDC lease?**



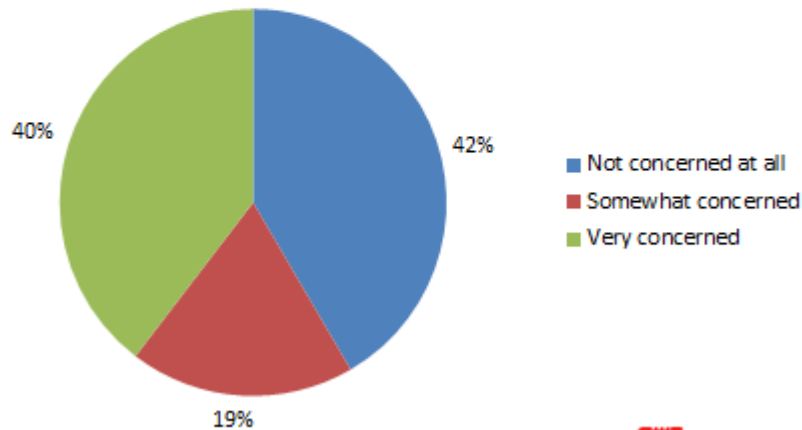
SIMS Beyond Information. Intelligence.

When asked: **How concerned are you about the number of years left on your lease?**

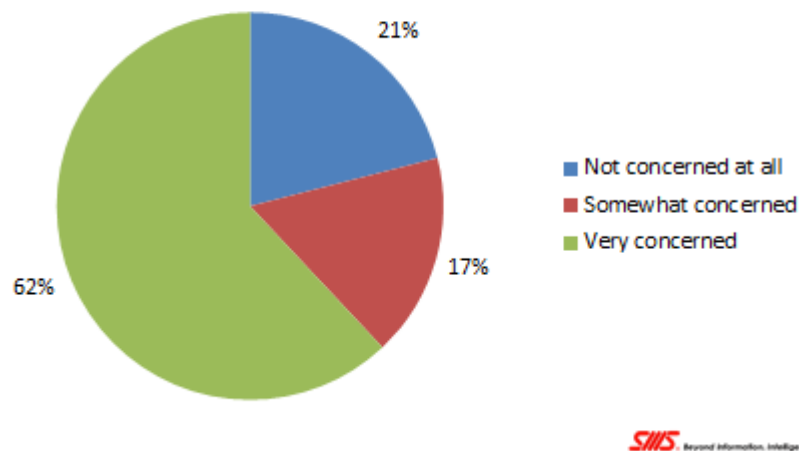


SIMS Beyond Information. Intelligence.

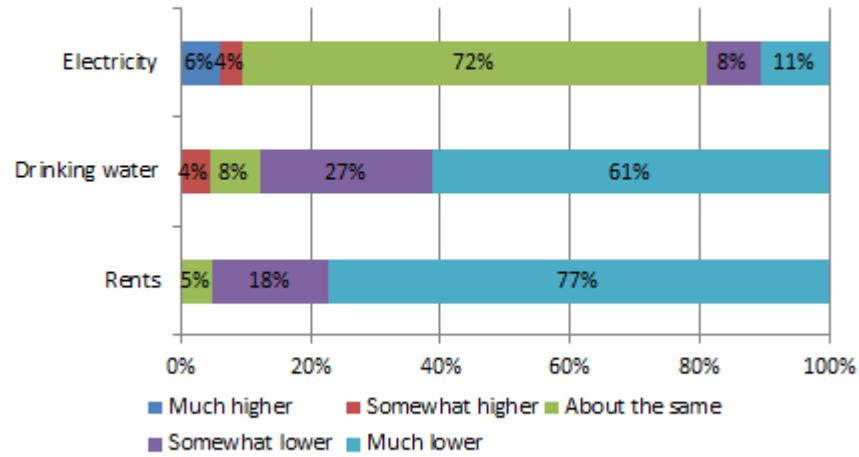
When asked: **How concerned are you about being able to get financing for renovations to your house because of the length of your lease?**



When asked: **How concerned are you that you won't retain any value from your house or improvements you made to the property when your lease ends?**

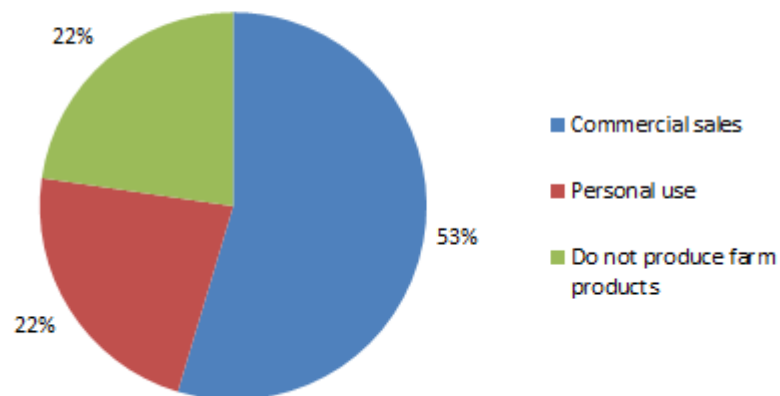


When asked: **In your opinion, how do the current rent/water/electricity payments made by HHFDC Lessees compare with the rent/water/electricity paid for similar properties on O'ahu? Would you say HHFDC are:**



SIMS Beyond Information. Intelligence.

When asked: **Do you produce farm products during the year for...**



Asked of those residing on farm properties

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APPENDIXC: SUMMARY REPORT SURVEY #2

Background

Gathering input from Waiāhole residents is an important part of the strategic planning process. Resident Surveys are the primary way of gathering quantitative feedback from residents. Surveys were conducted with HHFDC lessees, DHHL lessees, and Private Title owners. This is a summary of responses to the Waiāhole Valley Resident Solutions Survey conducted in person and over the phone by SMS professionals.

Methodology

All residents who have a means of contacting them were asked to participate in the survey.

Phone surveys were conducted by the SMS Call Center in Honolulu.

In-person surveys were led by Kekoa Soon and involved experienced SMS interviewers.

Survey questions were developed based on responses to the Resident Issues Surveys that were previously conducted by SMS.

Fifty seven percent of participants said they participated in the previous survey, forty percent said they did not, and three percent were unsure.

A total of sixty-eight surveys (66% overall) were completed. Of the sixty-eight completed surveys, sixty-one identified as lessees and seven as private title owners. Of those who identified as lessees forty eight percent identified as HHFDC lessees, forty four percent identified as DHHL lessees, and eight percent declined to respond or were unsure. Additionally, forty nine percent identified as residential lots, forty three percent as Agricultural, and eight percent as both.

Summary tables of survey responses are provided in Appendix 1.

A draft of the Solutions Survey script with response frequencies inserted is provided in Appendix 2.

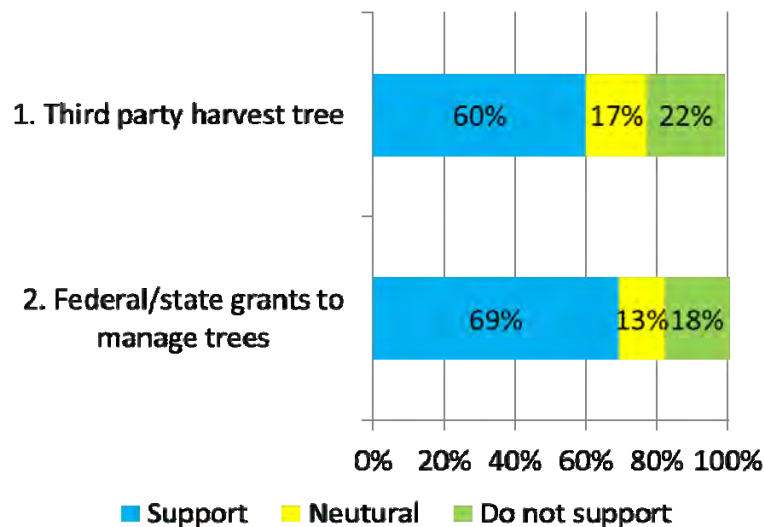
Survey Results

Albizia Tree Issues:

Participants were asked to identify how much they support the following possible solutions to the Albizia Tree Issues.

1. Contract with third-party to harvest trees at their expense to their corporate use
2. Retain a grant writer to raise state and federal grants to manage the invasive species

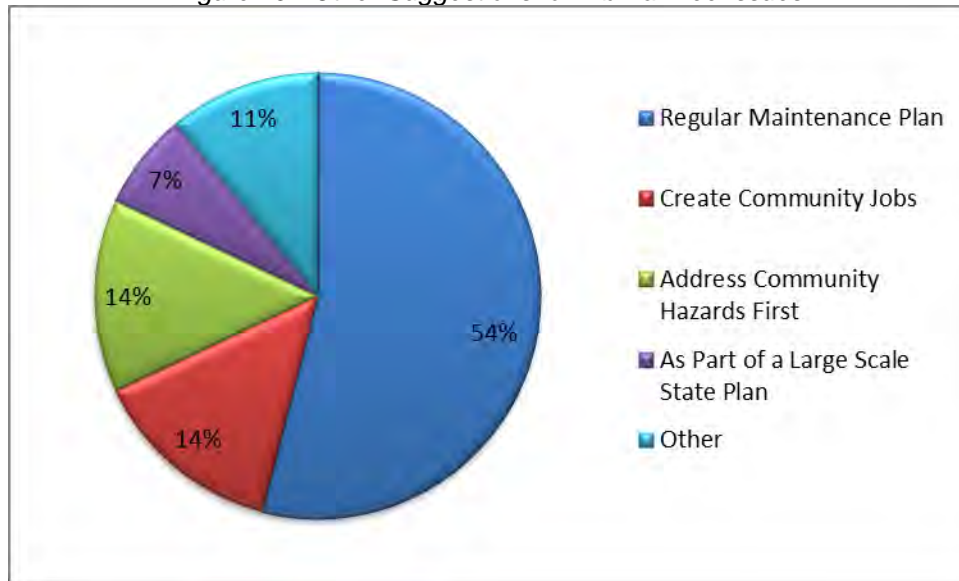
Figure 9 - Albizia Tree Solutions



When additionally asked to determine which of the two options they most preferred, forty five percent said they preferred the third-party option, fifty three percent said they preferred the grants option.

Participants were also asked if they had any other suggestions to solve the Albizia tree issues. Their open-ended responses were placed into one of five categories based on their content.

Figure 10 - Other Suggestions for Albizia Tree Issues



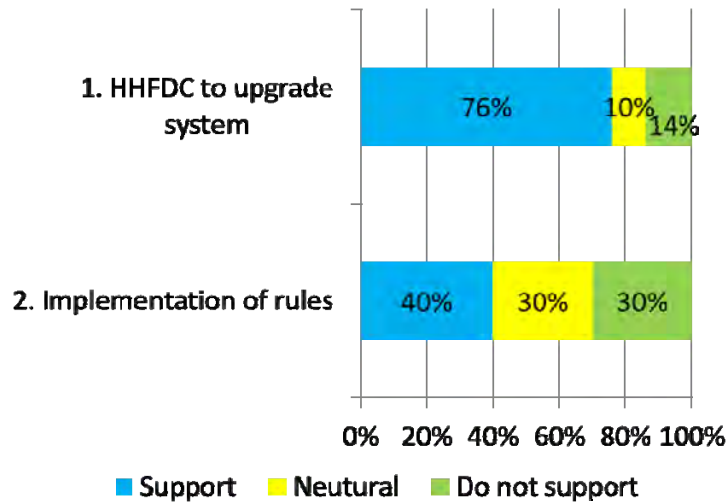
The category with the highest response rate is Regular Maintenance Plan at fifty four percent. Examples of responses that were included in the Regular Maintenance Plan include getting to trees at a younger stage and cut before they get big. This is followed by Create Community Jobs and Address Community Hazards First both at fourteen percent. Examples of responses included in the Community Jobs category include Do it themselves for lease/tax incentives and Nephew cuts trees. Examples of responses included in the Address Community Hazards First category include Remove trees that block the waterways and remove trees near property boundaries and roads first. These are followed by the Other category at eleven percent and As Part of a Large-Scale State Plan at seven percent. Examples of responses included in the Other category include Need to inform community of cost and timeframe and anything to get the problem taken care of. Examples of responses in the As Part of a Large-Scale State Plan include Address as part of a state-wide problem and Not just a Waiāhole issue.

Potable Water System Issues:

Participants were asked to identify how much they support the following possible solutions to the Potable Water System Issues.

1. HHFDC's plan to upgrade the system (relocating wells to within the subdivision and constructing a new reservoir tank) to improve service reliability and water pressure
2. Implementation of rules for the system to ensure fairness, responsible usage, and some increased recovery of operating costs

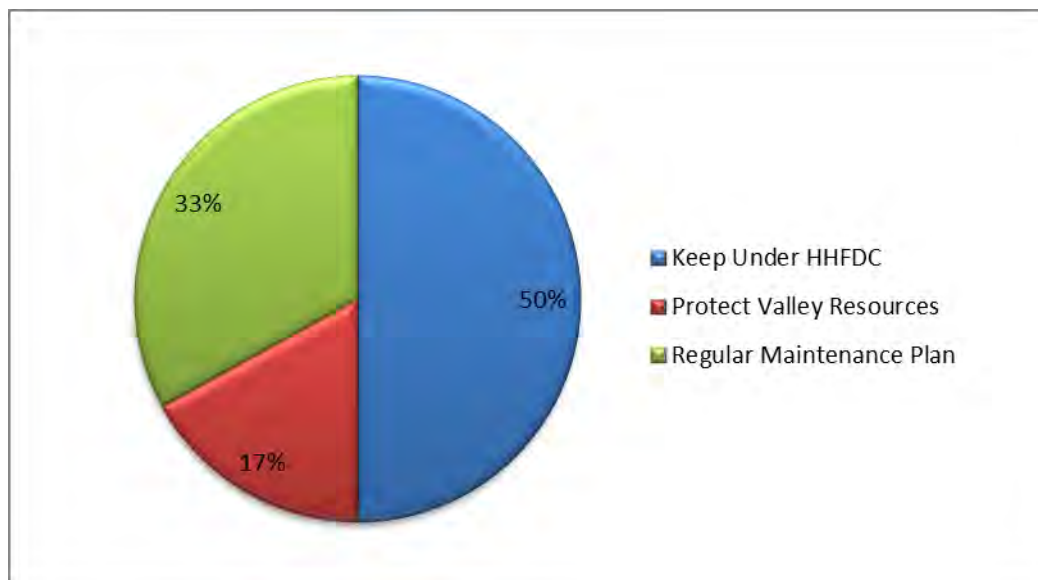
Figure 11 - Potable Water Systems



When asked to additionally determine which of the options they most preferred, eighty four percent preferred HHFDC to upgrade system and sixteen percent preferred the Implementation of rules option.

Participants were also asked if they had any other suggestions to solve the Potable Water Systems Issues. Their open-ended responses were placed into one of three categories based on their content.

Figure 12 - Other Suggestions for Potable Water System Issues



The category with the highest response rate is Keep under HHFDC at fifty percent. Examples of responses placed in this category include Keep it as it is and Have no problem with the current system. This is followed by Regular maintenance plan at thirty

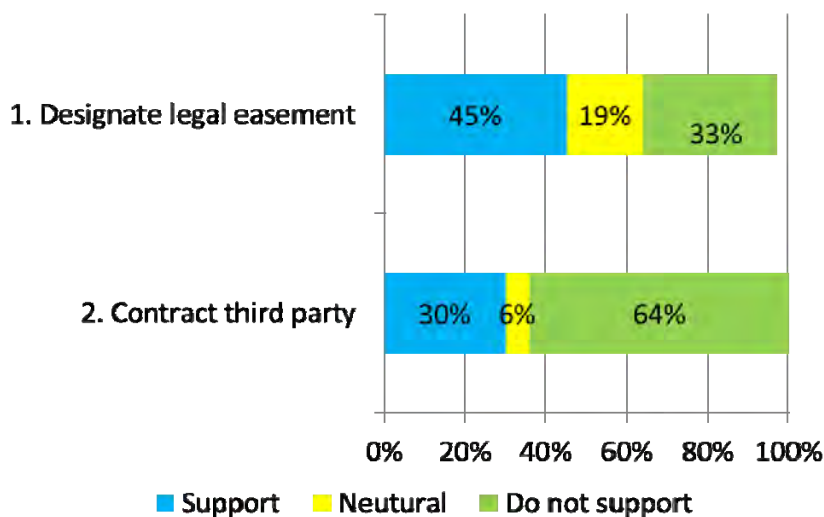
three percent. Examples of responses placed in this category include Maintain the current system better and Repair the leaky water tank. The next category is Protect valley resources at seventeen percent. An example of a response in this category is Return the water to the valley.

'Auwai and McCandless System Issues:

Participants were asked to identify how much they support the following possible solutions to the 'Auwai and McCandless System Issues.

1. Designate legal easement along waterways for ease of future maintenance
2. Contract with a third-party for continuous maintenance cost to be paid through future lease rent adjustments for properties along waterways

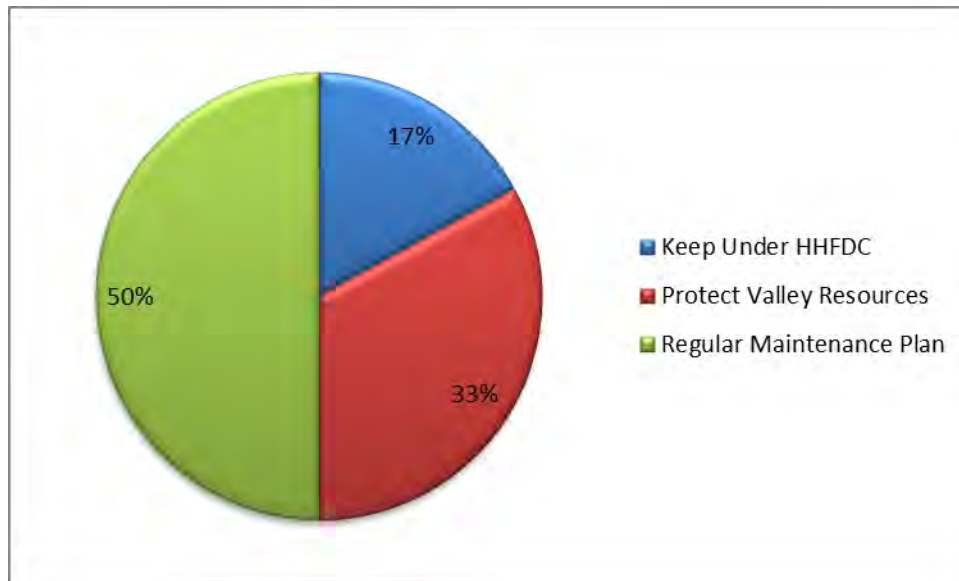
Figure 13 - 'Auwai and McCandless Systems



When asked to additionally determine which of the options they most preferred, fifty six percent said they preferred designating a legal easement and forty percent said they preferred contracting a third party.

Participants were also asked if they had any other suggestions to solve the 'Auwai and McCandless Systems Issues. Their open-ended responses were placed into one of three categories based on their content.

Figure 14 - Other Suggestions for the 'Auwai & MWS Issues



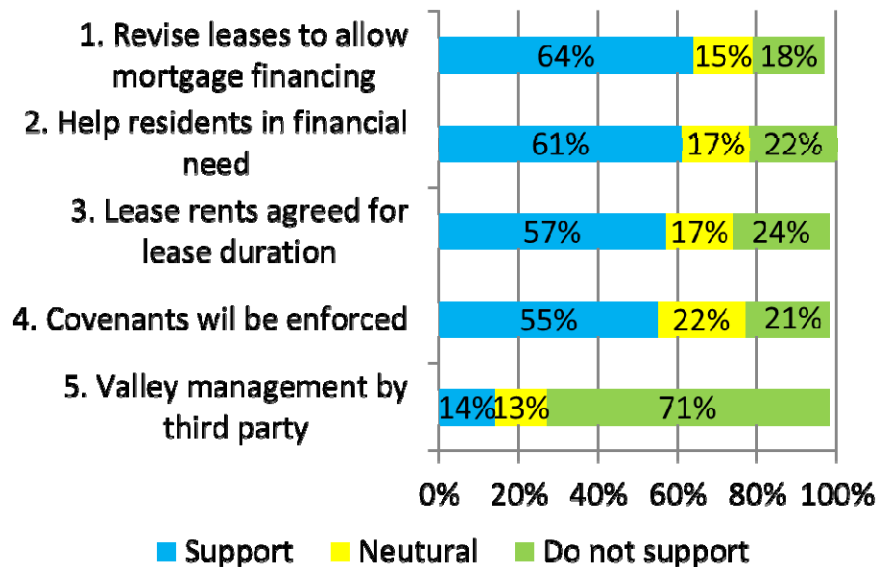
The category with the highest response rate is Regular maintenance plan at fifty percent followed by Protect valley resources at thirty three percent and Keep under HHFDC at seventeen percent. Examples of responses in the Regular maintenance plan category include Keep waterways clear and Debris from upper-watershed should not be residents kuleana. Examples of responses in the Protect valley resources category include Protect for future generations and the 'Auwai is a cultural resource to be protected. Examples of responses in the Keep under HHFDC category include don't want BOW and state (HHFDC) should talk to people who use this water.

Future Lease Renegotiation Issues:

Participants were asked to identify how much they support the following possible solutions to the Future Lease Renegotiation Issues.

1. Revise leases to allow for mortgage financing for home improvements and other needs
2. To help residents in financial need and identify organizations that will provide financial aid
3. Future lease rents be agreed upon for the duration of the leases
4. Lease language to re-affirm Valley residents and farmers that lease covenants will be enforced equally
5. Assign valley management to a third-party property management company

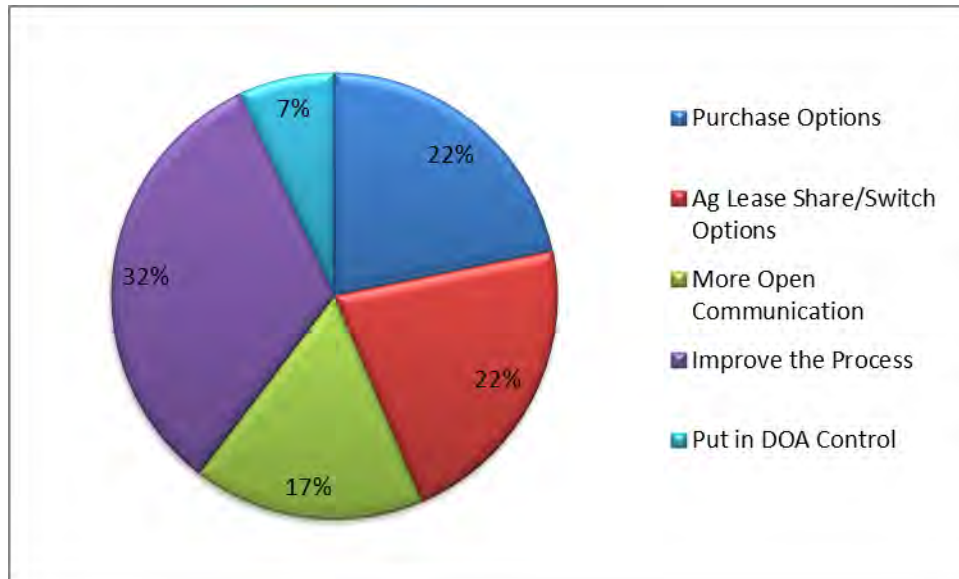
Figure 15 - Future Lease Content



When asked to additionally determine which of the options they most preferred, thirty percent said they preferred Revise leases to allow for mortgage financing for home improvements and other needs, twenty seven percent said they preferred To help residents in financial need and identify organizations that will provide financial aid, twenty percent said they preferred Future lease rents be agreed upon for the duration of the leases, sixteen percent said they preferred Lease language to re-affirm Valley residents and farmers that lease covenants will be enforced equally, and five percent said they preferred the Assign valley management to a third-party property management company option.

Participants were also asked if they had any other suggestions to solve the Future Lease Renegotiation Issues. Their open-ended responses were placed into one of five categories based on their content.

Figure 16 - Other Suggestions for Future Lease Renegotiations



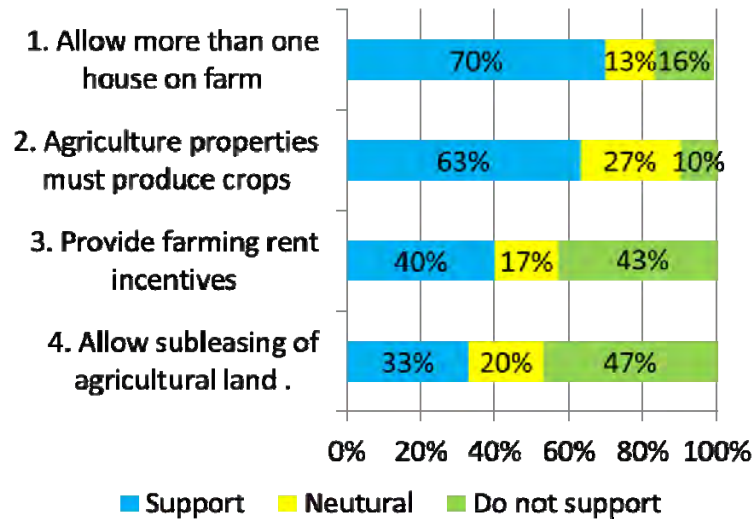
The category with the highest response rate is Improve the process at thirty two percent followed by Purchase options and Ag lease options both at twenty two percent. Next is More open communication at seventeen percent followed by Put in DOA control at seven percent. Examples of responses that were placed in the Improve the process category include The cost of adding family to the lease and Lease should be better written. Examples of responses in the Purchase options category include Offer lessee's options to buy and just sell us the land. Examples of responses in the Ag lease options category include Put non-farmers in residential and Make leases longer and inheritable. Examples of responses in the communication category include more forums and Association (HHFDC) should report to community. An example of a response in the DOA category is simply to involve the DOA.

Issues Impacting Farmers:

Participants were asked to identify how much they support the following possible solutions to the Issues Impacting Farmers.

1. Allow more than one house be built on agriculture land for lessee farmer
2. Agriculture properties must produce crops or face lease review
3. Provide farmers with rent incentives such as rent reductions or increases based on volume of agriculture produced versus an agreed upon target
4. Allow subleasing of agricultural land to other farmers

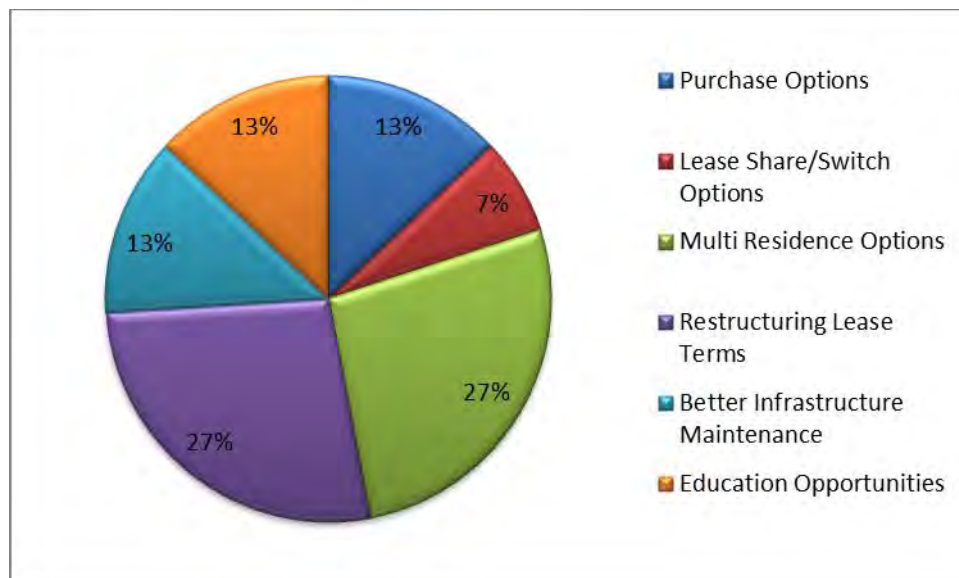
Figure 17 - Issues Impacting Farmers



When asked to additionally determine which of the options they most preferred, thirty one percent said they preferred allowing more than one home on farms, twenty four percent said they preferred enforcing Agricultural production rules, twenty four percent said they preferred Allowing subleasing, and seventeen percent said they preferred Providing farming rent incentives option.

Participants were also asked if they had any other suggestions to solve the Issues Impacting Farmers. Their open-ended responses were placed into one of six categories based on their content.

Figure 18 - Other Suggestions for Solving Issues Impacting Farmers

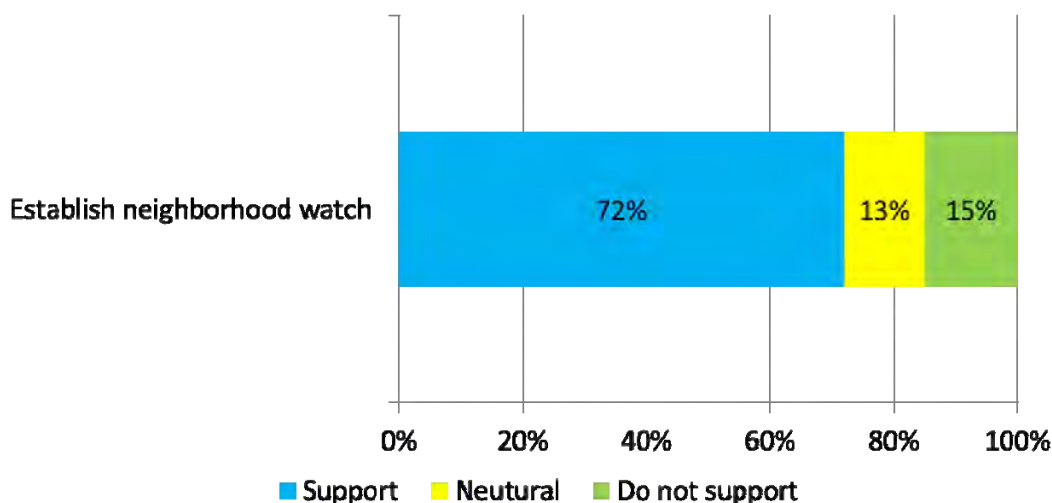


The categories with the highest response rates are Multi residence options and Restructuring lease terms at twenty seven percent. They are followed by Better infrastructure maintenance, Educational opportunities, and Purchase options all at thirteen percent followed by Lease share/switch options at seven percent. Examples of responses in the Multi residence options category include need more houses for family to continue farming and allowing two to three homes will help farmers. Examples of responses in the Restructuring lease terms category include do away with 1/3 profit of farming rule and property tax adjustments for unusable land. Examples of responses in the Better infrastructure category include need electricity and bigger pipes for water. Examples of responses in the educational opportunities category include testing of soil for what crops can be produced and access to modern technology techniques that can help farmers. Examples of responses in the purchase options category include if name is on the lease they should be given a purchase option and simply need to own. Examples of responses in the Lease share/switch options category include need help from state for forming co-ops and helping farmers to negotiate share-cropping agreements.

Issues of Crime in the Valley:

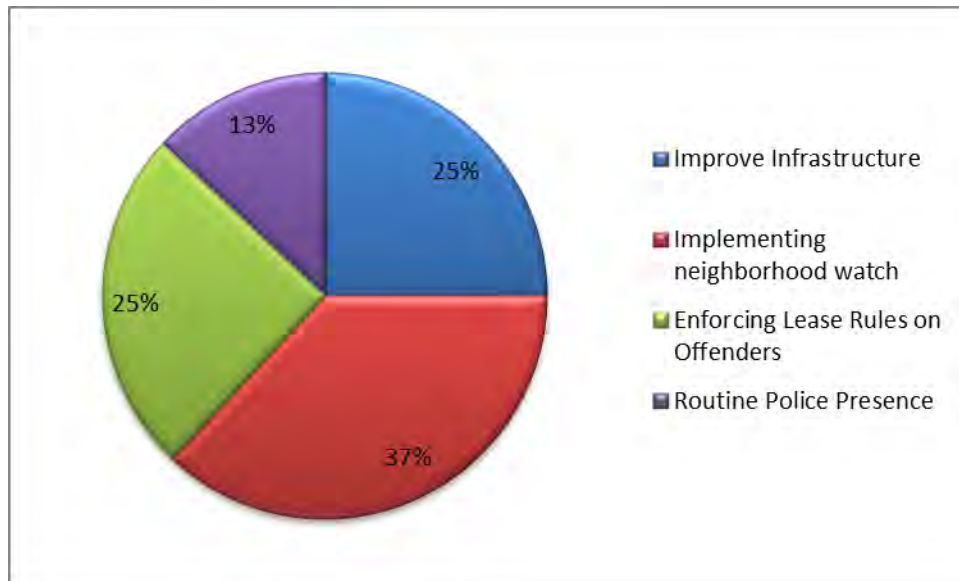
Participants were asked to share how much they support the idea of establishing a neighborhood watch as a possible solution to address issues of crime in the valley.

Figure 19 - Support for Neighborhood Watch



Participants were also asked if they had any other suggestions to solve the Issues of Crime in the Valley. Their open-ended responses were placed into one of four categories based on their content.

Figure 20 - Other Suggestions to Address Crime



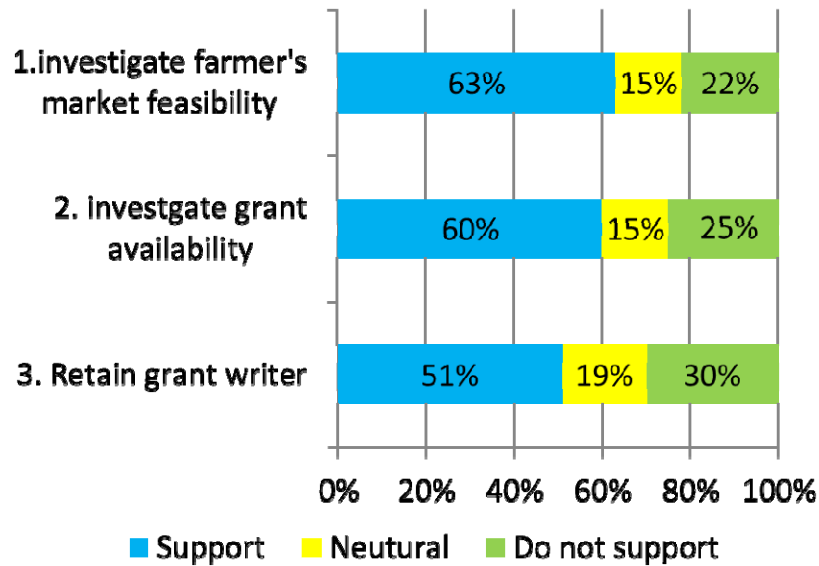
The category with the highest response rate is implementing neighborhood watch at thirty seven percent followed by improving infrastructure and enforcing lease rules on offenders both at twenty five percent and routine Police presence at thirteen percent. Examples of responses in the implementing neighborhood watch category include networking with all neighbors not just WWCA and rotating responsibility among neighbors to share the burden and insure fairness. Examples of responses in the improve infrastructure category include putting in speedbumps, installing community surveillance cameras, and improving valley lighting at night. Examples of responses in the enforcing lease rules on offender's category include acting on known offenders in the valley and simply enforcing the rules to set a precedent. Examples of responses in the routine Police presence category include get Police involved in the neighborhood watch and increase regular patrols of the valley at night.

Reinvigorating the Valley's Economy:

Participants were asked to identify how much they support the following possible solutions to Reinvigorating the Valley's Economy.

1. Investigate the development of a farmer's market along Kamehameha Highway
2. Investigate availability of grants from the DOA to develop a Waiāhole Valley brand to increase agricultural output retail value
3. Retain grant writers to gain resources for branding, financial aid for low-income households and other needs

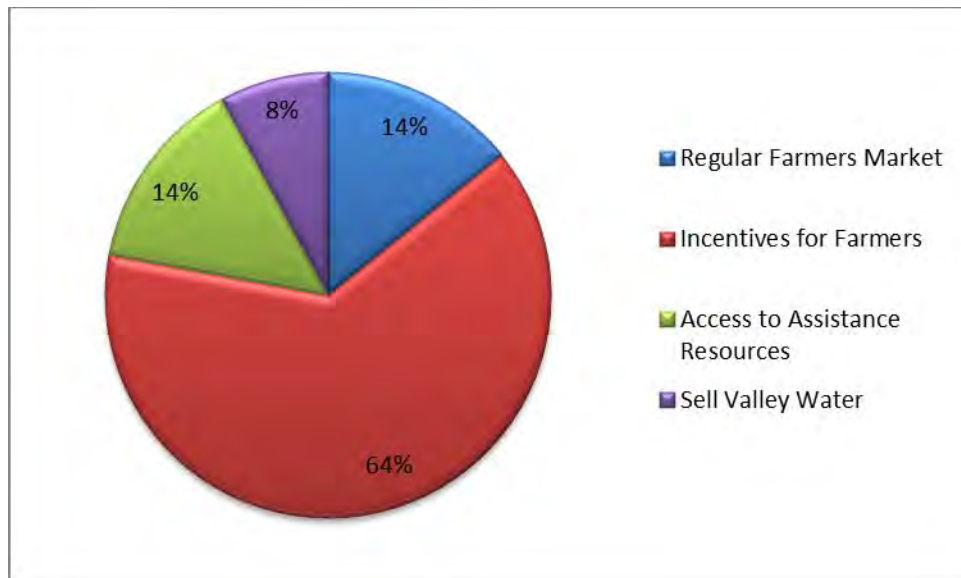
Figure 21 - Reinvigorating the Valley's Economy



When asked to additionally determine which of the options they most preferred, thirty five percent said they preferred the retaining a grant writer option, thirty three percent said they preferred the farmer's market option, and thirty percent said they preferred the grant availability option.

Participants were also asked if they had any other suggestions to solve the Issues of reinvigorating the Valley's Economy. Their open-ended responses were placed into one of four categories based on their content.

Figure 22 - Other Suggestions to Reinvigorate the Valley's Economy



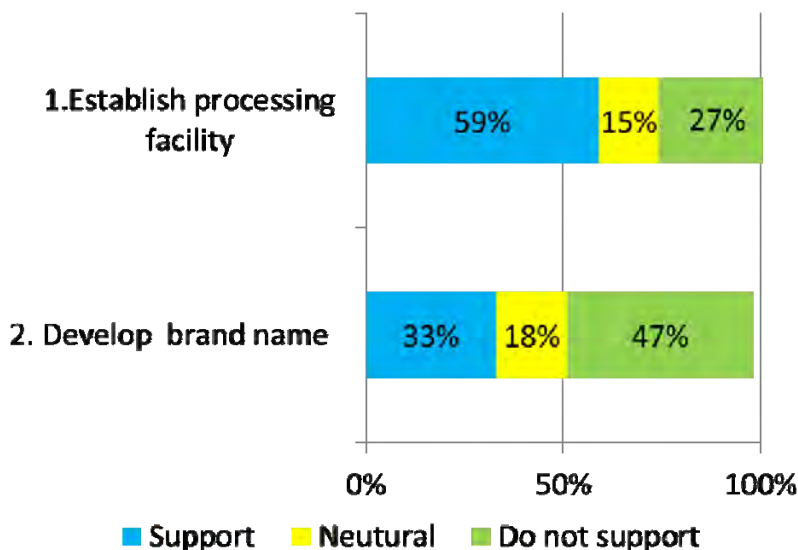
The highest rated category is incentives for farmers at sixty four percent, followed by regular farmer's market and access to assistance resources both at fourteen percent, and sell valley water at eight percent. Examples of responses in the incentives category include allowing subleases/co-op options and developing a community kitchen/processing facility. Examples of responses in the regular farmer's market category include create a space to market valley produce and make a farmer's market once or twice a month. Examples of responses in the access to assistance category include a combination of options 2 and 3 above (grant availability and grant writer) and they need resources to help farmers survive. An example of a response in the sell valley water category is simply sell/market our water.

Future Agriculture Regulation Issues:

Participants were asked to identify how much they support the following possible solutions to the Future Agriculture Regulation Issues.

1. Establish a cooperative processing facility in the area for local farmers
2. Market the Valley's agriculture products under a single brand thus increasing product value

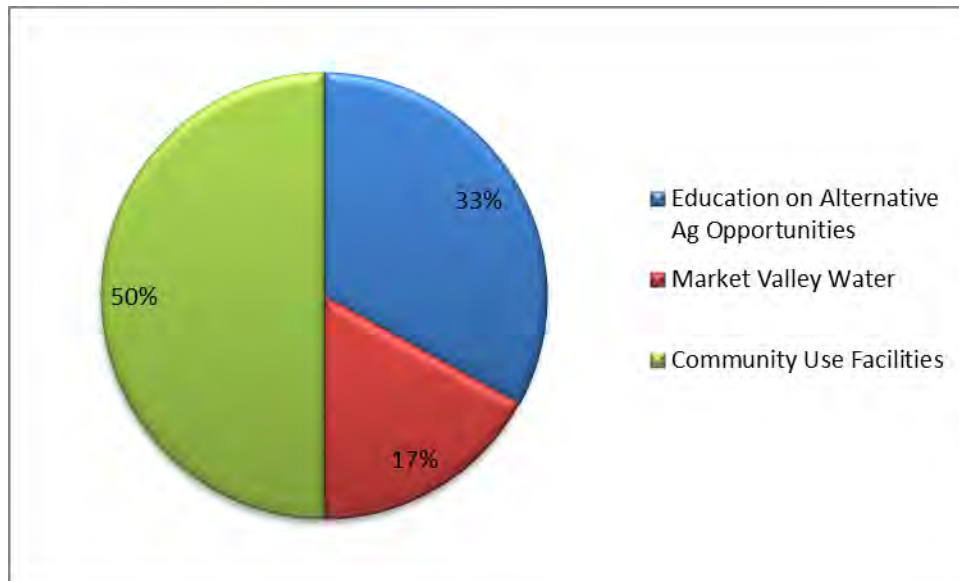
Figure 23 - Providing Farming Facilities



When asked to additionally determine which of the options they most preferred, seventy eight percent said they preferred establishing a processing facility and twenty two percent said they preferred developing a brand name.

Participants were also asked if they had any other suggestions to solve Future Agriculture Regulation Issues. Their open-ended responses were placed into one of three categories based on their content.

Figure 24 - Other Suggestions for Future Agricultural Regulations Issues



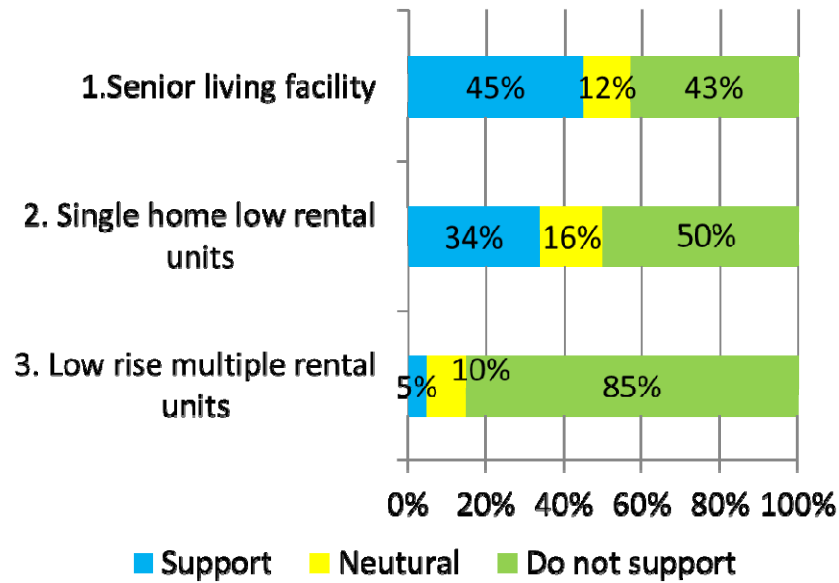
The highest rated category is Community Use Facilities at fifty percent followed by Education on Alternative Ag Opportunities at thirty three percent and Market valley water at seventeen percent. Examples of responses in the community use facilities category include developing a community processing facility and establishing a community kitchen. Examples of responses in the education on alternative Ag opportunities include helping farmers develop alternative ideas and education on food safety requirements. Examples of responses in the market valley water category include bottle our water and market water under valley brand.

Vacant Lot Issues:

Participants were asked to identify how much they support the following possible solutions to the Vacant Lot Issues.

1. Develop a senior living facility
2. Develop the vacant lots as single-home, low-rent units
3. Develop low-rise, low-income multiple-rental property as workforce housing

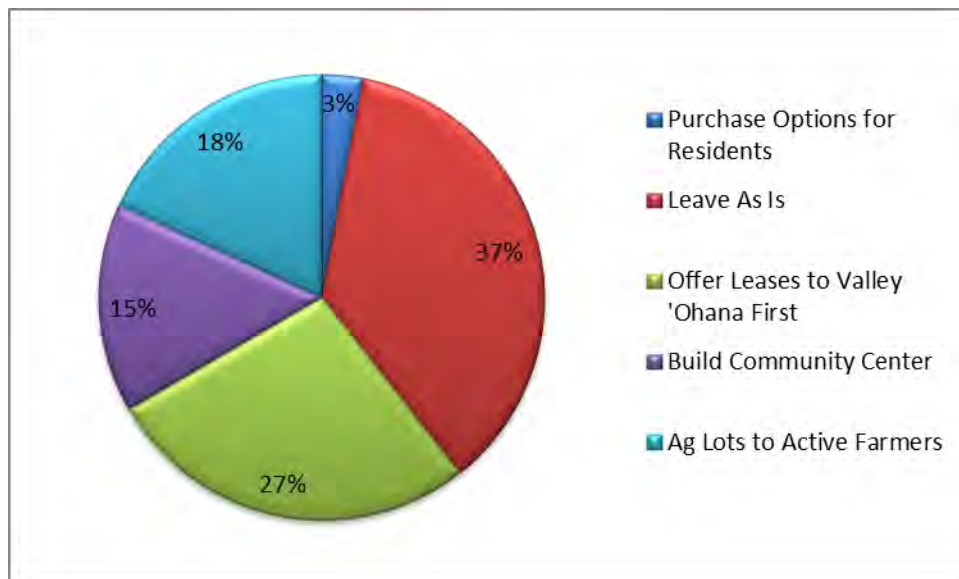
Figure 25 - Vacant Lot Issues



When asked to additionally determine which of the options they most preferred, fifty six percent said they preferred the senior living facility option, thirty three percent said they preferred the single home low rent option, and four percent said they preferred the low rise multi-unit option.

Participants were also asked if they had any other suggestions to solve Vacant Lot Issues. Their open-ended responses were placed into one of five categories based on their content.

Figure 26 - Other Suggestions on what to do with Vacant Lots

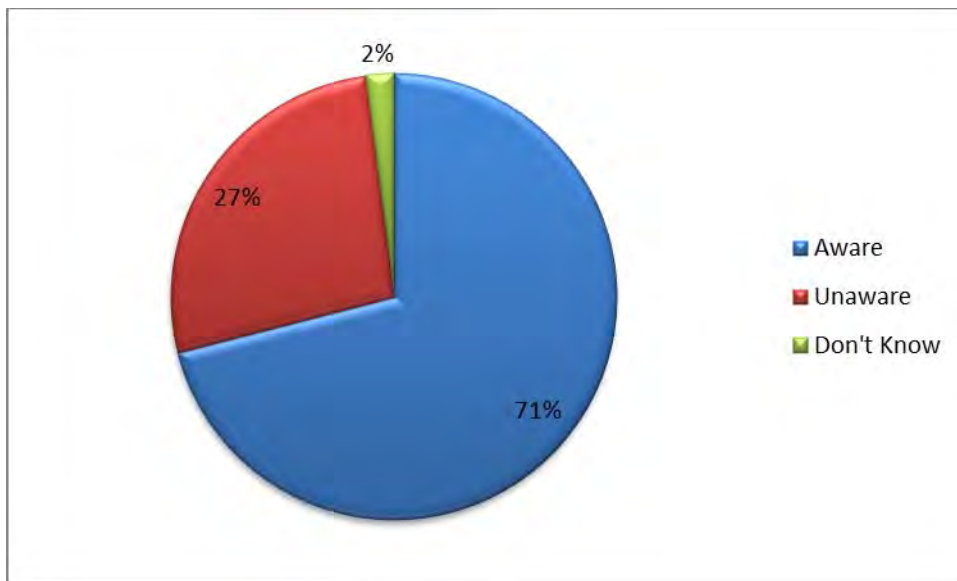


The category with the highest response rate is Leave as is at thirty seven percent followed by Offering of Leases to Valley 'Ohana First at twenty seven percent, Ag Lots to Active Farmers at eighteen percent, Building a Community Center at fifteen percent, and Purchase Options for Residents at three percent. Examples of responses in the Leave as is category include don't develop and leave it alone. Examples of responses in the Offer Leases to Valley 'Ohana First category include would like to see sibling have a vacant lot and offer it to residents of Waiāhole family first. Examples of responses in the Ag lots to Farmers category include open it up to more farmers and put farmers on the land. Examples of responses placed in the Community Center category include building a rec center/emergency shelter and build a facility to bottle our water. An example of a response in the purchase options category is selling to people who want to buy.

Septic Tank Issues:

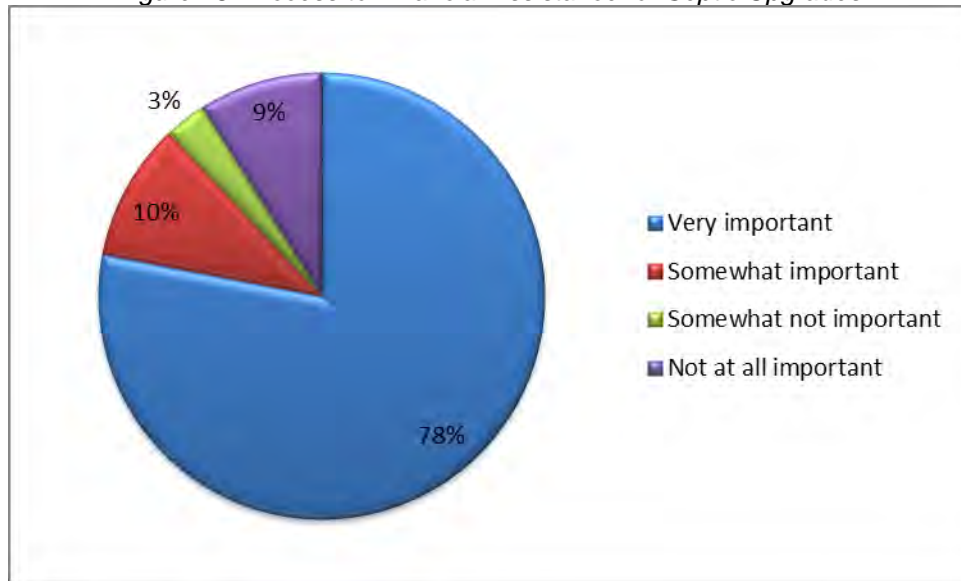
Participants were asked to share how aware they are about regulations requiring all residences to have Septic Tank Systems soon.

Figure 27 - Awareness of Septic Tank Regulations



Participants were additionally asked to share how important access to financial assistance to install these systems is to them.

Figure 28 - Access to Financial Assistance for Septic Upgrades

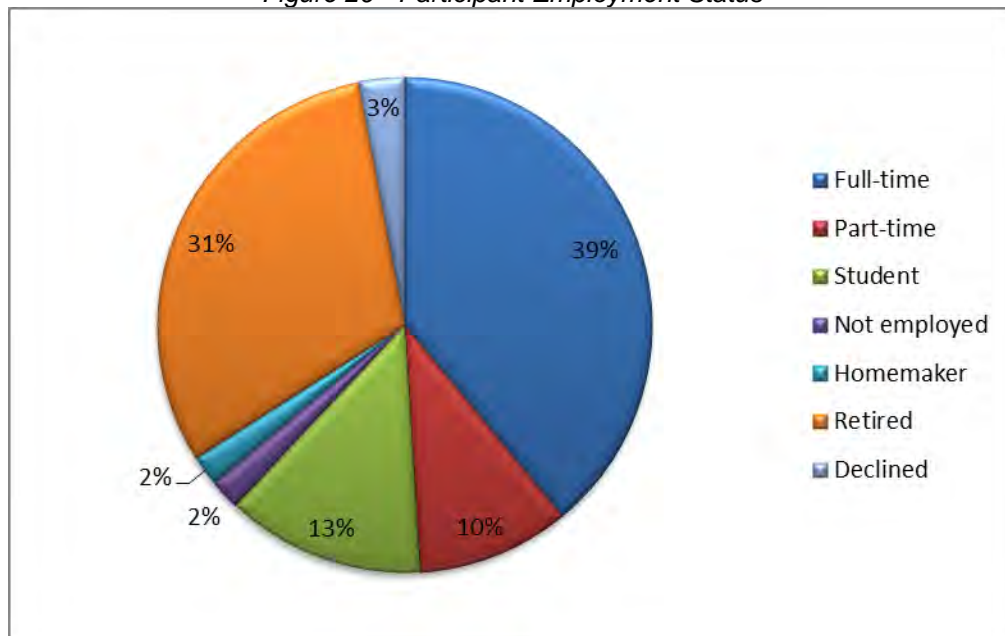


Participant Demographics:

Of the sixty-eight participants, thirty-eight (56%) identified as Male, twenty-six (38%) identified as Female, and four (6%) declined to answer.

When asked to share their employment status, participants reported the following:

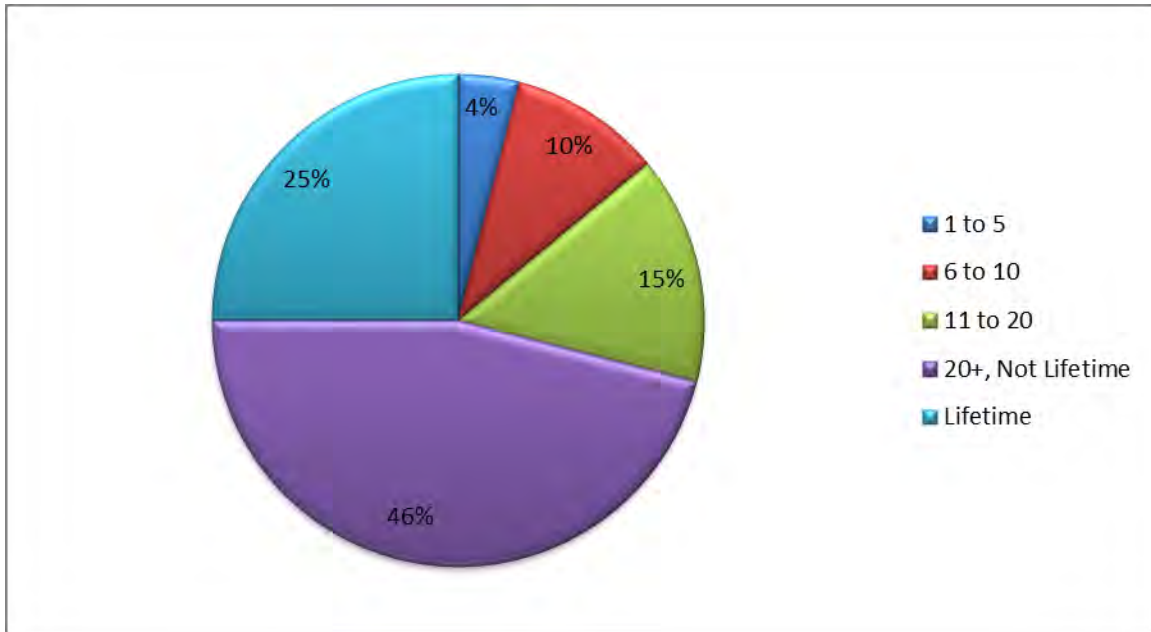
Figure 29 - Participant Employment Status



Of the sixty-eight participants, twelve (18%) said they have lived in Hawaii more than twenty years, but not a lifetime and fifty-six (82%) said they are lifetime residents.

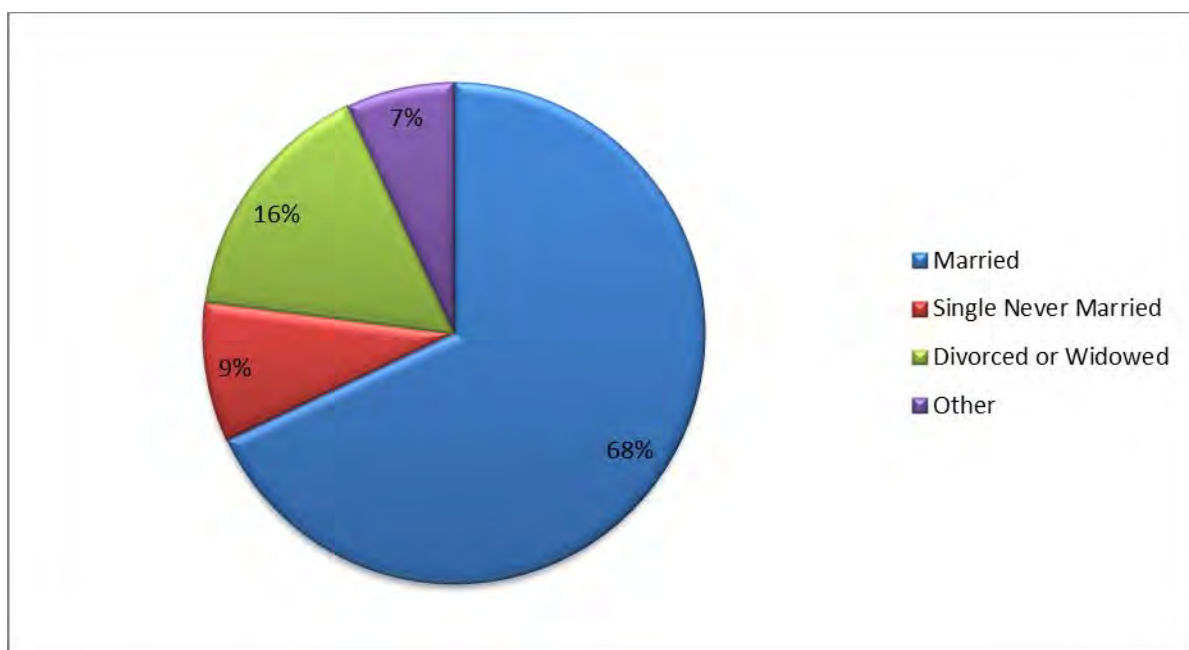
When asked to share how many years they have lived in Waiāhole, participants reported the following:

Figure 30 - Years Lived in Waiāhole



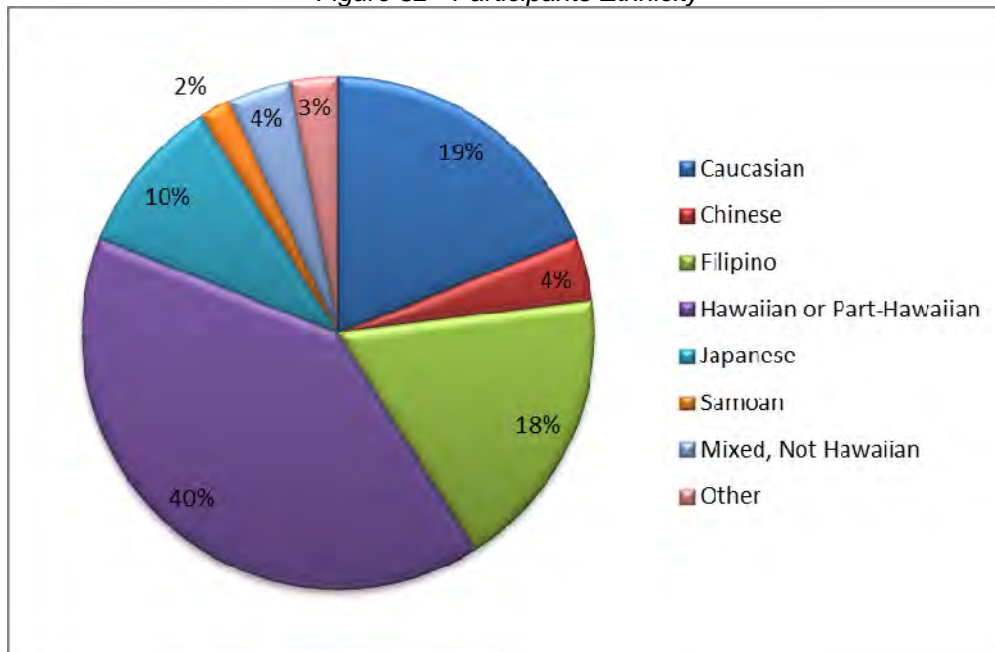
When asked to share their marital status, participants reported the following:

Figure 31 - Participants Marital Status



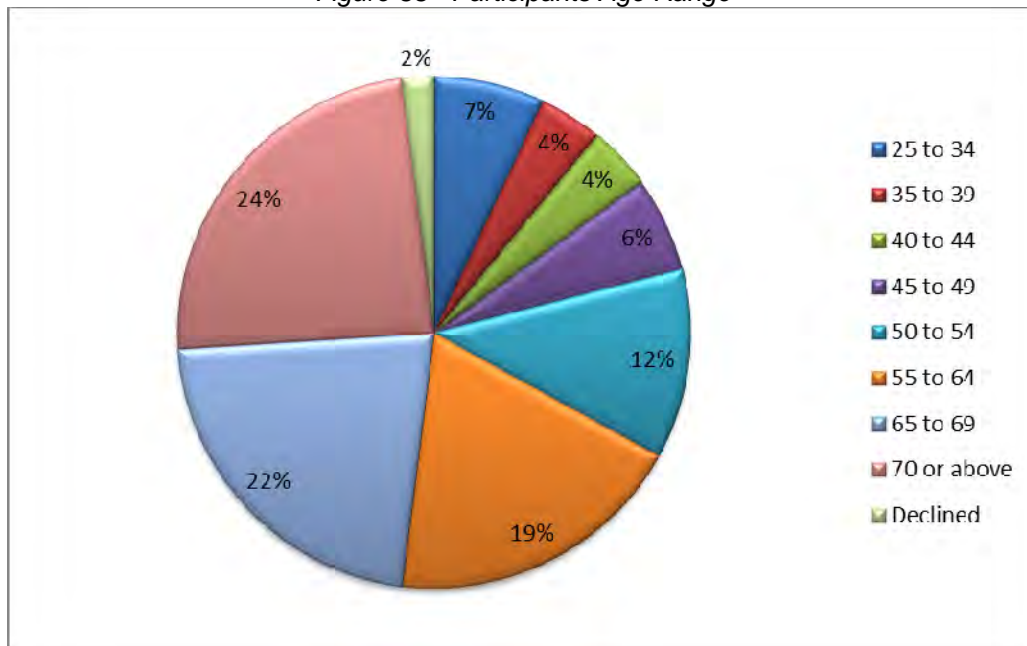
When asked to share how they identified ethnically, participants reported the following:

Figure 32 - Participants Ethnicity



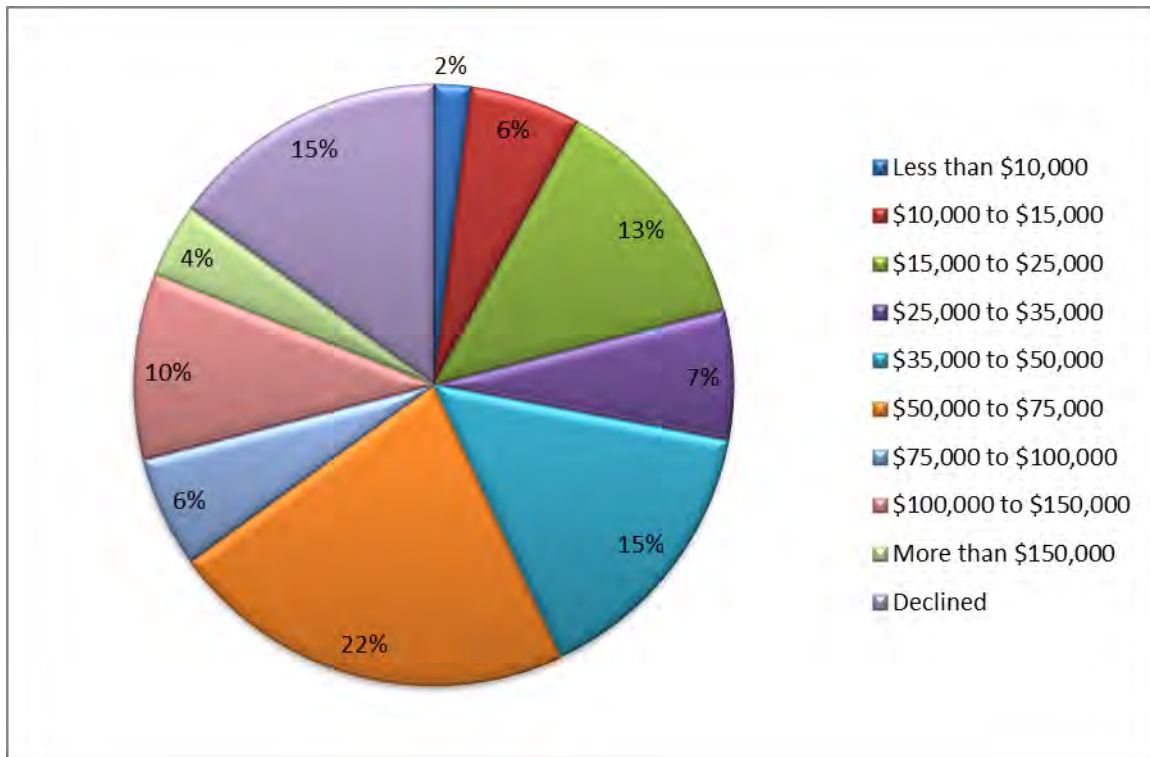
When asked to provide their age range, participants reported the following:

Figure 33 - Participants Age Range



When asked to provide their 2016 Household income range, participants reported the following:

Figure 34 - Participants 2016 Household Income Range



Appendix 1

Summary Table Methodology

The raw data was collected via two methods using an approved questionnaire script (see Appendix 2).

Phone surveys were conducted electronically with WinCati programming in the SMS call center in Honolulu. Completed survey data was exported from WinCati in SPSS format for analysis purposes.

In-person surveys were completed by experienced SMS interviewers recording participant responses on the paper format of the approved questionnaire. Completed surveys were processed in the SMS Scanning Department in Honolulu with TeleForm Scanning programming and exported in SPSS format for analysis purposes.

The Summary Tables were created using SPSS to merge data from both the phone and in-person survey data sets and run response frequencies to individual quarry fields.

Resident of Waiahole Valley and 18 or over

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 Yes	62	91.2	100.0	100.0
Missing System	6	8.8		
Total	68	100.0		

Participated in first survey

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 Yes	39	57.4	57.4	57.4
2 No	27	39.7	39.7	97.1
3 Don't know	2	2.9	2.9	100.0
Total	68	100.0	100.0	

Own or lease the property

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 Own	7	10.3	10.3	10.3
2 Lease	61	89.7	89.7	100.0
Total	68	100.0	100.0	

Whom the lease is with

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 HHFDC	30	44.1	48.4	48.4
	2 DHHL	27	39.7	43.5	91.9
	3 Don't know	5	7.4	8.1	100.0
	Total	62	91.2	100.0	
Missing	System	6	8.8		
Total		68	100.0		

Type of lot

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Residential	33	48.5	48.5	48.5
	2 Agriculture	29	42.6	42.6	91.2
	3 Both (have more than one lot)	6	8.8	8.8	100.0
	Total	68	100.0	100.0	

Support of Third party to address Albizia trees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	9	13.2	13.8	13.8
	2 Somewhat do not support	5	7.4	7.7	21.5
	3 Neutral	11	16.2	16.9	38.5
	4 Somewhat support	10	14.7	15.4	53.8
	5 Strongly support	29	42.6	44.6	98.5
	8 Don't Know	1	1.5	1.5	100.0
	Total	65	95.6	100.0	
Missing	System	3	4.4		
Total		68	100.0		

Support of grant to address Albizia trees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	10	14.7	14.7	14.7
	2 Somewhat do not support	2	2.9	2.9	17.6
	3 Neutral	9	13.2	13.2	30.9
	4 Somewhat support	17	25.0	25.0	55.9
	5 Strongly support	30	44.1	44.1	100.0
	Total	68	100.0	100.0	

Preferred action to address Albizia trees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Contract third party	28	41.2	45.2	45.2
	2 Retain a grant	33	48.5	53.2	98.4
	9 Don't Know	1	1.5	1.6	100.0
	Total	62	91.2	100.0	
Missing	System	6	8.8		
Total		68	100.0		

Other suggestions to solve Albizia trees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Regular Maintenance Plan	15	22.1	53.6	53.6
	2 Create Community Jobs	4	5.9	14.3	67.9
	3 Address Community Hazards First	4	5.9	14.3	82.1
	4 As Part of a Large-Scale State Plan	2	2.9	7.1	89.3
	5 Other	3	4.4	10.7	100
	Total	28	41.2	100	
Missing	System	40	58.8		
Total		68	100		

Support to upgrade system to fix potable drinking water system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	6	8.8	14.3	14.3
	3 Neutral	4	5.9	9.5	23.8
	4 Somewhat support	10	14.7	23.8	47.6
	5 Strongly support	22	32.4	52.4	100.0
	Total	42	61.8	100.0	
Missing	System	26	38.2		
Total		68	100.0		

Support implementing rules to fix potable drinking water system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	9	13.2	22.5	22.5
	2 Somewhat do not support	3	4.4	7.5	30.0
	3 Neutral	12	17.6	30.0	60.0
	4 Somewhat support	6	8.8	15.0	75.0
	5 Strongly support	10	14.7	25.0	100.0
	Total	40	58.8	100.0	
Missing	System	28	41.2		
Total		68	100.0		

Preferred action to fix potable drinking water system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Upgrade system	27	39.7	84.4	84.4
	2 Rules for system	5	7.4	15.6	100.0
	Total	32	47.1	100.0	
Missing	System	36	52.9		
Total		68	100.0		

Other suggestions to improve potable drinking water system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Keep Under HHFDC	3	4.4	50	50
	2 Protect Valley Resources	1	1.5	16.7	66.7
	3 Regular Maintenance Plan	2	2.9	33.3	100
	Total	6	8.8	100	
Missing	System	62	91.2		
Total		68	100		

Support for legal easement to address Auwai and MWS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	17	25.0	26.6	26.6
	2 Somewhat do not support	4	5.9	6.3	32.8
	3 Neutral	12	17.6	18.8	51.6
	4 Somewhat support	13	19.1	20.3	71.9
	5 Strongly support	16	23.5	25.0	96.9
	8 Don't Know	2	2.9	3.1	100.0
	Total	64	94.1	100.0	
Missing	System	4	5.9		
Total		68	100.0		

Support for third-party contract to address Auwai and MWS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	30	44.1	45.5	45.5
	2 Somewhat do not support	12	17.6	18.2	63.6
	3 Neutral	4	5.9	6.1	69.7
	4 Somewhat support	9	13.2	13.6	83.3
	5 Strongly support	11	16.2	16.7	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

Preferred action to address issues about Auwai and MWS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Legal Easement	29	42.6	55.8	55.8
	2 Third-party contracts	21	30.9	40.4	96.2
	9 Don't Know	2	2.9	3.8	100.0
	Total	52	76.5	100.0	
Missing	System	16	23.5		
Total		68	100.0		

Other suggestions to be done with the Auwai and MWS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Keep Under HHFDC	3	4.4	16.7	16.7
	2 Protect Valley Resources	6	8.8	33.3	50
	3 Regular Maintenance Plan	9	13.2	50	100
	Total	18	26.5	100	
Missing	System	50	73.5		
Total		68	100		

Support for valley management to address future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	37	54.4	55.2	55.2
	2 Somewhat do not support	11	16.2	16.4	71.6
	3 Neutral	9	13.2	13.4	85.1
	4 Somewhat support	2	2.9	3.0	88.1
	5 Strongly support	8	11.8	11.9	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Support for lease language to address future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	10	14.7	14.9	14.9
	2 Somewhat do not support	4	5.9	6.0	20.9
	3 Neutral	15	22.1	22.4	43.3
	4 Somewhat support	13	19.1	19.4	62.7
	5 Strongly support	24	35.3	35.8	98.5
	8 Don't Know	1	1.5	1.5	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Support for future lease rents to address future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	12	17.6	18.2	18.2
	2 Somewhat do not support	4	5.9	6.1	24.2
	3 Neutral	11	16.2	16.7	40.9
	4 Somewhat support	18	26.5	27.3	68.2
	5 Strongly support	20	29.4	30.3	98.5
	8 Don't Know	1	1.5	1.5	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

Support for revise leases to address future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	6	8.8	9.2	9.2
	2 Somewhat do not support	6	8.8	9.2	18.5
	3 Neutral	10	14.7	15.4	33.8
	4 Somewhat support	14	20.6	21.5	55.4
	5 Strongly support	27	39.7	41.5	96.9
	8 Don't Know	2	2.9	3.1	100.0
	Total	65	95.6	100.0	
Missing	System	3	4.4		
Total		68	100.0		

Support for organizations that provide financial aid to address future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	8	11.8	12.1	12.1
	2 Somewhat do not support	7	10.3	10.6	22.7
	3 Neutral	11	16.2	16.7	39.4
	4 Somewhat support	13	19.1	19.7	59.1
	5 Strongly support	27	39.7	40.9	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

Preferred action to address future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Valley management	3	4.4	5.4	5.4
	2 Lease Language	9	13.2	16.1	21.4
	3 Future lease rents	11	16.2	19.6	41.1
	4 Revise leases	17	25.0	30.4	71.4
	5 Financial Aid	15	22.1	26.8	98.2
	9 Refused	1	1.5	1.8	100.0
	Total	56	82.4	100.0	
Missing	System	12	17.6		
Total		68	100.0		

Other suggestions for future lease renegotiations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Purchase Options	4	5.9	22.2	22.2
	2 Ag Lease Share/Switch Options	4	5.9	22.2	44.4
	3 More Open Communication	3	4.4	16.7	61.1
	4 Improve the Process	6	8.8	33.3	94.4
	5 Put in DOA Control	1	1.5	5.6	100
	Total	18	26.5	100	
Missing	System	50	73.5		
Total		68	100		

Support for Ag properties must produce crops to address residing Ag properties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	3	4.4	10.0	10.0
	3 Neutral	8	11.8	26.7	36.7
	4 Somewhat support	4	5.9	13.3	50.0
	5 Strongly support	15	22.1	50.0	100.0
	Total	30	44.1	100.0	
Missing	System	38	55.9		
Total		68	100.0		

Support for rent incentives to farmers to address residing Ag properties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	6	8.8	20.0	20.0
	2 Somewhat do not support	7	10.3	23.3	43.3
	3 Neutral	5	7.4	16.7	60.0
	4 Somewhat support	2	2.9	6.7	66.7
	5 Strongly support	10	14.7	33.3	100.0
	Total	30	44.1	100.0	
Missing	System	38	55.9		
Total		68	100.0		

Support to allow subleasing to address residing Ag properties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	12	17.6	40.0	40.0
	2 Somewhat do not support	2	2.9	6.7	46.7
	3 Neutral	6	8.8	20.0	66.7
	4 Somewhat support	3	4.4	10.0	76.7
	5 Strongly support	7	10.3	23.3	100.0
	Total	30	44.1	100.0	
Missing	System	38	55.9		
Total		68	100.0		

Support to allow more houses to be built to address residing Ag properties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	4	5.9	13.3	13.3
	2 Somewhat do not support	1	1.5	3.3	16.7
	3 Neutral	4	5.9	13.3	30.0
	4 Somewhat support	5	7.4	16.7	46.7
	5 Strongly support	16	23.5	53.3	100.0
	Total	30	44.1	100.0	
Missing	System	38	55.9		
Total		68	100.0		

Preferred action to address residing Ag properties

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Must produce crops	7	10.3	24.1	24.1
	2 Rent incentives	5	7.4	17.2	41.4
	3 Allow subleasing	7	10.3	24.1	65.5
	4 Build more houses	9	13.2	31.0	96.6
	9 Refused	1	1.5	3.4	100.0
	Total	29	42.6	100.0	
Missing	System	39	57.4		
Total		68	100.0		

Other suggestions on how to help farmers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Purchase Options	2	2.9	13.3	13.3
	2 Lease Share/Switch Options	1	1.5	6.7	20
	3 Multi Residence Options	4	5.9	26.7	46.7
	4 Restructuring Lease Terms	4	5.9	26.7	73.3
	5 Better Infrastructure Maintenance	2	2.9	13.3	86.7
	6 Education Opportunities	2	2.9	13.3	100
	Total	15	22.1	100	
Missing	System	53	77.9		
Total		68	100		

Support to establish neighborhood watch to address crime in valley

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	5	7.4	7.4	7.4
	2 Somewhat do not support	2	2.9	2.9	10.3
	3 Neutral	9	13.2	13.2	23.5
	4 Somewhat support	9	13.2	13.2	36.8
	5 Strongly support	40	58.8	58.8	95.6
	8 Don't Know	3	4.4	4.4	100.0
	Total	68	100.0	100.0	

Other suggestions to address crime

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Improve Infrastructure	6	8.8	25	25
	2 Implementing neighborhood watch	9	13.2	37.5	62.5
	3 Enforcing Lease Rules on Offenders	6	8.8	25	87.5
	4 Routine Police Presence	3	4.4	12.5	100
	Total	24	35.3	100	
Missing	System	44	64.7		
Total		68	100		

Support to develop market along Kamehameha Hwy to reinvigorate valleys economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	11	16.2	16.4	16.4
	2 Somewhat do not support	4	5.9	6.0	22.4
	3 Neutral	10	14.7	14.9	37.3
	4 Somewhat support	12	17.6	17.9	55.2
	5 Strongly support	30	44.1	44.8	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Support for grants from department of Ag to reinvigorate valleys economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	11	16.2	16.4	16.4
	2 Somewhat do not support	6	8.8	9.0	25.4
	3 Neutral	10	14.7	14.9	40.3
	4 Somewhat support	18	26.5	26.9	67.2
	5 Strongly support	22	32.4	32.8	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Support to hire grant writers to reinvigorate valleys economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	13	19.1	19.4	19.4
	2 Somewhat do not support	7	10.3	10.4	29.9
	3 Neutral	13	19.1	19.4	49.3
	4 Somewhat support	14	20.6	20.9	70.1
	5 Strongly support	20	29.4	29.9	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Preferred action to reinvigorate valleys economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Market along Kamehameha Hwy	19	27.9	33.3	33.3
	2 Grants from Dept of Ag	17	25.0	29.8	63.2
	3 Hire grant writers	20	29.4	35.1	98.2
	9 Don't Know	1	1.5	1.8	100.0
	Total	57	83.8	100.0	
Missing	System	11	16.2		
Total		68	100.0		

Other suggestions to reinvigorate the valleys economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Regular Farmers Market	2	2.9	14	14
	2 Incentives for Farmers	9	13.2	64	79
	3 Access to Assistance Resources	2	2.9	14	93
	4 Sell Valley Water	1	1.5	8	100
	Total	14	20.6	100	
Missing	System	54	79.4		
Total		68	100.0		

Support for a processing facility to address future agriculture regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	8	11.8	23.5	23.5
	2 Somewhat do not support	1	1.5	2.9	26.5
	3 Neutral	5	7.4	14.7	41.2
	4 Somewhat support	9	13.2	26.5	67.6
	5 Strongly support	11	16.2	32.4	100.0
	Total	34	50.0	100.0	
Missing	System	34	50.0		
Total		68	100.0		

Support for a single brand to address future agriculture regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	11	16.2	32.4	32.4
	2 Somewhat do not support	5	7.4	14.7	47.1
	3 Neutral	6	8.8	17.6	64.7
	4 Somewhat support	5	7.4	14.7	79.4
	5 Strongly support	6	8.8	17.6	97.1
	8 Don't Know	1	1.5	2.9	100.0
	Total	34	50.0	100.0	
Missing	System	34	50.0		
Total		68	100.0		

Preferred action to address future agriculture regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Processing facility	21	30.9	77.8	77.8
	2 Single brands	6	8.8	22.2	100.0
	Total	27	39.7	100.0	
Missing	System	41	60.3		
Total		68	100.0		

Other suggestions to address future agriculture regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Education on Alternative Ag Opportunities	2	2.9	33.3	33.3
	2 Market Valley Water	1	1.5	16.7	50
	3 Community Use Facilities	3	4.4	50	100
	Total	6	8.8	100	
Missing	System	62	91.2		
Total		68	100		

Support for developing single-home on vacant lots

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	28	41.2	41.8	41.8
	2 Somewhat do not support	5	7.4	7.5	49.3
	3 Neutral	11	16.2	16.4	65.7
	4 Somewhat support	11	16.2	16.4	82.1
	5 Strongly support	12	17.6	17.9	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Support for developing of senior living on vacant lots

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	25	36.8	36.8	36.8
	2 Somewhat do not support	4	5.9	5.9	42.6
	3 Neutral	8	11.8	11.8	54.4
	4 Somewhat support	10	14.7	14.7	69.1
	5 Strongly support	20	29.4	29.4	98.5
	8 Don't Know	1	1.5	1.5	100.0
Total		68	100.0	100.0	

Support for developing of low-rises on vacant lots

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Do not support at all	50	73.5	73.5	73.5
	2 Somewhat do not support	8	11.8	11.8	85.3
	3 Neutral	7	10.3	10.3	95.6
	4 Somewhat support	1	1.5	1.5	97.1
	5 Strongly support	2	2.9	2.9	100.0
	Total	68	100.0	100.0	

Preferred action to address vacant lots

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Develop a senior living facility	15	22.1	33.3	33.3
	2 Develop the vacant lots as single-home, low-rent units	25	36.8	55.6	88.9
	3 Develop low-rise, low-income multiple-rental property as workforce housing	2	2.9	4.4	93.3
	9 Don't Know	3	4.4	6.7	100.0
	Total	45	66.2	100.0	
Missing	System	23	33.8		
Total		68	100.0		

Other suggestions on what to do with vacant lots

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Purchase Options for Residents	1	1.5	3	3
	2 Leave as Is	12	17.6	36.4	39.4
	3 Offer Leases to Valley 'Ohana First	9	13.2	27.3	66.7
	4 Build Community Center	5	7.4	15.2	81.8
	5 Ag Lots to Active Farmers	6	8.8	18.2	100
	Total	33	48.5	100	
Missing	System	35	51.5		
Total		68	100		

Aware of septic tanks replacement in near future

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Yes	48	70.6	70.6	70.6
	2 No	18	26.5	26.5	97.1
	3 Refused	2	2.9	2.9	100.0
	Total	68	100.0	100.0	

Importance for financial help to replace septic tank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Very important	53	77.9	77.9	77.9
	2 Somewhat important	7	10.3	10.3	88.2
	3 Somewhat not important	2	2.9	2.9	91.2
	4 Not at all important	5	7.4	7.4	98.5
	9 Refused	1	1.5	1.5	100.0
	Total	68	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Male	38	55.9	59.4	59.4
	2 Female	26	38.2	40.6	100.0
	Total	64	94.1	100.0	
Missing	System	4	5.9		
Total		68	100.0		

Employment status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Full-time	26	38.2	38.8	38.8
	2 Part-time	7	10.3	10.4	49.3
	3 Student	9	13.2	13.4	62.7
	4 Not employed	1	1.5	1.5	64.2
	5 Homemaker	1	1.5	1.5	65.7
	6 Retired	21	30.9	31.3	97.0
	7 Don't know/Refused	2	2.9	3.0	100.0
	Total	67	98.5	100.0	
Missing	System	1	1.5		
Total		68	100.0		

Years lived in Hawaii

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5 More than 20 years, not lifetime	12	17.6	17.6	17.6
	6 Lifetime residents of Hawaii	56	82.4	82.4	100.0
	Total	68	100.0	100.0	

Years lived in Waiahole Valley

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 1 to 5 years	3	4.4	4.4	4.4
	3 6 to 10 years	7	10.3	10.3	14.7
	4 11 to 20 years	10	14.7	14.7	29.4
	5 More than 20 years, not lifetime	31	45.6	45.6	75.0
	6 Lifetime residents in Waiahole valley	17	25.0	25.0	100.0
	Total	68	100.0	100.0	

Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Married	46	67.6	67.6	67.6
	2 Single never married	6	8.8	8.8	76.5
	3 Divorced or widowed	11	16.2	16.2	92.6
	4 Other	5	7.4	7.4	100.0
	Total	68	100.0	100.0	

Ethnic background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Caucasian	13	19.1	19.1	19.1
	2 Chinese	3	4.4	4.4	23.5
	3 Filipino	12	17.6	17.6	41.2
	4 Hawaiian or Part-Hawaiian	27	39.7	39.7	80.9
	5 Japanese	7	10.3	10.3	91.2
	7 Samoan	1	1.5	1.5	92.6
	10 Mixed, Not Hawaiian	3	4.4	4.4	97.1
	11 Other	2	2.9	2.9	100.0
	Total	68	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 25 to 34	5	7.4	7.4	7.4
	3 35 to 39	3	4.4	4.4	11.8
	4 40 to 44	3	4.4	4.4	16.2
	5 45 to 49	4	5.9	5.9	22.1
	6 50 to 54	8	11.8	11.8	33.8
	7 55 to 64	13	19.1	19.1	52.9
	8 65 to 69	15	22.1	22.1	75.0
	9 70 or above	16	23.5	23.5	98.5
	10 Don't know/Refused	1	1.5	1.5	100.0
	Total	68	100.0	100.0	

2106 Household Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Less than \$10,000	1	1.5	1.5	1.5
	2 \$10,000 to \$15,000	4	5.9	5.9	7.4
	3 \$15,000 to \$25,000	9	13.2	13.2	20.6
	4 \$25,000 to \$35,000	5	7.4	7.4	27.9
	5 \$35,000 to \$50,000	10	14.7	14.7	42.6
	6 \$50,000 to \$75,000	15	22.1	22.1	64.7
	7 \$75,000 to \$100,000	4	5.9	5.9	70.6
	8 \$100,000 to \$150,000	7	10.3	10.3	80.9
	9 More than \$150,000	3	4.4	4.4	85.3
	10 No Answer/Refused	10	14.7	14.7	100.0
	Total	68	100.0	100.0	

Appendix 2

WAIĀHOLE VALLEY CONFIDENTIAL SOLUTIONS SURVEY

Hello, I'm _____ with SMS Research, a Honolulu research company. Today, we are doing a follow-up CONFIDENTIAL survey among Waiāhole Valley residents. We hope that you received the mailing with the results of the previous survey. This will be the final survey and the results will also be mailed to you. Please be advised that my supervisor may be monitoring this conversation for internal quality control purposes.

SCREENING QUESTIONS

<p>Q1. Are you a resident of Waiāhole Valley, and at least 18 years old? Yes 100% No (ASK TO SPEAK TO SOMEONE WHO IS 18 YEARS OR OLDER, OR TERMINATE) 0.0% Don't Know 0.0%</p> <p>Q2. Did you participate in the first survey? Yes 57.4% No 39.7% Don't Know 2.9%</p> <p>Q3. Do you own your lot or lease it? Own 10.3% Lease 89.7% Both (have more than one lot) 0.0%</p>	<p>Q4. (IF LEASE OR BOTH) Who do you lease it from? (CHECK ALL THAT APPLY) HHFDC 48.4% DHHL 43.5% Don't Know 8.1%</p> <p>Q5. Is your lot_{xxx} Residential 48.5% Agricultural 42.6% Both (have more than one lot) 8.8%</p>
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As you may be aware, the prior survey undertaken among Valley residents outlines a list of issues and concerns. We would like to discuss the main issues the residents brought up, and ask your opinion about possible solutions. PLEASE NOTE—IT IS VERY IMPORTANT FOR YOU TO UNDERSTAND THAT THESE ARE JUST IDEAS AT THIS STAGE; THE FINANCIAL IMPLICATIONS OF EACH OF THE IDEAS WILL BE REVIEWED. TODAY, WE WOULD LIKE TO ASK FOR YOUR SUPPORT OF THESE INITIAL IDEAS, AND ASK YOU FOR ANY OTHER OPTIONS YOU MAY HAVE.

(ROTATE ALL THE QUESTIONS)

Q6. One of the issues of concern to the Valley residents is Albizia trees. I would like to read you a list of possible actions that could be considered to help solve this issue. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

	5	4	3	2	1	MOST Preferred
(ROTATE)	Support Strongly				Do Not Support At All	
Contract with third-party to harvest trees at their expense to their corporate use	44.6%	15.4%	16.9%	7.7%	13.8%	45.2%
Retain a grant writer to raise state and federal grants to manage these invasive species.	44.1%	25.0%	13.2%	2.9%	14.7%	53.2%

Q7. Would you have any other suggestions on how to solve the Albizia trees concern?

Other suggestions to solve Albizia trees	
1 Regular Maintenance Plan	53.6%
2 Create Community Jobs	14.3%
3 Address Community Hazards First	14.3%
4 As Part of a Large Scale State Plan	7.1%
5 Other	10.7%
Total	100.0%

Q8. Another issue is the potable or drinking water system. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...?

(ROTATE)	5	4	3	2	1	MOST Preferred
	Support Strongly				Do Not Support At All	
HHFDC's plan to upgrade the system (relocating wells to within the subdivision and constructing a new reservoir tank) to improve service reliability and water pressure.	52.4%	23.8%	9.5%	0.0%	14.3%	84.4%
Implementation of rules for the system to ensure fairness, responsible usage, and some increased recovery of operating costs	25.0%	15.0%	30.0%	7.5%	22.5%	15.6%

Q9. Would you have any other suggestions on how to solve the potable water issue?

Other suggestions to improve potable drinking water system	
1 Keep Under HHFDC	50.0%
2 Protect Valley Resources	16.7%
3 Regular Maintenance Plan	33.3%
Total	100.0%

Q10. A concern was raised about the 'Auwai and McCandless Water Systems. I would like to read you a list of possible actions that could be considered to help solve this issue. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

(ROTATE)	5	4	3	2	1	MOST Preferred
	Support Strongly				Do Not Support At All	
Designate legal easement along waterways for ease of future maintenance	25.0%	20.3%	18.8%	6.3%	26.6%	55.8%
Contract with a third-party for continuous maintenance cost to be paid through future lease rent adjustments for properties along waterways	16.7%	13.6%	6.1%	18.2%	45.5%	40.4%

Q11. Would you have any other suggestions on what should be done with the 'Auwai and McCandless Water Systems?



Other suggestions to be done with the Auwai and MWS	
1 Keep Under HHFDC	16.7%
2 Protect Valley Resources	33.3%
3 Regular Maintenance Plan	50.0%
Total	100.0%

Q12. How strongly would you support the following be included in future lease renegotiations. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

(ROTATE)	5 Support Strongly	4	3	2	1 Do Not Support At All	MOST Preferred
Assign valley management to a third-party property management company	11.9%	3.0%	13.4%	16.4%	55.2%	5.4%
Lease language to re-affirm Valley residents and farmers that lease covenants will be enforced equally	35.8%	19.4%	22.4%	6.0%	14.9%	16.1%
Future lease rents be agreed upon for the duration of the leases	30.3%	27.3%	16.7%	6.1%	18.2%	19.6%
Revise leases to allow for mortgage financing for home improvements and other needs	41.5%	21.5%	15.4%	9.2%	9.2%	30.4%
To help residents in financial need, identify organizations that will provide financial aid	40.9%	19.7%	16.7%	10.3%	12.1%	26.8%

Q13. Would you have any other suggestions for future lease renegotiations?

Other suggestions for future lease renegotiations	
1 Purchase Options	22.2%
2 Ag Lease Share/Switch Options	22.2%
3 More Open Communication	16.7%
4 Improve the Process	33.3%
5 Put in DOA Control	5.6%
Total	100.0%

Q14. (FOR AGRICULTURE LESSEES ONLY) A variety of issues were brought forth by those residing on agriculture properties. How important is it to Valley farmers that future lease negotiations include the following. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

(ROTATE)	5 Support Strongly	4	3	2	1 Do Not Support At All	MOST Preferred
Agriculture properties must produce crops or face lease review	50.0%	13.3%	26.7%	0.0%	10.0%	24.1%
Provide farmers with rent incentives such as rent reductions or increases based on volume of agriculture produced versus an agreed upon target	33.3%	6.7%	16.7%	23.3%	20.0%	17.2%
Allow subleasing of agriculture land to other farmers	23.3%	10.0%	20.0%	6.7%	40.0%	24.1%
Allow more than one house be built on agriculture land for lessee farmer	53.3%	16.7%	13.3%	3.3%	13.3%	31.0%

Q15. Would you have any other suggestions on how to help farmers in the valley?



Other suggestions on how to help farmers	
1 Purchase Options	13.3%
2 Lease Share/Switch Options	6.7%
3 Multi Residence Options	26.7%
4 Restructuring Lease Terms	26.7%
5 Better Infrastructure Maintenance	13.3%
6 Education Opportunities	13.3%
Total	100.0%

Q16. I would like to read you the possible action that could be considered to help reduce crime in the Valley. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...?

	5	4	3	2	1
	Support Strongly				Do Not Support At All
Establish a neighborhood watch	58.8%	13.2%	13.2%	2.9%	7.4%

Q17. Would you have any other suggestions on what to do to reduce crime in the valley?

Other suggestions to address crime	
	Valid Percent
1 Improve Infrastructure	25.0%
2 Implementing neighborhood watch	37.5%
3 Enforcing Lease Rules on Offenders	25.0%
4 Routine Police Presence	12.5%
Total	100.0%

Q18. A variety of ideas were developed to reinvigorate the Valley's economy. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

	5	4	3	2	1	
(ROTATE)	Support Strongly				Do Not Support At All	MOST Preferred
Investigate the development of a farmer's market along Kamehameha Highway	44.8%	17.9%	14.9%	6.0%	16.4%	33.3%
Investigate availability of grants from the Department of Agriculture to develop a Waiāhole Valley brand to increase agriculture output retail value	32.8%	26.9%	14.9%	9.0%	16.4%	29.8%
Retain grant writers to gain resources for branding, financial aid for low-income households and other needs	29.9%	20.9%	19.4%	10.4%	19.4%	35.1%

Q19. Would you have any other suggestions on how to reinvigorate the valley's economy?



Other suggestions to reinvigorate the valleys economy	
1 Regular Farmers Market	14.3%
2 Incentives for Farmers	64.3%
3 Access to Assistance Resources	14.3%
4 Sell Valley Water	7.1%
Total	100.0%

Q20. (FOR FARMERS ONLY) As you may be aware, federal government food safety regulations will become effective in the near future. These guidelines require extensive cleaning, packaging, and documenting of all agriculture output. This effort usually requires a kitchen and processing facility. As a result of this... on a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

(ROTATE)	5	4	3	2	1	MOST Preferred
	Support Strongly				Do Not Support At All	
Establish a cooperative processing facility in the area for local farmers	32.4%	26.5%	14.7%	2.9%	23.5%	77.8%
Market the Valley's agriculture products under a single brand thus increasing product value	17.6%	14.7%	17.6%	14.7%	32.4%	22.2%

Q21. Would you have any other suggestions on this issue?

Other suggestions to address future agriculture regulations	
1 Education on Alternative Ag Opportunities	33.3%
2 Market Valley Water	16.7%
3 Community Use Facilities	50.0%
Total	100.0%

Q22. And regarding the vacant lots. I would like to read you a list of possible actions that could be considered to undertake with these lots. On a scale of 1 to 5, where 5 is strongly support and 1 is do not support at all, how strongly would you support...? Of the list of possible solutions, which one is the best?

(ROTATE)	5	4	3	2	1	MOST Preferred
	Support Strongly				Do Not Support At All	
Develop the vacant lots as single-home, low-rent units	17.9%	16.4%	16.4%	7.5%	41.8%	33.3%
Develop a senior living facility	29.4%	14.7%	11.8%	5.9%	36.8%	55.6%
Develop low-rise, low-income multiple-rental property as workforce housing	2.9%	1.5%	10.3%	11.8%	73.5%	4.4%

Q23. Would you have any other suggestions on what to do with the vacant lots?

Other suggestions on what to do with vacant lots	
1 Purchase Options for Residents	3.0%
2 Leave As Is	36.4%
3 Offer Leases to Valley 'Ohana First	27.3%
4 Build Community Center	15.2%
5 Ag Lots to Active Farmers	18.2%
Total	100.0%

Septic Tanks

Q24. Are you aware that septic tanks will need to replace current systems in the near future?	
Yes	70.6%
No	26.5%
Don't Know.....	2.9%
Q25. How important would it be for you to have financial help to install a septic tank in the future?	
Very Important	77.9%
Somewhat Important.....	10.3%
Somewhat Not Important	2.9%
Not At All Important	7.4%
Refused	1.5%

DEMOGRAPHIC QUESTIONS

Q26. Gender (DO NOT ASK)	
Male	59.4%
Female.....	40.6%
Q27. What is your current employment status? Would you say you are employed...	
Full-time.....	38.8%
Part-time	10.4%
Student.....	13.4%
Not employed.....	1.5%
Homemaker.....	1.5%
Retired.....	31.3%
Don't Know, Refused.....	3.0%
Q28. How many years have you lived in Hawai'i?	
Less than 1 year	0.0%
1 to 5 years.....	0.0%
6 to 10 years	0.0%
11 to 20 years	0.0%
More than 20 years, not lifetime	17.6%
Lifetime resident of Hawai'i	82.4%
Q29. How many years have you lived in Waiāhole Valley?	
Less than 1 year	0.0%
1 to 5 years.....	4.4%
6 to 10 years	10.3%
11 to 20 years	14.7%
More than 20 years, not lifetime	45.6%
Lifetime resident in Waiāhole Valley.....	25.0%

Q30. What is your current marital status?	
Married	67.6%
Single never married.....	8.8%
Divorced or widowed.....	16.2%
Other.....	7.4%

Q31. What is your primary ethnic background (SELECT ONE)?	
Caucasian.....	19.1%
Chinese.....	4.4%
Filipino.....	17.6%
Hawaiian or Part-Hawaiian.....	39.7%
Japanese.....	10.3%
Korean.....	0.0%
Samoan.....	1.5%
Black or African American.....	0.0%
Hispanic or Latino.....	0.0%
Mixed, Not Hawaiian.....	4.4%
Other (DO NOT SPECIFY).....	2.9%
No Answer / Refused	0.0%

Q32. What is your age? Are you...	
18 to 24	0.0%
25 to 34	7.4%
35 to 39	4.4%
40 to 44	4.4%
45 to 49	5.9%
50 to 54	11.8%
55 to 64	19.1%
65 to 69	22.1%
70 or above.....	23.5%
Don't Know, Refused	1.5%

Q33. What was the total 2016 income, before taxes, for all members of your household? Was it...	
Less than \$10,000	1.5%
\$10,000 to \$14,999	5.9%
\$15,000 to \$24,999	13.2%
\$25,000 to \$34,999	7.4%
\$35,000 to \$49,999	14.7%
\$50,000 to \$74,999	22.1%
\$75,000 to \$99,999	5.9%
\$100,000 to \$150,000	10.3%
More than \$150,000	4.4%
No Answer, Refused	14.7%

Thank you for participating in this survey. We will be sharing the results of this survey in September 2017.

APPENDIX B:
WWCA “DRAFT WAIĀHOLE-WAIKĀNE
STRATEGIC PLAN”

May 21, 2019



Waiāhole-Waikāne Community

Mr. Chris Woodard
Real Estate Portfolio Manager
677 Queen Street, Suite 300
Honolulu, Hawai'i 96813

May 15, 2019

Aloha Chris,

Hope this email finds you well. The Waiāhole-Waikāne Community Association ("WWCA") is writing to you to bring a few items to your attention.

In your letter dated March 15, 2019, you indicated that "In order to gather feedback and shape the plan into final form, several community meetings will be held in Waiāhole Valley between now and end of May 2019". As of today, no meetings have been scheduled.

The WWCA steering committee overseeing the Strategic Plan for our community has completed ten (10) strategic plan meetings starting on March 25th—all of which were open to, and attended by, community members outside of the WWCA steering committee. The sessions allowed active community engagement, and were conducted in such a way as to provide information to our community regarding the SMS/HHFDC plan as well as allowing the community members the opportunity to express their views and share their concerns. These meetings also offered those in attendance the opportunity to express their ideas regarding how best to improve the strategic plan. We captured their valuable feedback and ideas and now are in the process of using these materials to write a Waiāhole community-based strategic plan.

It has been our goal since the day of the HHFDC board meeting to create not a Waiāhole-based plan but a joint HHFDC&Waiāhole-based plan. To this end, the WWCA would like to suggest a way to make this happen: create, introduce, and implement a "HHFDC-Waiāhole panel" consisting of small teams of individuals representing the HHFDC and the Waiāhole community. The WWCA steering committee has expressed excitement and confidence that by creating a HHFDC-Waiāhole panel this week it will allow both parties to demonstrate good faith with both feet rooted in the 'āina and with best interest at heart to move forward as one cohesive group, or Hui Pa'a. We hope that you will consider this idea as a first step in moving forward as one. We anxiously await your reply.

Lastly, I would like to request that should there be any HHFDC letters or notices being dropped in front of homes or mailed to Waiāhole residents that they are also sent directly to me at the address provided below. Thank you.

Thank you in advance, looking forward to your favorable decision.

Mahalo,

Laurence Uyemura
Mr. Laurence Uyemura, President

CC: Eric Seeleman, Esq., Deeley King Pang & Van Etten; Esa Pablo, Secretary to the Board, HHFDC

WAIĀHOLE & WAIKĀNE Community Association, P.O. Box 6566, Kāne'ohe, Hawai'i 96744 / (808)239-7128

EXHIBIT B



Waiāhole-Waikāne Community Association

DRAFT Waiāhole-Waikāne Strategic Plan

*A Community-Based Plan Produced under the Leadership of the
Waiāhole-Waikāne Community Association*

May 21, 2019



Waiāhole at Kāneʻohe Bay

Source: The Trust for Public Land (photo by Douglas Peebles)

***** IMPORTANT: THIS IS A DRAFT. THIS DRAFT HAS NOT BEEN APPROVED BY THE HHFDC. THIS DRAFT IS FOR DISCUSSION PURPOSES ONLY. *****

EXHIBIT C

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INTRODUCTION

On March 14, 2019 the HHFDC held a board meeting to, among other things, review and approve the draft of the Waiāhole Strategic Plan of March 2019 prepared by SMS Consulting on behalf of the HHFDC. Mr. Chris Woodard, Real Estate Portfolio Manager for HHFDC, presented "For Action" and stated staff's recommendation "that the HHFDC Board of Directors approve the Waiāhole Valley Community Strategic Plan". Director McCartney moved the motion which was then seconded by Director Kahele.

Seventeen individuals comprised of Waiāhole-Waikāne Community Association ("WWCA") steering committee members as well as Waiāhole and Waikāne farmers and residents attended the above board meeting to express their concerns regarding the draft plan and advocated for the board to delay the board vote so that a joint Waiāhole community/HHFDC draft strategic plan could be created for the mutual benefit of all parties involved. After much discussion, the motion to vote to approve the plan was amended to delay the vote and to allow time for the HHFDC and Waiāhole residents to work together to create a consensus plan. The motion was carried unanimously, as amended.

The motion delayed the board vote until the next HHFDC board meeting, scheduled for June 13, 2019. For the HHFDC board to have sufficient time to review and analyze a draft of the consensus plan requires that the draft be submitted to the HHFDC by June 4, 2019.

The WWCA steering committee soon after organized and led a community-based strategic plan work group (the "Work Group") consisting of Waiāhole HHFDC lessees, Waiāhole Department of Hawaiian Home Lands ("DHHL") lessees, as well as Waiāhole-Waikāne private landowners and residents. The Work Group was charged with (1) educating community members on the contents of Waiāhole Strategic Plan (the "SMS/HHFDC Plan") with an analysis of its strengths and weaknesses, (2) recording feedback from community members regarding which strategic recommendations put forth in the SMS/HHFDC Plan were viewed favorably and which were viewed unfavorably, (3) soliciting and recording ideas from the community members regarding how best to improve the SMS/HHFDC Plan and thus create a community-based strategic plan (the "Community-Based Plan"), particularly in areas of the SMS/HHFDC Plan where there existed community-wide concerns on specific strategic recommendations, (4) writing a draft Community-Based Plan incorporating the feedback gained from (2) and (3), (5) disseminating and submitting the draft Community-Based Plan by email and by regular mail to all Waiāhole residents, (6) seeking the approval of the draft Community-Based Plan from the greater community at a WWCA general meeting held at the Waiāhole Valley Elementary School cafeteria, and (7) deliberating with HHFDC officers and members to review and to improve the draft Community-Based Plan so as to create a consensus plan (the "Consensus Plan") for the mutual benefit of all parties involved and to submit the Consensus Plan to the HHFDC by June 4th.

The actions and results of the Work Group to achieve the Consensus Plan are detailed in the section titled, Community-Based Planning Process (see below) and in Appendix A.

EXHIBIT C

HISTORICAL BACKGROUND

Ancient Abundance, Modern Challenges, Restoration-Resilience-Renewal

Ancient Abundance

Waiāhole Valley has long been an agricultural community. At the time of Captain James Cook's arrival in 1778 there were over 500 kānaka maoli living sustainable lifestyles in the traditional ahupua'a system¹ that were rooted in the reciprocating relationship of the konohiki and tenants and their stewardship of the land.

At the time of the Mahele of 1848, the Crown, Government, Konohiki's Ili and Lele lands in the ahupua'a of Waiāhole and Waikāne were abundantly cultivated in the kuleana lands of the tenants that fed and sustained the community with over 450 lo'i, kula, mala, and kalo lands.

By this reciprocating stewardship in Waiāhole, 325 parcels were sustained in the community with the water of Kāne. The waters of Kāne flowed abundantly from the piko of the Ko'olau through the Makawai, Waianu and Uwau streams and into the Waiāhole Stream where the waters continued to flow downward to the inshore of Kāne'ohe Bay and the spawning grounds of the āholehole fish, the namesake of the ahupua'a.

Modern Challenges:

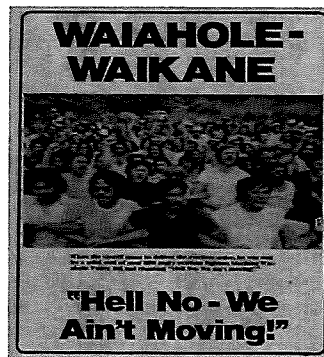
- **Water Diversion – The Waiāhole Ditch Project:** In 1897, approximately fifty years after the Mahele that allowed for privatization of lands, Mr. Lincoln McCandless began purchasing portions of the crown and Government lands in Waiāhole by land patent grants. He continued with the acquisition of konohiki and kuleana interests in both Waiāhole and Waikāne in pursuit of the water for private agricultural interests in the leeward regions of O'ahu. Mr. McCandless acquired hundreds of acres of land in the two ahupua'a then subsequently sold his water rights to O'ahu Sugar Company whose subsidiary, Waiāhole Water Co. (later Waiāhole Irrigation Company), built the Waiāhole Ditch in 1913-1916. The ditch collected water from the watersheds from Kahana through Hakipu'u, Waikāne, and Waiāhole (see link: <http://ecotippingpoints.org/our-stories/indepth/usa-hawaii-Waiāhole-ditch-water-restoration.html>). Over the next 100 years, Waiāhole Stream flow dropped dramatically from 30+ million gallons/day to 3 million gallons/day while Waikāne Stream fell precipitously from 7 million gallons/day to 1.5 million gallons/day. This diversion of water from the windward side to the leeward side compromised the traditional balance of land stewardship that was dependent upon an extensive ancient water delivery system of 'auwai – from mauka to makai; It also compromised the waters flowing (also a part of regional ahupua'a) into the north end of Kāne'ohe Bay where rich fisheries had occurred for centuries helping to sustain and give sustenance to the Ko'olaupoko communities. This, together with the demise of the essential reciprocal relationship of konohiki (land management) to tenant (maka'āinana – including both Kalawaia – fishermen – and mahi'ai - farmers), were disastrous. The gradual, forced change to the modern-day socio-economic fabric of the valleys continues to challenge the community, hence the urgent need for a Community-Based Strategic Plan.

¹ Waiāhole-Waikāne Community Association. *Waiāhole and Waikāne Valleys, the people the land*. Waiāhole: Waiāhole-Waikāne Community Association, 1976.

- **Waiāhole Ditch 100 years later - Combined Contested Case: (see link, above)**
 - "On November 9, 1995, the very complicated Waiāhole Ditch Combined Contested Case Hearing officially began at the CWRM with 25 parties to decide on (a) water-use permit applications, (b) petitions for interim in-stream flow standards, and (c) petitions for water reservation (Miike 2004). The three community organizations were joined by the sovereignty group Ka Lāhui Hawai'i. Other windward parties included the Department of Hawaiian Homelands and the Office of Hawaiian Affairs. Two commissioners had to recuse themselves due to conflict of interest (*i.e.*, ties to the landed estates), and with only four remaining commissioners, the CWRM barely had a quorum. Testimony and presentation of evidence went on until August 1996, with 52 hearing days (including four evening sessions), 161 witnesses, and 567 exhibits. The largest ground of witnesses – 47 – spoke in favor of the WWCA's new in stream flow standards."
 - Pursuant to the Decision and Order resulting from the Waiāhole Ditch Combined Contested Case Hearing the following positive impacts are in place: "Compared to the low flows of the 1960s, the Commission estimated that Waiāhole Stream flow increased by 124%, Waianu by 600%, and Waikāne by 150%..." (CWRM, 2006)

➤ **Land Struggles:**

- In 1959, the McCandless heirs (the Marks family) began actively to pursue development options for their land holdings in the Valley and began converting all of their tenancies to month-to-month leases. In the mid-1970s, Ms. Elizabeth Loy McCandless Marks entered into an agreement to sell Waiāhole and Waikāne lands to a hui led by developer Mr. Joe Pao. Mr. Pao planned to change the zoning of the two valleys to permit the construct of approximately 4,000 homes. Soon after Community protests started against the planned evictions of month-to-month tenants.
- In April of 1974, the Waiāhole-Waikāne Community Association (WWCA) was formed to share information and to organize community opposition to the proposed development. After more than a three-year struggle to protect their rural lifestyle and the agricultural integrity of the Valley against the threat of eviction and development, the State of Hawai'i took action to end the proposed development.²
- In 1977, to help resolve the increasingly contentious land-use struggle, then Governor George Ariyoshi utilized funds earmarked for affordable housing to acquire 795 acres of land in Waiāhole Valley from Mrs. Marks. The funds for the \$6 million acquisition came out of the Dwelling Unit Revolving Fund (DURF). The purchase was made under threat of condemnation, thus placing these lands under the jurisdiction of the Hawai'i Housing Authority (HHA), predecessor to the valley's largest current landowner, the Hawai'i Housing Finance and



² Ibid.

Development Corporation ("HHFDC"). The stated purpose of this acquisition was to preserve the rural, agricultural nature of the Valley. The State agreed to issue long-term leases with *first* priority given to Mrs. Marks' Waiāhole Valley tenants and second priority given to Waiāhole and Waikāne tenants threatened with eviction by Mrs. Marks in the 1970s.

- o From the late 1980s to 1991, road, bridge, drainage, utilities, and potable-water system improvements were made by the State at a cost of \$11 million. During this time, the City and County of Honolulu (the "City") granted development exemptions pursuant to Chapter 359G (now 201H), Hawai'i Revised Statutes (HRS). The exemptions require that the State maintain and operate the roadways, streetlights, and potable-water system.
- o In 1993, Act 330 was enacted by the Legislature whereby the Department of Land and Natural Resources (DLNR) was directed to transfer 108 acres of ceded lands in Waiāhole to Housing Finance and Development Corporation ("HFDC"), a predecessor to HHFDC thereby consolidating occupied State lands under one branch of the State. Leases akin to existing HHFDC leases were required to be offered to DLNR permit holders.
- o In 1995, the Declaration of Restrictive Covenants for Waiāhole Valley Agricultural Park and Residential Lots Subdivision and Homestead Road Lands (the "Declaration") was recorded by HFDC, designating lots for agricultural, residential, and other uses. The Declaration stated:
 - *"Recognizing that there is a growing scarcity of agricultural lands caused by urban encroachment which has made it difficult for agricultural enterprises to survive and that the acquisition of private property for agricultural purposes is a public purpose or use necessary to facilitate sound agricultural land-use planning, Housing Finance and Development Corporation acquired or received in fee simple, and this Declaration encumbers, the following real property in Waiāhole Valley, District of Ko'olaupoko, City and County of Honolulu, State of Hawai'i".*
 - The stated purposes of the Declaration were to:
 - Protect and preserve the use and character of the Agricultural Lots for diversified agriculture; and
 - Protect and preserve the agricultural and rural nature of the Project as an agricultural park and rural residential subdivision.
- o In 1998, approximately 90 long-term leases were signed with HFDC, and 20 lots were transferred to the Department of Hawaiian Home Lands (DHHL)³.
- o In 2004, an agreement was reached to transfer all of Waiāhole Valley to DHHL; however, because of community protests the transfer agreement was terminated in 2005.⁴
- o In 2016, HHFDC determined that a strategic plan should be developed for Waiāhole Valley. The strategic planning process is one by which the community, in collaboration with HHFDC, defines its vision and agrees on strategies to accomplish its goals based upon the area's history, community values and purpose behind State acquisition. The intent of the Plan is to identify key issues; establish a framework and priorities for addressing issues (Action Plans); direct limited resources as well as exploring new resources/tools (funding, human

³ Chinen, David Y. *History of the Waiāhole Agricultural Park and Residential Lots Subdivision – March 1977 to April 1998 – A Summary*. Waiāhole: David Y. Chinen, 1998. (See Appendix)

⁴ HHFDC. Minutes of the Regular Meeting of the Board of Directors. August 18, 2005.

resources, grants etc.); and build community consensus for the Waiāhole-Waikāne community in perpetuity.

Restoration-Resilience-Renewal

Today HHFDC has ownership of approximately 292 acres of land (zoned P-1 Restricted Preservation) located outside the subdivision and 593 acres of land (nearly all zoned AG-2 General Agricultural District) within the subdivision⁵. HHFDC is responsible for: lease administration and land management of 93 leases and permittees (the latter composed of two DLNR holdovers) plus 13 vacant lots; and infrastructure management and maintenance of the potable water system (also used for irrigation), roads, bridges, streetlights, rights-of-way, storm drains, open space lots, and Waiāhole Stream floodway lot.

The rationale for undertaking the strategic plan is summarized as follows:

- Project operating expenses (to-date) exceed revenues.
 - Annual base lease rent (for both Agricultural and Residential lots), together with required agricultural lot percentage rent, and water services charges total approximately \$150,000.
 - Annual operating expenses total approximately \$300,000 to \$400,000 (The majority cost, annually to-date, is the problematic State Water System, currently under review/re-design).
 - Shortfalls are currently funded by DURF.
 - Cash is outlaid with no repayment to the revolving fund.
 - DURF's purpose (within HHFDC) is primarily used to provide interim loans for the construction of affordable housing. Drawdown of said funds by Waiāhole appear to be a chronic burden to HHFDC that should be resolved.

⁵ See Map, page 7

[illegible]

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COMMUNITY-BASED PLANNING PROCESS

As highlighted in the Introduction, the WWCA steering committee soon after the March HHFDC board meeting organized and led a community-based strategic plan work group (the "Work Group") consisting of Waiāhole HHFDC lessees, Waiāhole Department of Hawaiian Home Lands ("DHHL") lessees, as well as Waiāhole-Waikāne private landowners and residents. The mission of the Work Group was to undertake a seven-step process to achieve a Consensus Plan. These steps included:

1) Educating the Community about the SMS/HHFDC Plan

The Work Group held nine meetings on March 25, March 26, April 2, April 9, April 15, April 15, April 22, April 30, and May 6 to review and analyze the contents of the SMS/HHFDC Plan. An agenda was prepared ahead of each meeting, typically with a focus on the set of topics for discussion at the given meeting.

- Meetings were held at Mr. Laurence Uyemura's house (president of WWCA), Key Project, and later at the Waiāhole Valley Elementary School cafeteria.
- The work commenced with dividing the SMS/HHFDC Plan by its main section headings (e.g., Historical Background, Community-Based Planning Process, Strategic Plan Vision, Strategic Plan Goals, Strategic Plan Recommendations, and Hawai'i Housing Finance and Development Corporation) and assigning teams to each section. Each group was tasked with understanding the greater issues of their assigned section and then sharing them with the other groups. This helped produce a rapid, if not general, understanding of the SMS/HHFDC Plan.
- Later, everyone participated in reviewing and analyzing the Strategic Plan Recommendations section (pages 15 to 28 of the SMS/HHFDC Plan). The Strategic Plan Recommendations form the most consequential portion of the report in that these recommendations potentially will impact Waiāhole families for generations to come.
- People in attendance were asked to fill out sign-in sheets (not all did because of privacy concerns).
- Certain people were assigned to take notes at each meeting, with summaries being later prepared and posted on Google Drive for review.
- To increase greater awareness among the community for the SMS/HHFDC Plan, as well as to solicit community-wide participation in the Work Group, the WWCA sent newsletters by email and mail to all Waiāhole-Waikāne residents for whom they had addresses.
- In between the Work Group meetings, the WWCA steering committee met to review the Work Group's progress and to consider ways to improve the process and meet the needs of the community.

(2) Soliciting and Recording Community Feedback Regarding the SMS/HHFDC Plan

- The Work Group held four community-wide meetings on April 15 (53 in attendance), April 22 (33 in attendance), April 30 (also 33 in attendance), and May 6 (32 in attendance) to address the SMS/HHFDC Plan. These meetings were better attended relative to the earlier meetings because of the change in venue to the Waiāhole Valley Elementary School cafeteria from the KEY Project and the effectiveness of the WWCA newsletters.
- Work Group meetings were typically conducted in the following manner:
 - After a prayer and introduction, the community members were divided into small groups (usually 2 to 4) where each group was guided by a leader (not always a

Steering Committee member, but any person knowledgeable in the topics at hand in a discussion on one or two of the Strategic Plan Recommendations contained on pages 15-28 of the SMS/HHFDC Plan.

- o At the end of a pre-determined time period (typically 20 to 40 minutes), the community members were asked to rotate to discuss a new topic. In this way, community members were exposed to the array of Strategic Plan Recommendations discussed that evening.
- o Each group was assigned a person tasked with taking detailed notes to capture the feedback and to create a summary of the feedback. In most cases, residents were asked to vote on whether they approved or disapproved of each of the Strategic Plan Recommendations present at that meeting. These results were then recorded.

(3) Soliciting and Recording Ideas from the Community Regarding Improving the SMS/HHFDC Plan and thus Create a Community-Based Plan

- Similar to (2) above, at the four Work Group meetings the residents were asked to voice their thoughts and ideas on how best to improve the Strategic Plan Recommendations, especially those where there was strong community disagreement with respect to the recommendation. There was often considerable discussion within each group regarding the positive and negative aspects of these community-based suggestions. The community-based suggestions, together with how well each one was received, were recorded.

(4) Writing a Draft Community-Based Plan Incorporating the Feedback from (2) & (3)

- The Steering Committee met on Sunday, May 5, Thursday, May 9, and Monday, May 13, to discuss how best to assemble, analyze, and put to use the knowledge and feedback gained from the many voices heard during the Work Group meetings to write a draft Community-Based Plan. At the May 13 meeting it was decided that a letter from the WWCA president, Mr. Laurence Uyemura, should be sent to Mr. Chris Woodard regarding thoughts on how best to write a Consensus Plan. Deadlines were established for the completion of the writing of the draft Community-Based Plan as well as the timing for the distribution of the draft report to the community and for setting a meeting to bring the draft report for a vote to the community.
- The WWCA letter signed on May 15th by the president was sent via email to Mr. Woodard and cc'd to Ms. Esa Pablo (Secretary to the HHFDC Board) and to Mr. Eric Seeleman, Esq. (Deeley King Pang & Van Etten). A paper version of the letter was sent on May 16th via mail to the three parties above.
- The first iteration of a draft Community-Based Plan was completed on May 16 and distributed for review to a select number of community residents. The initial draft consisted solely of a re-writing of the Strategic Plan Recommendations section (p. 15-28 of the SMS/HHFDC Plan). The idea behind sending out the incomplete first draft was so that the review of the Strategic Plan Recommendations could commence while writing could continue to move forward to complete the Introduction, Historical Background, Community-Based Planning Process, Strategic Plan Vision, and Strategic Plan Goals sections.
- On May 16 the writing of a first draft of the Introduction section was completed and sent out for review to a select number of community members.

(5) Disseminating the Draft Community-Based Plan to All Waiāhole Residents

- The WWCA steering committee approved the final draft of the Community-Based Plan by unanimous vote on May 20, 2019.

- Plans were made to begin distribution of the plan to the community starting May 21, 2019.

(6) Seeking the approval of the Draft Community-Based Plan from the Community

- To be written

(7) Deliberating with HHFDC to Create a Consensus Plan

- To be written

Submit the Consensus Plan to the HHFDC by June 4th.

- To be written

The Community-Based Plan was accomplished through the efforts of many individuals with each working of his or her own accord and during his or her free time—typically evenings and weekends. No one was paid, and no consultants were hired to produce this plan. No external resources were used outside of the KEY Project facility. The plan came together rapidly over the course of 2 months (March 19 to May 21). Without question, this was a community-based effort resulting in a community-produced plan.

For more details pertaining to the Community-Based Planning Process, please see Appendix A.

Please note that considerable work and effort has been expended by the HHFDC to produce a draft strategic plan for Waiāhole before the March 2019 HHFDC board meeting. A description of this work is contained on pages 6-11 of the "Waiāhole Valley Community Strategic Plan" (March 2019). To access this document, please click on the link below:

<https://dbedt.hawaii.gov/hhfdc/files/2019/03/Waiahole-Valley-Community-Strategic-Plan-Board-Draft-without-Appendices.pdf>

SMS, a consulting firm based in Honolulu, was contracted by HHFDC to conduct much of the work leading to the creation of the "Waiāhole Valley Community Strategic Plan" (March 2019). Their research and results are contained in appendices attached to the strategic plan. To access these appendices, please click on the following link below:

<https://dbedt.hawaii.gov/hhfdc/files/2019/03/Waiahole-Valley-Community-Strategic-Plan-Board-Draft-Appendices.pdf>

STRATEGIC PLAN VISION STATEMENT

Waiāhole-Waikāne Community Vision Statement:

Waiāhole Valley is a self-sustaining and thriving rural agricultural community.

This vision can be fulfilled through:

- Preservation of rural character – “Keep Country, Country” Waiāhole-Waikāne is a natural wonder for the entire island. It is sustained by its natural ecosystem connected from makai to mauka and with a multitude of ‘auwai trailing alongside farmlands and families. We mālama the ‘āina and kōkua our neighbors, sharing the gift of aloha for all who come to our beautiful valleys.
- Proliferation of diversified agriculture –Farmers’ markets display our valley’s bountiful crops and agricultural products from our rural family farms.
- Restoration of the waters into our systems of ‘auwai, educational labs for community residents to benefit from new technologies and new diversified crop opportunities, brand products that will take their own form of the valleys best and claim its name. Assist the elderly with alternatives (*i.e.*, co-op, community panel for compliance issues, community services, and other resources) and provide community workshops to educate, support, and supply those in need on a quarterly basis or as deemed necessary.
- Decent, affordable housing – No future developments to threaten housing affordability for the families. Maintain safe and environmentally clean conditions with everyone gaining and maintaining compliance in accordance to their leases.
- Vibrant community life –We support one another in our community through collaborative efforts. We bolster our farmers’ co-op and business owners (*i.e.*, Waiāhole Nursery and Garden Center, Waiāhole Poi Factory, Reppun Farms, ‘Ōhulehule Forest Conservancy, *etc.*). We attend annual community events, school functions, and community meetings. We live amongst each other in peace and harmony, safe and secure, caring for each other, and we are proud of where we live, work and play.
- Economic and educational opportunities - A community of diverse individuals comprised of multiple heritages and different backgrounds, but who stand united in common cause to live up to the proud legacy of her ancestors, the Two Green Valleys of Waiāhole and Waikāne. As we build an even brighter future for the next generations who will inherit our kuleana, the rich and cultural assets that we possess are much greater than any price put on Waiāhole-Waikāne, our home.

STRATEGIC PLAN GOALS

By 2025 the following goals will be realized:

- **Agriculture** in the Valley is thriving, environmentally safe and sustainable.
 - All agricultural lots in the Valley are being actively cultivated.
 - Economic development efforts within the community are focused on supporting agricultural endeavors, and mechanisms are in place to continually and positively impact the economic viability of farming.
 - Traditional agricultural/cultural practices are supported.
- **Long-term leases** will be successfully re-negotiated to the satisfaction of lessees and lessor:
 - **Financing:** Holders of both residential and agricultural lots have access to tools to ensure appropriate financing for rehabilitation of homes, support for agricultural enterprises and energy-savings.
 - **Fixed Rent:** An agreed-upon rent schedule is established with HHFDC (fixed, without reopening) for a term that will provide residents and farmers with the clarity they need for future planning and financing.
- **Infrastructure** for the residential and agricultural lots within the Valley is adequate and sustainably financed to support robust agriculture in addition to existing domestic demand of a rural lifestyle.
 - Revenue generation from lease rents and water fees will be sufficient to cover ongoing potable water infrastructure operating and maintenance costs or other financing options will be developed, by agreement between HHFDC and the community, to accomplish the same.
 - Traditional 'auwai systems will be preserved, restored and enhanced where practicable in support of traditional forms of agriculture for which the area is known.
 - The McCandless Line (irrigation) system will be appropriately managed and considered as a viable part of the overall water supply for Waiāhole Valley where practicable.
- **Next Steps:** A schedule of Action Plans will be in place, developed and ready for implementation according to a prioritized schedule, the product of close collaboration between HHFDC planners and the Waiāhole-Waikāne community.
 - **Carrying Cost for Waiāhole:** There is an existing imbalance between HHFDC's costs and funding for Waiāhole Valley
 - To address this long standing concern, HHFDC and the community will need to discuss and explore options using open disclosure of facts and information.

- Eliminate the burden of DURF subsidies to enable these financial resources to be redirected to HHFDC's core mission while also eliminating pressure of further urban development of Waiāhole-Waikāne.
- **Unassigned Lots:** Vacant lots have been cleared and developed according to an Action Plan for disposition and use between HHFDC and the community, supportive of the vision for these "Two Green Valleys".
- **Whole Ahupua'a Health and Safety:** Plans are in place to ensure that Community members and those who visit Waiāhole/Waikāne feel safe and secure, free of environmental degradation.
 - Street lighting is maintained in residential areas without encroaching into the rural character of agricultural and environmentally protected areas.
 - Sidewalks are walkable and safe for residents, especially in the vicinity of the *piko* of the community where residential, educational, and recreational activities are concentrated.
 - Waiāhole becomes a successful pilot project for low-cost, environmentally sound compliance with newly-enacted State laws relating to septic systems.
 - Watersheds, streams and Kāne'ohe Bay fisheries are protected through best management practices for land use, natural resource stewardship, and invasive species controls.
- **A Bright Future:** Waiāhole residents, farmers, and the State are working together to strengthen their community through support for agriculture, educational, socio-economic, and cultural development for all ages.

STRATEGIC PLAN RECOMMENDATIONS

IMPORTANT NOTE: In this section the reader will see **black-colored text** and **red-colored text** (as well as blue-colored section titles). The black-colored text is the original SMS/HHFDC Plan in its original, unaltered form. The red-colored text is the new draft Community-Based Plan. The two are shown together so that the reader can compare and contrast the differences between the old SMS/HHFDC Plan and the new Community-Based Plan.

RESIDENTIAL AND AGRICULTURAL LEASES

The SMS/HHFDC Plan under this heading provides background information about the leases, lists some of the problems associated with the leases, and then offers a possible solution by recommending that HHFDC explore converting the current leases to a community land trust:

HHFDC is responsible for 119 parcels that are subject to the Declaration. The leases were structured to function as long-term use permits, which was consistent with the State's goal of not displacing Mrs. Marks's tenants. Under these leases, lessees have "limited equity" interests limited to the market value of crops and physical improvements with no interest in the land. As a result, the leases are generally not financeable. Leases allow for free assignment to spouses and children (subject to HHFDC fees pursuant to Hawaii Administrative Rules); however, transfers to others require a payment of allocated subdivision capital improvement costs (equal to about \$24,000 in 2018).

At the time that the leases were issued, there were no up-front payments made by the lessees. Currently, the leases provide for nominal rent payments as follows:

- Agricultural lots: \$100/acre/year
- Residential lots: \$45/month (for the average half-acre lot size)

Rents are fixed through June 29, 2023, and then are subject to periodic renegotiation. The leases have an expiration date of June 29, 2053 with a 20-year extension option triggered by vote of 51 percent of project lessees, as stated in the Declaration and the leases.

In 2006, seven ground leases were amended upon lessee request. In each case, the lease was converted to a leasehold interest that allowed for mortgage-loan financing from American Savings Bank. New homes were constructed with assistance from Self-Help Housing Corporation of Hawai'i. The purchase of leasehold interests at market value was facilitated by highly leveraged seller financing.

HHFDC and lessees are looking toward the 2023 renegotiation of leases. Most of the current residential lessees are well informed about this timetable. Residents and farmers recognize that their current lease rents are at below-market levels and will likely increase. At the same time, they long for the security of knowing that their leases are long term and can be left to their children.

Based on a visual survey conducted by SMS staff, roughly half of the houses in the Valley are older and in relatively poor condition. Current lease terms, such as limited equity interests and uncertain lease rent increases, make qualifying for home renovation financing very difficult. Another challenge related to financing is that residents have relatively low household income

levels, with approximately 65 percent of Valley households reporting income of less than the 2018 HUD area median income level for the City and County of Honolulu (as adjusted by household size).⁶

Based on an appraisal report prepared by Hastings, Conboy & Associates, lease rents in the Valley are only 18 percent of the estimated market lease rent levels. In addition, there are many households that are not current with their lease rent payments even at this low level.

To better manage all of the issues related to complying with the Declaration and managing leases, an option for future consideration is to convert the parcels owned by HHFDC to a Community Land Trust. Community Land Trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They are primarily used to ensure long-term housing affordability. The trust acquires land and maintains ownership of it permanently.⁷ The trust enters into a long-term, renewable lease with homeowners instead of a traditional sale. When the homeowner sells his/her property, the seller earns only a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future low-to moderate-income families. Community Land Trusts play a critical role in building community wealth for several key reasons:

- They provide low-and moderate-income people with the opportunity to build equity through homeownership and ensure that these residents are not displaced due to land speculation and gentrification.
- Land trust housing also protects owners from downturns because people are not over extended; as a result, foreclosure rates for land trusts have been as much as 90 percent less than conventional home mortgages.
- Most commonly, at least one-third of a land trust's board is composed of community residents, allowing for the possibility of direct, grassroots participation in decision-making and community control of local assets.
- In addition to the development of affordable housing, many land trusts are involved in a range of community-focused initiatives including homeownership education programs, commercial development projects, and community greening efforts.⁸

Community-Plan Recommendation: Work with HHFDC to learn more about community land trusts, particularly their advantages and disadvantages, and study other community land trusts here in Hawaii to learn if their communities have viewed them as successes or failures. It is recommended that the community seek legal counsel through the WWCA to explore whether it makes sense for residents to support applying the concept of community land trust to Waiāhole.

⁶ Based on responses to Survey #1.

⁷ HHFDC could contribute its Waiāhole parcels to a Community Land Trust either in leasehold or in fee simple. To effectuate the latter, the approval of the Legislature would be required pursuant to Section 171-64.7, HRS.

⁸ Community-Wealth.org. "Community Land Trusts (CLTs)." *Community-Wealth.org*. December 2017, <https://community-wealth.org/strategies/panel/clts/index.html>

Voluntary Lease Modifications

The SMS/HHFDC Plan listed three strategic recommendations related to voluntary lease modifications:

1. Implement changes to facilitate lessee mortgage-loan financing.
 - a. Convert limited-equity interest to leasehold interest.
 - b. Negotiate lease rents for a 35 years duration. This will meet the needs of lenders who require a five-year "tail" for mortgage loans.
 - c. Consider a 20-year extension of leases to 2073 (reflecting the project's available 20-year extension option).
2. In return for enabling lessees to have greater opportunities to finance home improvements, increase lease rents closer to market values over time.
3. Develop a long-term plan to oversee the Valley and manage the leases in a way that better meets the needs of residents and farmers and is designed for the long-term future of the Valley beyond 2053.
 - a. Consider converting to a "sustainable affordable lease" pursuant to Chapter 516, HRS⁹.
 - b. As a longer-term quasi-exit strategy, consider converting the parcels owned by HHFDC to a Community Land Trust.

⁹ As defined in Section 516-1, HRS, "Sustainable affordable lease" means a residential lot lease in a sustainable affordable development that satisfies all of the following requirements:

(1) The lease provides for a consideration to the fee owner below a fair market return on the fair market value of the land; provided that compensation to the fee owner for land, including lease rent, shall be either:

(A) Totally capitalized into the initial sales price for the residential lot, including all buildings and improvements; or

(B) Partially capitalized with a share of appreciation paid to the lessor upon resale of the residential lot;

(2) In order to maintain the continued affordability of the residential lot, the lease limits the lessee's maximum sales price on the residential lot upon resale, including all buildings and improvements, to the lesser of:

(A) The fair market value of the residential lot, including all buildings and improvements, encumbered by the restrictions of the lease; or

(B) The sum of:

(i) The lessee's purchase price for the residential lot, including all buildings and improvements;

(ii) Any appreciation on the residential lot, including all buildings and improvements as measured by multiplying the amount in clause (i) by the increase in the consumer price index for all urban consumers as determined by the United States Department of Labor for the applicable county (or if not published for the county, then for the State), from the date of the purchase to the date of the contract for resale; and

(iii) The fair market value of all lessor-approved capital improvements made by the lessee; and

(3) The lease may allow the lessor to receive a share of the appreciation in accordance with paragraph (2), as agreed to by the lessor and lessee, and as set forth in the sustainable affordable lease.

Regarding (1) and (2), the overwhelming majority of residents did not find attractive the offer to voluntarily enter into lease modifications. This is because, in part, some items were unclear such as (a) lease rents increasing over an unspecified period of time—1 yr(?), 2 yr(?), 3 yr(?), 5 yr(?), etc.), and (b) rents increasing to values approaching market values—what are the market values? If current rents are only 18% of market values as stated above (see Residential and Agricultural Leases), then does that imply rents will increase by 5.5x (1 divided by 18%)? If so, such steep rent increases—even over some unspecified time period—would likely price most residents out of their leases.

Some residents welcomed HHDFC's attempt to make the leases amenable to mortgage-loan financing, but were concerned about potentially negative outcomes related to loan foreclosures. For instance, could a bank, in an effort to recover the balance of a loan from a borrower who has stopped making payments, be allowed to force the sale of the asset used as the collateral for the loan? If so, then many residents fear that the makeup and character of the community could be drastically impacted by such bank sales.

Community-Plan Recommendation: Until such time as more specific information can be provided regarding the magnitude of rent increases, the timing of rent increases, as well as borrower- and lender-rights pertaining to mortgage-loan financing, residents should not enter into voluntary lease modifications.

Regarding (3), most, if not all, residents do not have working knowledge of "sustainable affordable lease" (described in footnote 8) or "community land trust". The residents are interested to learn more about these two potentially promising options.

Community-Plan Recommendation: Work with HHFDC to learn more about "sustainable affordable lease" and "community land trust" and seek legal counsel to explore whether it makes sense for residents to support applying these concepts to Waiāhole.

Lease Enforcement

The SMS/HHFDC Plan recommended that HHFDC should make lease enforcement a priority by addressing the following and by increasing staff and budget to allow for greater enforcement:

Strategic Recommendations:

HHFDC should make lease enforcement a priority by addressing¹⁰:

- Lease rent collection;
- Evidence of liability insurance;
- Payment of real property taxes;
- Payment of water-service charges; and

¹⁰ These priorities were established during the planning meeting with HHFDC on the basis of requirements already set forth in the current leases.

- Agricultural lot percentage rent collection and tax-return submission.

The next level priority should be:

- Observance of City ordinances; and
- Observance of residency requirement.

HHFDC should require an increase in staffing and/or budget to enable a greater level of enforcement.

*The residents' reaction to HHFDC's intentions to elevate lease enforcement was one of concern and consternation. Under the section heading of **Roles and Responsibilities** (see page 31), lease enforcement will be discussed later in this document and a Community Plan Recommendation will be offered.*

Vacant Residential Lots

The SMS/HHFDC Plan recommended that HHFDC should (1) clear debris and other undesirable elements from the nine vacant lots, and (2) issue a RFP to build homes on these vacant lots, giving preference to a non-profit housing developer to build the houses:

The nine vacant residential lots in the Valley are not being maintained, and all have some type of structural debris on them. It appears that a few lots have debris beyond structural from unknown sources. This has created safety issues for residents and cost issues to clear the lots for HHFDC. Vacant lots also mean less revenue for HHFDC and fewer housing options for O'ahu residents.

One challenge to planning for future leasing options is that community members do not want "outsiders" moving into the Valley even though they know that such restrictions are not permitted under the Fair Housing Act. Thirty-five percent (35%) of respondents surveyed supported the construction of affordable, single-family rental homes on the properties.

It is important that the vacant lots be developed for security and financial reasons for HHFDC.

Strategic Recommendation:

1. HHFDC should issue a Request for Proposals (RFP) to construct affordable, single-family homes on all nine vacant lots. This RFP would be sent to qualified eligible developers pursuant to Section 15-307-24, Hawai'i Administrative Rules. Lots potentially could be for sale in leasehold with a 2073 lease expiration date. Most of the vacant lots will need to be cleared of debris, possibly hazardous materials, thick vegetation, and abandoned structures to show the potential of the land.
2. It is suggested that preference be given to a non-profit housing developer such as Self-Help Housing Corporation of Hawai'i or Honolulu Habitat for Humanity to build housing on vacant lots. The benefit of working with a non-profit is their positive image and the process, which provides an opportunity for community members to observe the construction and get to know the new families. The downside of a non-profit developer may be their limited capacity

to build homes. Also, the cost of clearing the lot may become a cost issue for the buyer and/or non-profit.

Regarding (1), the community strongly supports HHFDC's desire to clear and maintain the vacant lots. The community believes it would be most beneficial if HHFDC were to hire community members to conduct this work, either in a full-time or part-time capacity. Hiring community members will (1) provide needed jobs to Waiāhole residents and (2) Waiāhole residents will likely do a better job compared to non-residents because residents have a vested interest in the outcome—it's their home community.

Regarding (2), many residents expressed concern whether the HHFDC might build "monster homes" on the lots or create a small-scale commercial housing development within Waiāhole Valley. Based on the strategic recommendations outlined above, it appears that the HHFDC's intent is instead to provide additional affordable single-family homes so as to increase rental income payable to HHFDC and to help ease the housing crunch impacting O'ahu residents.

Given the community's preference for more agricultural production in Waiāhole, many residents wondered whether it would be possible to convert some or all of the vacant residential leases into agricultural leases. If so, then preference should be given to dedicated farmers who agree to produce food and/or other agricultural products and who support Waiāhole's mission and vision statements.

There is also substantial and favorable interest by the community to convert one or two of these vacant lots into a community garden. A smaller number believed a good use for these lots would be to convert them into schools teaching farming, culinary arts, and/or other rural agricultural endeavors for residents and/or interns.

If the vacant residential leases must remain residential, then the community's overwhelming preference is that housing should be allocated to family members of current Waiāhole/Waikāne residents, subject to the Fair Housing Act. If such a preference is not lawful, then the most prevalent response by residents was to create a "housing panel" comprised of Waiāhole residents for the purpose of selecting families for these lots based on an extensive interview and screening process to ensure that the new residents are compatible with Waiāhole's vision and mission statements. It is expected that one or more HHFDC representative(s) would sit on this "housing panel" to provide oversight to the family-selection process.

Community-Plan Recommendations:

- (1) Hire Waiāhole residents to clear and maintain the 9 vacant residual lots.*
- (2) Determine whether it is possible to convert some or all of the residential lots into agricultural lots. If possible, then:*
 - (2a) Convert one or two lots into a community garden.*
 - (2b) Convert one or two lots into schools teaching farming, culinary arts, and/or other rural agricultural endeavors for residents and/or interns.*
 - (3a-1) If the vacant residential leases must remain residential, then allocate new housing to family members of current Waiāhole/Waikāne residents.*
 - (3a-2) If the vacant residential leases must remain residential, then move families residing on agricultural lots who are either (1) too old to continue farming or (2) are not farming and do not intend to farm onto these vacant residential lots. This would allow the fallow agricultural lots to be opened to new/younger farmers who can and will farm.*
 - (3b) If (3a) is not permitted under the Fair Housing Act, then establish a "housing panel" comprised of Waiāhole residents for the purpose of selecting families for these lots*

based on an extensive interview and screening process to ensure that the new residents are compatible with Waiāhole's vision and mission statements.

AGRICULTURAL STRATEGIC RECOMMENDATIONS

The SMS/HHFDC Plan under this heading provides background information about the agricultural lots and then highlights concerns regarding lack of farm production, what to do with farmers now too old to farm their leases, and the need to encourage young people to become farmers:

There are 44 HHFDC Agricultural Lots in Waiāhole covering 155.4 acres. Of these lots, three (7%) are vacant. It is unclear how many of the 41 occupied lots are actively being farmed. Six lots were available to be inspected by the SMS Team, and four of these appeared to be active. Approximately half of the farmers say that they produce crops/flowers for sale.

Overall, there is a high level of support within the community for agriculture and a concern that not all agricultural land was being farmed. Over half of the community surveyed felt that it is important for farmers to make a viable living. For a valley that claims to be an agricultural community, these are major areas to be addressed.

Under the terms of the Declaration and the City Land Use Ordinance, agricultural lots can only have one house on the property and one additional dwelling for farm workers.¹¹ Based on interviews, some of the land that is not being actively farmed is due to aging farmers who no longer can work their properties; their children do not want to take over the farm. At the same time, these farmers do not want to leave the property and give up their leases. One suggestion made was to enable farmers to sublease their property to someone who will farm the land now and will take over the lease in the future. The idea is to allow farmers to live the rest of their lives on the land, and still have the land be productive now. Note that this is currently not permitted under the Declaration and, depending on the lot, may not be permitted under the Land Use Ordinance.

One concern expressed by all of the farmers interviewed is the need to encourage more young people to become farmers. The perceived barrier to entry is the belief that farming is not economically viable. In fact, some of the Waiāhole farmers supplement their income with other jobs.

¹¹ City and County of Honolulu Land Use Ordinance, Sec. 21-3.50-2 Agricultural cluster--Site standards. (a) The minimum land area required for an AG-1 district agricultural cluster shall be 15 contiguous acres. (b) The minimum land area required for an AG-2 district agricultural cluster shall be six contiguous acres. (c) The maximum number of farm dwellings in an AG-1 district agricultural cluster shall not exceed one unit per five acres. The maximum number of farm dwellings in an AG-2 district agricultural cluster shall not exceed one unit per two acres. (d) Within agricultural clusters, detached, duplex and multifamily dwellings shall be permitted. Multifamily dwellings shall not exceed four dwelling units in any structure. (e) Within an agricultural cluster, all principal, accessory and conditional uses and structures permitted within the AG-1 restricted agricultural district and AG-2 general agricultural district shall be permitted, subject to the minimum standards and conditions specified in this chapter for these uses. (f) Within an agricultural cluster each dwelling may be sited on a lot not to exceed 5,000 square feet. For structures with more than one dwelling unit, the maximum lot size shall be a multiple of 5,000 square feet per dwelling. (g) Height and yards shall be the same as permitted in AG-1 and AG-2 districts..

Agricultural Production

The SMS/HHFDC Plan recommended that HHFDC should (1) "bring farmers together" to increase farm production (but doesn't offer any ideas how to achieve this outcome), and (2) convert vacant/fallow lands into productive farm lands by encouraging farmers to access outside resources. Importantly, this section addresses the problem of what to do with farmers who are now too old to farm and lack family members interested in continuing the family farm.

Based on discussions with farmers, they are currently growing the following within the Valley: sweet potatoes, herbs, tropical flowers, tropical foliage, tropical fruit (lychee, Rambutan, etc.) cacao, and taro. There are also some aquaponics operations in the Valley.

Strategic Recommendations:

1. Bring the farmers together to explore options to ensure the consistent production of crops that are suited to the Valley environment and have higher potential value. The goal is to focus on crops that can thrive in the Valley and be sold at a reasonable price, or developed into a value-added product that commands a higher price.
 - a. Based on the crop suitability by soil type (based on Waikāne Silty Clay and a 3% to 8% percent slope) "very good" potential crops include sweet potatoes, string beans, cucumbers, eggplant, mountain yams, and bananas.¹²
 - b. Where the field slope is 8% to 15%, bananas have good potential. Crops such as sweet potatoes, string beans, cucumbers, eggplant, mountain yams, tomatoes, and papayas have fair-to-good potential.

The SMS/HHFDC plan's recommendation does not offer any solutions regarding how to bring the farmers together and therefore this section is not particularly helpful.

Community-Plan Recommendation: Waiāhole farmers should explore the formation of a formal or informal farming co-op or farming hui fostering farmers to meet, communicate, problem solve, and potentially partner regarding the challenging agricultural issues confronting the Waiāhole farming community.

2. Consider modifying leases to provide an incentive for farmers to cultivate their lands as follows:
 - a. Include audited agriculture output rent incentives to encourage farmers to actively farm.

It is unlikely that rent incentives will encourage farmers to farm given the already low cost of rent farmers currently pay.

- b. For farmers who are older or can no longer farm, for whatever reason, consider options that enable them to sub-lease farm lands to someone outside the family.

¹² Ishii, Brian. *Waiāhole Water System Strategic Plan*. Honolulu: EKNA Services, Inc., December 2017.

There was mixed concern by community residents regarding this recommendation. More information is required before this proposal can be supported. For instance, who would be allowed to sub-lease farm lands? Would members of the community be given preference for these subleases over people from outside the community? Would the new family subleasing the farmland be allowed to construct a home? If so, what restrictions would be placed on the building of the new home?

Community-Plan Recommendations: (1) Consider exploring the “sublease” option proposed in the SMS/HHFDC plan and learn the details of such an option; (2) Consider another option whereby the existing farm lot is subdivided into (a) 10,000 sq. ft residential lot for the “old” farmer and his family to live on and (b) the remaining portion of the original farm lot is kept agricultural and is leased out by the HHFDC to a new (and younger) farming family. (Many of the issues pertaining to the SMS/HHFDC solution would also pertain to this solution and therefore would need to be fleshed out.), and (3) Consider another option whereby the old farmer and his family are moved to one of the vacant residential lots, thereby freeing the fallow agricultural lot to be leased to a new (and younger) farming family. This option would require the commitment to build single-family homes for the older farmers and their families to occupy. An attractive feature of this option is that it retains farming experience and know-how in the Valley to the benefit of the active farming community. As part of this recommendation, consider moving families holding agricultural leases who are not farming and do not intend to farm to one of these vacant residential lots. Conversely, if there are families on residential lots that would like to farm, consider an exchange with those living on a fallow agricultural lot.

- c. Seek opportunities for grants and assistance for low-income farmers to restore fallow lands to and enable agricultural production.

It is unlikely that individual farmers will be successful in obtaining grants given that we are not aware of many Waiāhole farmers who have written grants or are even comfortable with the thought of writing grants. What might work is organizing grant writing under the auspices of a Waiāhole farming co-op or farming hui that seeks grant-writing assistance from non-farming members of the community who do have grant writing experience and know-how.

- d. HHFDC must be prepared to enforce lease requirements if agricultural lots still lie fallow after multiple approaches.

*Community members are overwhelmingly against enforcement via eviction and instead believe that penalties such as fines and other means should be applied to achieve enforcement. The community prefers a solution for enforcement presented under **Roles and Responsibilities** (see below).*

- 3. To bring vacant or fallow lands to a level that can be farmed, farmers will be encouraged to access resources from Rural Economic Development programs and Community Economic Development guidance, grants, and low-interest loans.

*It is unlikely that low-interest loans will be available to farmers given that the leases have “limited-equity” interests limited to the market value of crops and physical improvements with no interest in the land (see above under **RESIDENTIAL AND AGRICULTURAL LEASES**). Farmers stated that the formation of a Waiāhole farming co-op or farming hui may be the more practical way of accessing and benefitting from the above listed programs, guidance, and grants as well as from CTAHR, Windward O’ahu Soil and Water Conservation District, University of Hawai’i at Mānoa, Harold K.L. Castle Foundation, etc.*

Community-Plan Recommendations: Consider the formation of a Waiāhole farming co-op or farming hui to seek and obtain outside governmental and private assistance as well as funding (e.g., grants) to develop agriculture on vacant lots and to support (and/or expand) current farming on farm lots. The co-op/hui should seek expertise in grant writing from local community members with such experiences and/or seek professional help to write grants.

Vacant Agricultural Lots

The SMS/HHFDC Plan provides background information on three vacant agricultural lots and makes two strategic recommendations.

There are three vacant agricultural lots. Lot 33 (a 13-acre parcel behind Waiāhole Elementary School) presents a unique opportunity because of its location once landfill remediation has been completed¹³.

Located on Waiāhole Homestead Road, Lot 133, is being considered for use by the Hawai'i DOA "for training in pesticides, food safety and basic agricultural practices. The Department will implement a conservation plan with United States DOA (USDA) National Resource Conservation Service and will walk the farmers through good conservation practices that are implemented with good conservation plans. The Department will also partner with the University of Hawai'i College of Tropical Agriculture and Human Resources (CTAHR) on training farmers to successfully grow the crops they've chosen to cultivate and to develop business plans."¹⁴ Currently, HHFDC is negotiating a Right-of-Entry agreement with the DOA.

The third vacant lot, Lot 61, has some challenges due to the slope of the parcel and periodic flooding.

Strategic Recommendations:

1. Continue the current process with Lots 33 and 133.
2. For Lot 61, develop and publish an RFP, possibly with assistance from the DOA and CTAHR.

Consider including RFP evaluation criteria that encourages cultivation of the next generation of farmers. The evaluation committee should include outside parties with agricultural economics and community development expertise.

It is the position of the community that pesticides should not be used on Lot 133 and asks that such use stop until such time as the HHFDC board officially adopts a final strategic plan. [The community has since been informed that pesticides are currently not in use at Lot 133.]

¹³ As of December 2018, a company has been selected for the remediation project management, but a new landscaping contract is required to address clearing and maintaining the vegetation in that area.

¹⁴ Provided by Micah Muekata, Legislative Coordinator, Office of the Chairperson, Hawai'i DOA to Jason Takata November 27, 2018.

The most favorable response for how best to use these lots is to convert one or more of these lots into an educational training center, farmer's market, Kupuna workshops, and/or senior housing. There is also interest in operating dry-land lo'i and Hawaiian-based programs on these lots or leasing the lots to farmers. Finally, there is considerable support for building a Waiāhole-Waikāne community center on one of these lots.

Note: There is a community lot (Lot 79) that was once converted into a productive community-operated wetland lo'i that has been abandoned for non-agricultural reasons. There is considerable interest in reviving lo'i here should such lo'i be deemed legal and permitted.

Community-Plan Recommendation: *Develop an action plan to explore the most beneficial uses for these three lots based on community input as well as favorable costs/benefits to HHFDC.*

Agriculture Irrigation Systems

The SMS/HHFDC Plan provides background information on non-potable water systems used for agriculture and makes five strategic recommendations.

Currently, water for crops differs by the location of agricultural lots. Some of the farms are watering their crops from the 'auwai¹⁵ or the McCandless System.¹⁶ Other farms, that do not have access to those options, are using potable water available in the Valley.¹⁷

The 'auwai is currently being maintained by one to five families who access this water source. The McCandless System is currently being maintained by three to four of the families who use this water source. Challenges for maintenance include: trees falling into the systems damming the water flow and causing inadvertent water streams; flooding during times of heavy rainfall; the 'auwai flows through private land and cannot be easily accessed for maintenance; more farmers using the water than those that maintain the systems. Another consideration is that for the water from the 'auwai and the McCandless System to be at the standard required for certain crops under the Food and Drug Administration (FDA) Food Safety Modernization Act, a method of testing water quality would have to be implemented.

One challenge in managing these non-potable water systems is that it is unclear who is responsible for them.

Strategic Recommendations:

1. HHFDC should retain counsel with expertise in water rights. They would consult with DLNR Commission on Water Resource Management and advise HHFDC on its rights and responsibilities for the Waiāhole Homesteads 'auwai and the McCandless system.

Residents believe that HHFDC should seek legal expertise to understand the water rights pertaining to the 'auwai and McCandless water systems. The residents also believe that an

¹⁵ Based on location the 'auwai is a water source option for 10 to 12 lots; however, it is uncertain how many actually use it as their primary water source for farming.

¹⁶ Based on DLNR Commission on Water Resource Management files, in 1990 there were 29 registered users.

¹⁷ There are nine agricultural lots that use over 50,000 gallons per month from the potable water system.

attempt by HHFDC to take away these waters from Waiāhole farmers will bring about an uproar in the community and elsewhere.

2. Enable maintenance of the water systems by creating a public access zone on the sides of the systems to allow for ongoing maintenance. The zone should be approximately four to five feet on each side to enable a cart to pass for maintenance. Legal counsel may be able to provide advice on implementation of such zones.

Most residents are not in favor of the creation of public access zones because not enough information has been given regarding what this would allow. Almost all residents believe that valley farmers have maintained and kept these water systems under good operating condition for decades and therefore should be left alone, thus saving HHFDC money. Only in cases when capital upgrades or repairs are required should the State become involved.

3. Identify a third-party to manage and maintain these water systems and a mechanism whereby fees would be collected from users to fund maintenance services.

Residents overwhelmingly disagree with the idea of hiring a third-party to manage and maintain these water systems given the operational success of the farmers operating these systems at no cost to HHFDC and the community for the past several decades.

4. Consider lower lease rents for farmers who must access potable water due to the higher cost of production.

Residents agree that farmers confronted with using potable water for farming should be given a discount relative to the cost of using potable water for non-farming use (drinking, bathing, etc).

5. Bring farmers together to discuss the FDA Food Safety Modernization Act and its proposed regulations regarding water quality standards and food processing. For example, the FDA is proposing a rule for agricultural water requirements to go into effect in January 2022 for large farms, and 2023/2024 for smaller and smallest farms. Requirements are likely to include testing for water quality that could possibly be done to benefit the group rather than requiring each individual farmer to conduct their own test. Note that large hotel and food chains are already requiring farmers to have certain certifications.

Farmers would welcome HHFDC's assistance in understanding the FDA Food Safety Modernization Act.

Community-Plan Recommendations:

- 1) *Farmers should continue to maintain and operate the 'auwai and McCandless water systems as they have been doing for the past several decades at no cost to HHFDC.*
- 2) *Farmers and HHFDC should set up a system whereby farmers maintaining the water systems can be reimbursed for capital repairs (currently all repairs are being funded out-of-pocket by Waiāhole farmers).*
- 3) *Conduct a survey of farmers currently not using water supplied by the 'auwai and McCandless water systems for agricultural purposes. Should significant interest exist, explore the possibility of providing water from the 'auwai and McCandless water systems to these farmers so that their water costs can be lowered dramatically.*
- 4) *It is important to acknowledge that the WWCA submitted an alternative plan for a new potable water system to the HHFDC in late December 2018. This plan has the potential for significantly lowering the capital and operating costs for a new potable water system.*

If so, then the WWCA plan would render moot the first four of the five strategic recommendations of the SMS/HHFDC Plan under Agricultural Irrigation Systems.

Economic Development

The SMS/HHFDC Plan here focuses on ways to increase the price received by farmers for their output and suggests a "Waiāhole brand" remedy allowing farmers to capture higher prices.

All farmers that were interviewed are selling their agricultural products outside the Valley through Farmers' Markets and to wholesalers, restaurants, and producers of higher value products such as cacao to be made into chocolate. As noted earlier, many of the farmers interviewed are struggling to earn an income sufficient to support themselves and their family. A model that may generate higher incomes may be agriculture-based economic development focused on farmers' retaining a greater share of the final sales price. In this model, the farmer retains his share of the product price as well any markup that would be taken by a wholesaler or value-added producer. This approach is closer to the original intent of an agricultural-based valley and reinforces the rural lifestyle within the valley.

Strategic Recommendations:

Support the marketing and distribution of Waiāhole Valley agricultural products.

1. Develop a Waiāhole Valley brand that differentiates the produce and products from similar options around the island. This value-added differentiation will create higher demand and over time a higher price for that product. The brand will also enhance the sense of community and pride for the Valley. Examples of successful branding efforts may be found in the coffee industry, where growers have branded their coffee as "Kona" or "Kaua'i" coffee.
 - a. The DOA has approved a \$20,000 grant request to SMS to support branding efforts.¹⁸

The Waiāhole Community overwhelmingly expressed opposition to, and disagreement with, the claim hidden in Footnote 17 stating that either HHFDC or DOA will own the brand. Instead, the community believes that all Waiāhole residents and farmers should be able to use the brand for free. If a Waiāhole brand name needs to be copyrighted, then most believe that a Waiāhole farming co-op should be the natural owner.

2. Explore the feasibility and benefits of a cooperative processing plant based on the crops being grown. This should enable farmers to be more efficient and sell additional products. This will require production to be at levels sufficient to make the plant viable. Discussion has started with the Department of Education to explore using the Waiāhole Elementary School Cafeteria after hours.
 - a. Food safety standards must guide the processing facility to enable agricultural products to be sold to a larger market. It is unclear at the present time what changes, if any, would need to be made to the Cafeteria to meet standards.

¹⁸ The brand will be owned by either DOA or HHFDC.

The feasibility and benefits of a co-operative processing plant for farm produce would best be addressed after the creation of a Waiāhole farming co-op. The Waiāhole community appreciates that the HHFDC has started discussions with the Department of Education to explore using the Waiāhole Elementary School cafeteria in this regard and believe that they should be included in these discussions. Some members of the farming community do not believe that using the school cafeteria is a practical idea and believe a better alternative would be to set up a processing facility outside of the school and on one of the vacant lots.

3. Explore establishment of a marketplace selling Waiāhole produce, flowers and value-added products such as organic dried fruits, poi, baked goods, etc. The market would make it more convenient for farmers to sell their produce/flowers, reinforce the branding of the products, and provide other opportunities for residents in the Valley.

- a. The DOA has grants available for marketplace planning.

The Waiāhole Community appreciates this overture by HHFDC to help create a marketplace to sell Waiāhole produce, flowers, and value-added products. The WWCA has been in action about the possible creation of a farmer's market starting in early March. These efforts have been placed on hold recently because of the time devoted to the strategic plan. The WWCA intends to renew its efforts once the strategic plan is completed and adopted by the HHFDC board. The WWCA would welcome the HHFDC assistance in learning about the DOA grants for marketplace planning.

Community-Plan Recommendations:

- 1) *Waiāhole farmers should consider building a Waiāhole brand to secure higher prices for their products through the creation of a Waiāhole farming co-op or hui.*
- 2) *If a Waiāhole brand needs to be copyrighted, then the ownership of the brand should be a Waiāhole farming co-op or hui, with free use granted to all Waiāhole residents and farmers.*
- 3) *A Waiāhole farming co-op/hui should work with HHFDC and the Department of Education to explore the possibility of using either vacant lots or the Waiāhole Elementary School cafeteria as a possible site for a co-operative processing plant.*
- 4) *A Waiāhole farming co-op/hui should seek HHFDC's assistance to learn about DOA grants for marketplace planning.*

COMMUNITY INFRASTRUCTURE AND ISSUES

Potable Water

The SMS/HHFDC Plan here addresses the potable water system, its plans to improve it, and its idea to recover part of the costs from Valley residents.

Forty-eight percent (48%) of respondents to Survey #1 said that the quality of their drinking water was a major problem. During interviews, many households said they purchase bottled water for drinking.

HHFDC has engaged a consultant to design an appropriate water system and prepare an Environmental Assessment. This process is expected to take up to two years to complete. The process will include evaluating groundwater options with new wells and a reservoir within the

subdivision and may consider use of surface water or rights to Waiāhole Ditch transmission tunnel water. The community will be kept involved and updated during the process.

Seventy-six percent (66%) of Survey #2 respondents said that they supported HHFDC's plan to upgrade the system, including relocating wells to within the subdivision and constructing a new reservoir tank to improve service reliability.

Strategic Recommendations:

HHFDC should honor its previous commitment to not increase in water rates until construction begins on the new potable-water system. Over time, residential rates should increase to Board of Water Supply (BWS) levels. To encourage agricultural production, HHFDC should consider increasing the agricultural rates to something less than what BWS charges.

The long-term ownership of the system will depend on the system design implemented and discussions with the BWS.

It is unclear to Waiāhole residents and farmers with HHFDC leases as to how water rates can be increased given that the water rates are fixed in their lease agreements. These residents and farmers seek clarification of this issue.

The Community favors any potential increases in water fees should wait until 2023 when the leases are schedule for re-negotiation.

Cesspools/Septic Systems

The SMS/HHFDC Plan here brings awareness to the State requirement that all cesspools are required to be converted to septic systems by 2050.

Based on interviews with lessees, home renovations and improvements have been hampered because new building permits require that lessees replace their cesspools with septic systems. The challenge is the relatively high cost of that conversion (estimated to be about \$25,000) in addition to the cost of renovations that is required. This conversion is required to be completed by 2050 per Act 125, Session Laws of Hawai'i 2017. This is an additional financial burden on lower-income households in the Valley.

Strategic Recommendation:

1. Encourage and support lower-income household community members to seek financial assistance from low-cost loans or grants that are available through Rural Economic Development or Community Economic Development programs. A nonprofit may be identified to assist with writing grant requests.

The HHFDC states that the financial burden to convert cesspools to septic systems rests on the shoulders of the lessees. However, the residents believe that the HHFDC may bear some, if not all, of the financial burden because the HHFDC is the owner of the lands where these cesspools occur.

Regardless of which party is responsible for funding the cesspool-to-septic-system conversions, most Community members advocate for the WWCA to work with HHFDC to lobby the governor and the legislature to pass a law providing State funding for these conversions. Senator Gil

Riviere (Senate District 23) has told the WWCA steering committee last March that the State government will have to act on this issue.

There may be better ways environmentally, financially, and engineering-wise to convert cesspools to septic systems. If so, then additional studies should be undertaken to explore these possibilities. For instance, instead of doing one-to-one conversions, it may be possible where five lots can share a single septic system. If so, then significant cost savings would be realized! Such breakthroughs could serve as a model for other communities in Hawai'i to adopt.

Community-Plan Recommendations:

- 1) HHFDC should seek legal expertise to determine which party—the lessee or the lessor—is financially responsible for converting cesspools to septic systems by 2050.
- 2) HHFDC and WWCA should work together to lobby the governor's office and the legislature to pass a law providing State funding for these conversions.
- 3) HHFDC should contract an engineering or planning firm with septic system experience to explore how best economically, environmentally, and engineering-wise to convert the Waiāhole cesspools to septic systems.

Albizia Trees

The biggest community infrastructure problem identified by residents in the survey was Albizia tree infestation, with 75% of respondents agreeing that it was a major problem. Based on interviews, the biggest issue was the impact of falling trees: on electrical lines, and falling and damming the 'auwai and the McCandless system flow into the agricultural lots.

Strategic Recommendation:

1. The State of Hawai'i Invasive Species Council has developed a "Strategic Plan for the Control and Management of Albizia in Hawai'i (2018)." Using this document as a guideline, HHFDC in conjunction with the community should create a plan for Albizia tree removal and long-term management. The plan may include applying for grants to cut down and minimize regrowth of Albizia trees, especially those that could fall on electrical lines or along the two water infrastructure systems. At the same time, HHFDC should explore options to engage a commercial user of Albizia trees to harvest easily accessible trees.

The plan to control and manage albizia trees should involve local residents and not outside contractor firms except where large trees are adjacent to critical infrastructure (e.g., power and telephone lines) and/or houses/buildings. Residents should take it upon themselves to remove/kill small albizia trees on their lots. There is considerable expertise in the girdling and treatment of albizia trees in the community such that outside expertise is not required to train the community members in these best practices—Waiāhole community can take charge of this, saving HHFDC money. Instead of writing grants, it may be cheaper and faster for HHFDC to pay residents to remove albizia trees. That said, it would make sense for a Waiāhole farming co-op or hui to meet with US Dept of Agriculture officials to discuss EQIP and other federal grant programs which fund albizia (and other invasive tree) removal.

Community-Plan Recommendations:

- 1) Residents living on HHFDC and DHHL lots as well as on private property should take responsibility and remove/kill small albizia trees growing on these lands.

- 2) Farmers should consider forming a Waiāhole farming co-op or hui to, among other things, seek EQIP and other grants funding albizia (and other invasive tree) removal.
- 3) Residents with expertise in albizia control should offer instruction for free to Valley residents regarding best practices for albizia control.
- 4) HHFDC should work with residents or with a Waiāhole farming co-op/hui to survey the number and location of large albizia trees adjacent to critical infrastructure and homes/buildings and then estimate a cost for the removal of these trees.
- 5) Based on the results of (4) above, HHFDC and a Waiāhole farming co-op/hui should seek grants supporting the removal of large albizia trees adjacent to critical infrastructure and homes/buildings. When possible, preference should be given to community-operated contractors/businesses when contracts are awarded to undertake albizia removal.

Safety and Security

Safety and security were major concerns for 58 percent of the Valley survey respondents. It was reported that streetlights were often not working, and that it was unclear who to contact for assistance – some streetlight maintenance is the responsibility of HHFDC, and other street lights are the responsibility of the City and County of Honolulu. In interviews, residents also expressed a desire for streetlights to go deeper into the Valley. Another issue raised by residents was that sidewalks were impassable due to overgrowth; community members were not maintaining the sidewalk area alongside their lots.

As the community comes together and neighbors begin to trust neighbors, general safety and security may be less of an issue. Where possible, HHFDC should address basic safety and security issues such as overgrowth of vegetation onto sidewalks and streetlight maintenance.

Strategic Recommendations:

1. Lighting and sidewalk issues will continue to be a concern. Community members should be provided with information on who to contact for specific problems.
2. Owners of lots fronting sidewalks should be reminded of their responsibility to keep the sidewalks accessible, with specific reference made to lease language or the Revised Ordinances of Honolulu.
3. Cost estimates for expanding street light coverage and sidewalks should be gathered and evaluated as a priority for the community.

The Community welcomed the above comments and plan for Safety and Security.

THRIVING COMMUNITY

As noted earlier, the Waiāhole Valley community is a mix of HHFDC, DHHL, and privately-owned lots. The challenging history of the Valley has created factions among residents beyond the differences in land ownership. There continues to be a high level of disagreement and distrust among families and factions. This distrust makes it difficult for the community to come together and make progress in any direction. However, feedback gathered through surveys suggests that there is general agreement and support in how best to move forward focusing on agriculture and community economic development.

Community Cohesiveness Recommendation:

- Build on the momentum created by this strategic planning process to create more trust within the Valley by focusing on areas where there is common agreement. Within the Valley, there is strong support for farmers and increasing production on agricultural land. We recommend that either HHFDC or the WWCA consider hiring a consultant/facilitator to bring the community together around supporting farmers. The goal is for the facilitator to lead a community-driven effort to organize an entity that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code that can be self-sustaining and enhance the quality of life within the Valley. This organization would lead efforts to write grant requests for:
 - Agricultural economic development – developing a Waiāhole brand and Farmer's market;
 - Funding to replace cesspools with septic systems; and
 - Elimination of Albizia trees.

The consultant will reach out to DHHL to connect with their households and private land owners. One goal is to bring the community together regardless of type of lease.

As an alternative to HHFDC or the WWCA funding the cost of a consultant/facilitator, HHFDC could work with DOA or another State department or agency to see if that entity could take on some, or all, of the consultant role.

The Community welcomed the above suggestion for the HHFDC to work with DOA or other State departments or agencies to seek funding/consulting for the creation of a Waiāhole farming co-op or hui. The creation of a vibrant and active Waiāhole farming co-op or hui offers the possibility of advancing many of the strategic plan recommendations outlined above.

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IMPORTANT NOTE: In this section the reader will see **black-colored text** and **red-colored text** (as well as blue-colored section titles). The black-colored text is the original SMS/HHFDC Plan in its original, unaltered form. The red-colored text is the new draft Community-Based Plan. The two are shown together so that the reader can compare and contrast the differences between the old SMS/HHFDC Plan and the new Community-Based Plan.

The Declaration states that:

[R]ecognizing that there is a growing scarcity of agricultural lands caused by urban encroachment which has made it difficult for agricultural enterprises to survey and that the acquisition of private property for agricultural purposes is a public purpose or use necessary to facilitate sound agricultural land-use planning, Housing Finance and Development Corporation acquired or received in fee simple...real property in Waiahole Valley."

While a worthwhile purpose, it is unclear how this objective connects with the mission of HHFDC, which is "to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development."¹⁹

While not its primary mission, HHFDC is the landlord for the properties under its management in Waiāhole Valley. HHFDC collects rents, oversees infrastructure and maintenance, and owns and operates the present potable water system. Beyond the rents it collects, HHFDC funds Valley improvements through the Dwelling Unit Revolving Fund (DURF). In 2016, HHFDC had the following budgets for Waiāhole Valley:

- Operations & Maintenance – Water Systems: \$3,572,620
- Operations & Maintenance – Infrastructure: \$2,042,219
- Lease Maintenance: \$2,207,684

Review of the current Waiāhole Valley annual budget indicates an estimated negative cash flow in excess of \$500,000.

The Community believes that the adoption of this strategic plan will help to mitigate the substantial annual losses of \$500,000 now confronting the HHFDC.

Roles and Responsibilities

The SMS/HHFDC Plan here puts forth one of the most consequential recommendations in the entire document—to outsource lease enforcement.

Currently, HHFDC has the equivalent of approximately 1.5 full-time staff members assigned to oversee Waiāhole Valley. These staff members are responsible for maintaining

¹⁹ 2017 HHFDC Annual Report.

communications with lessees and responding to questions and complaints. The major enforcement issues facing HHFDC are:

1. Compliance with lease requirements including payment of rent, evidence of liability insurance, payment of real property taxes, payment of water-service charges, and agricultural lot percentage rent collection and tax-return submission; and
2. Illegal dumping of hazardous materials on vacant properties.

Challenges with enforcement are due to limited HHFDC staff and budget, State and Legislative interference, and the inconsistency of this effort with the mission of the corporation. HHFDC has issued default notices, and for "repeat offenders" letters are sent out with eviction notices. In recent years, no evictions have taken place.

Strategic Recommendations:

Given the limited resources within HHFDC, we recommend that HHFDC consider retaining a third-party company to take on responsibility for lease enforcement. HHFDC would be responsible for community relations, lease renegotiations, and management of third parties including property managers, 'auwai and McCandless system managers, and (if engaged) a community facilitator. Using a third-party for lease enforcement may make the process less political and able to be achieved more expeditiously.

The proposal by HHFDC to outsource enforcement was overwhelming the most objectionable recommendation contained in the SMS/HHFDC strategic plan. The Community is very much against this idea. Residents believe there is potential for abuse of this power by the third-party company hired to conduct enforcement, especially since HHFDC states above that there is limited staff (to oversee and monitor such outsourced enforcement).

At the same time, the Community recognizes the need for enforcement and for residents and farmers to live up to their obligations outlined in their respective leases. The Community doesn't want deadbeat farmers or undesirable residential tenants any more than the HHFDC does.

To that end, the Community proposes the creation of a Waiāhole-based panel with HHFDC representation ("the Panel") to undertake lease enforcement, focusing on two principal areas:

- 1) Arbitrate lease disputes when lessees believe that they are unfairly being cited for non-compliance, and*
- 2) Work with lessees who do not dispute being out of compliance but who want to regain compliance. In these instances, the Panel would work with the lessee to design and implement an action plan with specific who-is-going-to-do-what-by-when actions with corresponding milestones and goals leading to the re-establishment of compliance. This plan would endure for a period of 3- or 6- or 12-months depending on the particular circumstances of each case. Should the lessee fail to follow the plan or achieve its milestone or goals, then the lessee would face eviction. But if the lessee did follow the plan and achieve the milestones and goals, then the lessee would be certified as having re-established compliance.*

To avoid privacy issues, the lessee in question would be offered a choice: either the lessee can handle the issue of compliance on their own and not involve the Panel or the lessee can waive their right to privacy and submit to the Panel (of course each Panel member would sign a confidentiality agreement whereby they agree not to disclose, and to keep private, the name of

the lessee in question). As well, to avoid conflicts of interest or nepotism concerns, any members of the Panel related to the lessee in question would have to recuse him/herself from the particular case.

The advantages of the Panel solution are:

- 1) It costs significantly less than retaining a third-party to undertake lease enforcement,
- 2) Enforcement is being done by the Community which has a greater understanding of the issues confronting lessees and thus outcomes will be viewed as more just than if outcomes were determined by a third-party company, and
- 3) The Panel will provide political cover to the HHFDC in cases where eviction is required.

Community-Plan Recommendations:

Create a Waiāhole-based panel with HHFDC representation ("the Panel") to undertake lease enforcement and to focus on two principal areas:

- 1) Arbitrate lease disputes when lessees believe that they are being unfairly cited for non-compliance, and
- 2) Work with lessees to create action plans to regain compliance with those lessees who do not dispute being out of compliance but who want to regain compliance.

ACTION PLAN

The SMS/HHFDC Plan contained action plans that followed from the strategic plan recommendations contained in the report. Because the strategic plan recommendations in the Community-Based Plan are different from those contained in the SMS/HHFDC Plan, the action plans are no longer valid and therefore is not included in the Community-Based Plan. For those interested in seeing that action plan, please go to the following link:

<https://dbedt.hawaii.gov/hhfdc/files/2019/03/Waiahole-Valley-Community-Strategic-Plan-Board-Draft-without-Appendices.pdf>

It is desire of the Waiāhole community that a new action plan will be undertaken after the vote of approval of either the Community-Based Plan or the Consensus-Based Plan. The community would welcome the opportunity to work in a collaborative fashion with the HHFDC to produce an action plan starting as soon as June, 2019 or early 2020, at the convenience of the HHFDC. It is anticipated that it should take no longer than 6-12 months to produce the new action plan.

APPENDICES

- A. Meetings
- B. Strategic Plan Ballot
- C. List of Community-Based Strategic Plan Recommendations

APPENDIX A: COMMUNITY-BASED MEETINGS

A description of the methods and means by which the Community-Based Plan was created is presented above under the section, Community-Based Planning Process. Additional details about the process are provided below:

Date: Tuesday, March 19, 2019 (5 days after HHFDC Board of Directors meeting)

Meeting Location: WWCA President's Hale

1st Work Group Meeting

12 attendees

Duration: 2.5 hours

Paper copies of the HHFDC Strategic Plan were handed out to those in attendance. Participants, including all the WWCA steering committee members, committed to read and to analyze the SMS/HHFDC Plan in the days ahead. The analysis should include how the plan impacts community members in either a positive or negative way. Individuals volunteered to focus on the Strategic Plan Recommendations, Residential & Agricultural Leases, and to explore possible community-based programs that might improve the SMS/HHFDC Plan.

Date: Monday, March 25, 2019 (11 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

2nd Work Group Meeting

12 WWCA attendees

Duration: 2.5 hours

A steering committee member made a presentation summarizing and analyzing the Strategic Plan Recommendations contained in the SMS/HHFDC Plan. A discussion ensued by the Work Group about the Strategic Plan Recommendations. Afterwards, the Work Group discussed a potential process whereby the Work Group is divided into smaller groups to focus on select portions of the SMS/HHFDC Plan and creating questions to initiate feedback. In addition, the Work Group made clear that everyone needs to think "outside the box" to provide constructive solutions to the issues address in the SMS/HHFDC Plan and to think about the future they envision for Waiāhole for generations to come. Finally, an important decision reached was to send more WWCA newsletters with information about the SMS/HHFDC Plan and at a greater frequency than the current every-other-month schedule.

Date: Tuesday, March 26, 2019 (12 days after HHFDC Board of Directors meeting)

Meeting Location: KEY Project (Kahalu'u)

3rd Work Group Meeting

14 attendees

Duration: 2 hours

The meeting began with a discussion of what a strategic plan is and why they are important. The distinctions regarding the differences between a strategic plan and an action plan were also outlined and discussed. Thereafter, the Work Group divided into smaller groups to address the following four sections contained in the SMS/HHFDC Plan: (1) Historical Background, (2) Strategic Plan Vision, (3) Strategic Plan Goals, and (4) Strategic Plan Recommendations (some of the subtopics in (4) were also assigned to smaller groups). During the first half of the meeting the participants broke out into groups to discuss their assigned specific. One of the advantages

of breaking out into the smaller groups is that it brought about greater participation and willing for community members to speak up and to ask questions and/or to voice their opinions. During the second half of the meeting everyone reconvened to review and discuss the outcomes of the breakout sessions.

Date: Tuesday, April 2, 2019 (19 days after HHFDC Board of Directors meeting)

Meeting Location: KEY Project (Kahalu'u)

4th Work Group Meeting

17 attendees

Duration: 2 hours

This meeting was a continuance from the March 26th meeting. Residents requested the meetings be held at the Waiāhole Valley Elementary School cafeteria so community residents would not have to drive to attend the meetings. The WWCA steering committee agreed to send a letter requesting School Principal Obra to gain approval to use the school cafeteria for weekly community-wide meetings. The WWCA steering committee designated Mr. Paul Zweng as the spokesperson to directly communicate with Mr. Chris Woodward of the HHFDC regarding the strategic planning process. Ms. Lucy Salas was designated as the Work Group facilitator. Ms. Salas suggested that moving forward, the meetings will now be subdivided into 5 core groups related to Strategic Plan Recommendations; 1) VACANT AG LOTS, 2) AGRICULTURE PRODUCTION, 3) LEASE ENFORCEMENT, 4) COMMUNITY INFRASTRUCTURE, and 5) AGRICULTURE IRRIGATION SYSTEMS.

Date: Tuesday, April 9, 2019 (26 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

5th Work Group Meeting

12 attendees

Duration: 2 hours

Work Group discussed in detail the process by which to conduct future weekly community meetings. The Work Group continued reviewing the SMS/HHFDC Plan. Towards the end of the meeting the Work Group created ballot for community residents to vote on one of three options listed. These options included:

- (1) Remain an independent voice and accept the HHFDC Strategic Plan dated March 2019 as is, or
- (2) Remain an independent voice and file your own proposal directly to the HHFDC, or
- (3) Support a WWCA community-based strategic plan to be submitted to the HHFDC.

The goal of the ballot was to learn the number of community members, if any, who supported a WWCA-led effort to produce a community-based plan. If there was little-to-no support for a WWCA-led effort, then there was no point to continue the weekly Work Group meetings. An example of the ballot is shown in Appendix B.

Date: Monday, April 15, 2019 (32 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

1st Community-Based Plan Meeting

55 attendees

Duration: 2.5 hours

This meeting was a special general meeting called by the WWCA. General meetings are

quarterly WWCA meetings that typically receive much greater attendance by the community than are the weekly WWCA steering committee meetings (which are also open to residents). The reason for the greater turnout is because these meetings report on the activities of the WWCA for the past three months and therefore provide helpful and useful summaries of the issues confronting the Waiāhole-Waikāne community. A team of WWCA volunteers constructed and posted a large wooden sign at the corner of the Kamehameha Hwy and Homestead Valley Road alerting the community to the May 28th meeting. Finally, the WWCA sent out a newsletter by email/post to all residents notifying them of the special general meeting. These notifications also satisfied a requirement per the WWCA bylaws stating that for a general meeting to be called requires advance notice be given ten days before the date of the meeting. This general meeting was a "special" general meeting because it was not called to highlight normal quarterly results, but to highlight an especially important matter—the SMS/HHFDC Strategic Plan.

After a prayer and introduction, residents were divided into four groups and given 20 minutes to hear readings of, and explanations regarding, the Strategic Plan Recommendations contained in the SMS/HHFDC Plan. Each group was led by either a WWCA steering committee member or a community resident with knowledge and experience in the topics to be discussed. Immediately afterwards the residents were asked to respond and provide input. A timekeeper kept track of time and the residents rotated to another group every 20 minutes so that all groups were visited. Valuable information and feedback was captured from each group discussion. At the end of the meeting, ballots were collected. **Vibe/Energy: Positive, Attentive, Involved and satisfying.**

Date: Monday, April 22, 2019 (39 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

2nd Community-Based Plan Meeting

35 attendees

Duration: 2.5 hours

Similar to the April 15th meeting, residents were divided into 6 core groups giving them 20 minutes to hear various Strategic Plan Recommendations written in the SMS/HHFDC Plan and then were asked to contribute input. A timekeeper asked to provide residents 20 minutes and change to another core group every 20 minutes thereafter until all core groups were visited. Valuable interaction input captured. Ballots were collected after meeting. **Vibe/Energy: Positive Free flowing, Attentive, Alert, Engaged, Included, Happy, Thankful.**

Date: Tuesday, April 30, 2019 (47 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

3rd Community-Based Plan Meeting

33 attendees

Duration: 2.5 hours

Meeting conducted in the same manner as the April 15th and 22nd meetings. Valuable community-based suggestions and input were captured. Ballots were collected at the end of the meeting. **Vibe/Energy: Positive, Happy, Satisfying, Cared for, Involved.**

Date: Sunday, May 5, 2019 (52 days after HHFDC Board of Directors meeting)

Meeting Location: President's Hale

6th Work Group Meeting

10 attendees

Duration: 2.5 hours

WWCA steering committee reviewed the information and feedback gained from the community-wide meetings of April 15th and 22nd. The ballots were counted, with 0 voting for support for the SMS/HHFDC Plan, 0 voting for desire to write and submit their own strategic plan, and 77 voting to support a WWCA-led effort to create a Community-Based Plan. Two blank ballots were submitted and they were ruled invalid. (see Appendix B for an example of the ballot).

Date: Monday, May 6, 2019 (53 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

4th Community-Based Plan Meeting

31 attendees

Duration: 2 hours

The format for the 4th Community-Based Plan meeting did not follow the format of the previous three meetings. Instead this meeting was an open forum allowing community members to ask any-and-all questions they had regarding the SMS/HHFDC Plan and the process by which the new Community-Based Plan was to be created. The community members expressed a strong desire for Mr. Chris Woodard to meet to discuss and work towards the creation of a Consensus Plan.

Date: Thursday, May 9, 2019 (56 days after HHFDC Board of Directors meeting)

Meeting Location: President's Hale

7th Work Group Meeting

8 attendees

Duration: 2 hours

WWCA steering committee reviewed the planning process and discussed how best to complete the final stages, particularly with respect to the actual writing of the Community-Based Plan moving forward.

Date: Monday, May 13, 2019 (60 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

8th Work Group Meeting

14 attendees

Duration: 2 hours

This meeting was a continuation of the same topics and themes of the May 9th meeting. The steering committee reviewed the planning process and discussed how best to complete the final stages, particularly with respect to the actual writing of the Community-Based Plan moving forward. The steering committee developed a schedule of events for the end-stages, culminating in a community-wide meeting to present the new Community-Based Plan on Tuesday, May 28. The Community-Based Plan is scheduled to be emailed/mailed to all residents on Tuesday, May 21, so that residents have a week to read and analyze the new plan before the May 28th meeting.

Date: Monday, May 20, 2019 (67 days after HHFDC Board of Directors meeting)

Meeting Location: Waiāhole Elementary School

9th Work Group Meeting

19 attendees

Duration: 3 hours

The WWCA Steering Committee approved the final draft of the Community-Based Plan by

unanimous vote on May 20, 2019. Procedures were adopted to begin distribution of the Community-Based Plan starting May 21, 2019. A petition was approved to present to Waiāhole HHFDC lessees, Waiāhole DHHL lessees and Waiāhole-Waikāne private landowners. This petition asks whether the parties above support the Community-Based Plan (one signature per one lot or TMK). Teams were organized to canvass the Waiāhole-Waikāne community starting May 22, 2019, to present copies of the Community-Based Plan as well as the petition in advance of the May 28 special general meeting where the Community-Based Plan will be presented by the WWCA to the residents of Waiāhole. The Community-Based Plan and the petition were sent by email to those residents using email starting May 21. The WWCA steering committee recognizes that it may need to send the Community-Based Plan and petition via post to those residents who are unable to receive the documents either by email or by the canvassing process.

APPENDIX B: BALLOT



Waiāhole-Waikāne Community Association

Aloha! Waiāhole-Waikāne Community Members of Private Land Owners, HHFDC, and DHHL Lessees: Your input is important to us and therefore we would like to ask for your help. If we are to be heard by the HHFDC Board of Directors, we must submit an alternative to HHFDC's Waiāhole strategic plan (dated March 2019) prior to June 1, 2019. It is urgent that HHFDC know that we stand together as one community, united and working towards a better future. We are called to act now because we believe that HHFDC's strategic plan does not represent our community's interests, values, or needs.

Please vote for one of the following three options (check one below). Deadline to vote is April 29, 2019.

- ☐ Remain an independent voice and accept the HHFDC Strategic Plan dated March 2019 as is, or
- ☐ Remain an independent voice and file your own proposal directly to the HHFDC, or
- ☐ Support a WWCA community-based strategic plan to be submitted to the HHFDC.

I am a: (check one below).

- ☐ Private Land Owner
- ☐ HHFDC Tenant/farmer or residential
- ☐ DHHL Tenant/farmer or residential
- ☐ Other _____

Mahalo for your vote,

Strategic Planning Committee

WAIĀHOLE & WAIKĀNE Community Association, P.O. Box 6566, Kaneohe/Hawaii 96744 / (808)239-7128

APPENDIX C: LIST OF COMMUNITY-BASED STRATEGIC PLAN RECOMMENDATIONS

RESIDENTIAL AND AGRICULTURAL LEASES

Community-Plan Recommendation: Work with HHFDC to learn more about community land trusts, particularly their advantages and disadvantages, and study other community land trusts here in Hawaii to learn if their communities have viewed them as successes or failures. It is recommended that the community seek legal counsel through the WWCA to explore whether it makes sense for residents to support applying the concept of community land trust to Waiāhole.

Voluntary Lease Modifications

Community-Plan Recommendation: Until such time as more specific information can be provided regarding the magnitude of rent increases, the timing of rent increases, as well as borrower- and lender-rights pertaining to mortgage-loan financing, residents should not enter into voluntary lease modifications.

Community-Plan Recommendation: Work with HHFDC to learn more about “sustainable affordable lease” and “community land trust” and seek legal counsel to explore whether it makes sense for residents to support applying these concepts to Waiāhole.

Lease Enforcement

The residents’ reaction to HHFDC’s intentions to elevate lease enforcement was one of concern and consternation. Under the section heading of **Roles and Responsibilities** (see below) lease enforcement will be discussed later in this document and a Community Plan Recommendation will be offered.

Vacant Residential Lots

Community-Plan Recommendations:

- (1) Hire Waiāhole residents to clear and maintain the 9 vacant residual lots.*
- (2) Determine whether it is possible to convert some or all of the residential lots into agricultural lots. If possible, then:*
 - (2a) Convert one or two lots into a community garden.*
 - (2b) Convert one or two lots into schools teaching farming, culinary arts, and/or other rural agricultural endeavors for residents and/or interns.*
 - (3a-1) If the vacant residential leases must remain residential, then allocate new housing to family members of current Waiāhole/Waikāne residents.*
 - (3a-2) If the vacant residential leases must remain residential, then move families residing on agricultural lots who are either (1) too old to continue farming or (2) are not farming and do not intend to farm onto these vacant residential lots. This would allow the fallow agricultural lots to be opened to new/younger farmers who can and will farm.*
 - (3b) If (3a) is not permitted under the Fair Housing Act, then establish a “housing panel” comprised of Waiāhole residents for the purpose of selecting families for these lots*

based on an extensive interview and screening process to ensure that the new residents are compatible with Waiāhole's vision and mission statements.

AGRICULTURAL STRATEGIC RECOMMENDATIONS

Agricultural Production

Community-Plan Recommendation: Waiāhole farmers should explore the formation of a formal or informal farming co-op or farming hui fostering farmers to meet, communicate, problem solve, and potentially partner regarding the challenging agricultural issues confronting the Waiāhole farming community.

Community-Plan Recommendations: (1) Consider exploring the "sublease" option proposed in the SMS/HHFDC plan and learn the details of such an option; (2) Consider another option whereby the existing farm lot is subdivided into (a) 10,000 sq. ft residential lot for the "old" farmer and his family to live on and (b) the remaining portion of the original farm lot is kept agricultural and is leased out by the HHFDC to a new (and younger) farming family. (Many of the issues pertaining to the SMS/HHFDC solution would also pertain to this solution and therefore would need to be fleshed out.), and (3) Consider another option whereby the old farmer and his family are moved to one of the vacant residential lots, thereby freeing the fallow agricultural lot to be leased to a new (and younger) farming family. This option would require the commitment to build single-family homes for the older farmers and their families to occupy. An attractive feature of this option is that it retains farming experience and know-how in the Valley to the benefit of the active farming community. As part of this recommendation, consider moving families holding agricultural leases who are not farming and do not intend to farm to one of these vacant residential lots. Conversely, if there are families on residential lots that would like to farm, consider an exchange with those living on a fallow agricultural lot.

Community-Plan Recommendations: Consider the formation of a Waiāhole farming co-op or farming hui to seek and obtain outside governmental and private assistance as well as funding (e.g., grants) to development agriculture on vacant lots and to support (and/or expand) current farming on farm lots. The co-op/hui should seek expertise in grant writing from local community members with such experiences and/or seek professional help to write grants.

Vacant Agricultural Lots

Community-Plan Recommendation: Develop an action plan to explore the most beneficial uses for these three lots based on community input as well as favorable costs/benefits to HHFDC.

Agriculture Irrigation Systems

Community-Plan Recommendations:

1) Farmers should continue to maintain and operate the 'auwai and McCandless water systems as they have been doing for the past several decades at no cost to HHFDC.

2) Farmers and HHFDC should set up a system whereby farmers maintaining the water systems can be reimbursed for capital repairs (currently all repairs are being funded out-of-pocket by Waiāhole farmers).

3) Conduct a survey of farmers currently not using water supplied by the 'auwai and McCandless water systems for agricultural purposes. Should significant interest exist, explore the possibility of providing water from the 'auwai and McCandless water systems to these farmers so that their water costs can be lowered dramatically.

4) It is important to acknowledge that the WWCA submitted an alternative plan for a new potable water system to the HHFDC in late December 2018. This plan has the potential for significantly lowering the capital and operating costs for a new potable water system. If so, then the WWCA plan would render moot the first four of the five strategic recommendations of the SMS/HHFDC Plan under Agricultural Irrigation Systems.

Economic Development

Community-Plan Recommendations:

1) Waiāhole farmers should consider building a Waiāhole brand to secure higher prices for their produces through the creation of a Waiāhole farming co-op or hui.

2) If a Waiāhole brand needs to be copyrighted, then the ownership of the brand should be a Waiāhole farming co-op or hui, with free use granted to all Waiāhole residents and farmers.

3) A Waiāhole farming co-op/hui should work with HHFDC and the Department of Education to explore the possibility of using either vacant lots or the Waiāhole Elementary School cafeteria as a possible site for a co-operative processing plant.

4) A Waiāhole farming co-op/hui should seek HHFDC's assistance to learn about DOA grants for marketplace planning.

COMMUNITY INFRASTRUCTURE AND ISSUES

Potable Water

The Community favors any potential increases in water fees should wait until 2023 when the leases are schedule for re-negotiation.

Cesspools/Septic Systems

Community-Plan Recommendations:

1) HHFDC should seek legal expertise to determine which party—the lessee or the lessor—is financially responsible for converting cesspools to septic systems by 2050.

2) HHFDC and WWCA should work together to lobby the governor's office and the legislature to pass a law providing State funding for these conversions.

3) HHFDC should contract an engineering or planning firm with septic system experience to explore how best economically, environmentally, and engineering-wise to convert the Waiāhole cesspools to septic systems.

Albizia Trees

Community-Plan Recommendations:

- 1) Residents living on HHFDC and DHHL lots as well as on private property should take responsibility and remove/kill small albizia trees growing on these lands.
- 2) Farmers should consider forming a Waiāhole farming co-op or hui to, among other things, seek EQIP and other grants funding albizia (and other invasive tree) removal.
- 3) Residents with expertise in albizia control should offer instruction for free to Valley residents regarding best practices for albizia control.
- 4) HHFDC should work with residents or with a Waiāhole farming co-op/hui to survey the number and location of large albizia trees adjacent to critical infrastructure and homes/buildings and then estimate a cost for the removal of these trees.
- 5) Based on the results of (4) above, HHFDC and a Waiāhole farming co-op/hui should seek grants supporting the removal of large albizia trees adjacent to critical infrastructure and homes/buildings. When possible, preference should be given to community-operated contractors/businesses when contracts are awarded to undertake albizia removal.

Safety and Security

Community-Plan Recommendations:

The Community welcomed the SMS/HHFDC comments and plan for Safety and Security.

THRIVING COMMUNITY

Community-Plan Recommendations:

The Community welcomed the above suggestion for the HHFDC to work with DOA or other State departments or agencies to seek funding/consulting for the creation of a Waiāhole farming co-op or hui. The creation of a vibrant and active Waiāhole farming co-op or hui offers the possibility of advancing many of the strategic plan recommendations outlined above.

HAWAI'I HOUSING FINANCE AND DEVELOPMENT CORPORATION

The Community believes that the adoption of this strategic plan will help to mitigate the substantial annual losses of \$500,000 now confronting the HHFDC.

Roles and Responsibilities

Community-Plan Recommendations:

Create a Waiāhole-based panel with HHFDC representation ("the Panel") to undertake lease enforcement and to focus on two principal areas:

- 1) Arbitrate lease disputes when lessees believe that they are being unfairly cited for non-compliance, and
- 2) Work to create an action plan for regaining compliance with those lessees who do not dispute being out of compliance but who want to regain compliance.

Waiahole Valley Lease Rent Renegotiation Provisions

Residential Lot Leases

One year prior to the expiration of Lease Periods 2 and 3, respectively, Lessor and Lessee shall begin renegotiation of the new annual lease rent and new additional lease rent to be paid for Lease Periods 3 and 4, respectively. If ninety days prior to the expiration of Lease Periods 2 and 3, respectively, Lessor and Lessee are unable to agree upon a new annual lease rent and new additional lease rent, if applicable, then the annual lease rent payable during Lease Period 3 or Lease Period 4, as the case may be, shall be determined in accordance with HRS Section 519-2.

Whenever the fixing of rent is under arbitration, Lessee, pending the determination thereof, shall continue to pay the same rent which Lessee had been paying during the last preceding Lease Period and shall promptly pay the deficiency, if any, plus simple annual interest at the legal rate upon the conclusion of the arbitration proceedings.

Agricultural Lot Leases

One year prior to the expiration of respective Lease Periods 2 and 3, Lessor and Lessee shall begin renegotiations regarding the new annual lease rent for respective Lease Periods 3 and 4. In determining the annual lease rent for respective Lease Periods 3 and 4, the following factors may be considered:

- (1) The fair rental value of the demised premises based on the use of the demised premises for residential and agricultural uses exclusive of crops thereon and improvements that Lessee has installed, erected, constructed, or otherwise placed on the demised premises or crops and improvements that were installed, erected, constructed or otherwise placed on the demised premises by a prior occupant of the demised premises.
- (2) The historical productivity and profitability of Lessee's farming operations.
- (3) Other factors may also be considered.

The Annual Base Lease Rent and Annual Percentage Lease Rent established by renegotiation for Lease Periods 3 and 4, respectively, shall not be less than the rental amount established for Lease Periods 2 and 3, respectively.

In the event Lessor and Lessee are unable to agree on the fair rental value of the demised premises for Lease Periods 3 and/or 4, respectively, sixty (60) days prior to the expiration of Lease Periods 2 and/or 3, respectively, Lessor and Lessee shall submit the issue of the fair rental value of the demised premises to mediation in accordance with applicable rules of mediation of the American Arbitration Association.

If Lessor and Lessee are not able to determine the issue of the fair rental value of the demised premises by mediation, either Lessor or Lessee may give to the other written notice of a desire to have the issue of the fair rental value of the demised premises settled by arbitration in accordance with the applicable rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. In all cases of mediation or arbitration, Lessor and Lessee shall each pay the expense of their own attorneys', appraiser's and witness fees. All other expenses of such mediation and arbitration shall be divided equally between Lessor and Lessee. If and whenever the fixing of such rental value is under mediation or arbitration, Lessee, pending the determination thereof, shall continue to pay the same lease rent which Lessee had been paying during the immediately preceding lease rent period and shall pay the deficiency, if any, within thirty (30) days of the successful conclusion of the mediation or arbitration proceedings, as the case may be.

EXHIBIT D

Section 519-2, Hawaii Revised Statutes

Residential leases of real property. (a) All leases as defined by section 516-1, of residential lots, as defined by section 516-1, existing on June 2, 1975, or entered into thereafter, which provide for reopening of the contract for renegotiation of lease rent terms shall in the case of leases after June 2, 1975, provide the following, or in case of leases existing on June 2, 1975, shall be construed in conformity with the following:

(1) Such renegotiations shall not be scheduled more frequently than once every fifteen years, provided the first of such reopenings shall not be scheduled prior to the fifteenth year following the initial date of the lease; and

(2) Upon renegotiation, the lease rent payable shall not exceed the amount derived by multiplying the "owner's basis" by four per cent. For purposes of this section, "owner's basis" means the current fair market value of the lot, excluding onsite improvements, valued as if the fee title were unencumbered; less the lessee's share, if any, of the current replacement cost of providing existing offsite improvements attributable to the land, which replacement cost shall include an overhead and profit not exceeding twenty per cent of the current replacement cost of the existing offsite improvements, or less the original lot development credit to the lessee, whichever is greater. For purposes of this section, "offsite improvements" means all physical improvements such as, but not limited to, roads, sewer lines, sewage treatment plants, and underground utility cables, constructed or placed in a subdivision or development off the land intended for occupancy, which improvements are to be used in common by occupants of all lands adjoining such improvements or by occupants of all lands for whose benefit the improvements have been constructed or placed; and "onsite improvements" means all physical improvements placed on a residential lot intended for occupancy which improvements are for the benefit of occupants of that lot, including but not limited to, dwelling units, garages, service buildings, stairs, walkways, driveways, walls, trees, shrubs, landscaping, and pools.

(b) In the event the parties to a lease are unable to achieve an agreement under any reopening provision, the Hawaii housing finance and development corporation or its designee shall arbitrate, and its findings shall be binding and conclusive on both parties. Arbitration proceedings under this subsection will be subject to the following requirements:

(1) An advance deposit, which amount shall be determined by the corporation, equal to projected expenses and fees of the corporation or its designee for arbitration proceedings shall be required and shall be paid equally by lessees and lessors. All additional expenses and fees incurred by the corporation or its designee while acting as the arbitrator shall be borne equally by lessees and lessors. These additional expenses and fees shall be subject to monthly billings or other arrangements which may be specified by contract. If more than one lessee is involved in an arbitration proceeding, all lessees shall share equally in one-half of the arbitration costs. The same division of costs shall apply if more than one lessor is involved in a proceeding.

(2) Failure on the part of lessees to comply with the provisions set forth in this subsection, including failure to make advance deposits or payments, shall result in forfeiture of any rights or remedies under this chapter for arbitration, and the lessees' sole rights and remedies shall be as provided in the lease document.

(3) If lessors fail to comply with the provisions of this subsection, including failure to make advance deposits or payments, then arbitration proceedings under this chapter will cease and the lease rent shall be set at the most recent fixed lease rent. Upon compliance with the provisions

EXHIBIT E

of this chapter, the arbitration may proceed, with the determination of the new lease rent effective only from the date of compliance by the lessor.

(4) Except as provided in paragraphs (b)(2) and (b)(3) above, all new lease rents shall be effective as of the date of reopening.

For the purpose of this subsection, "arbitration proceedings" means the actual arbitration conducted by the corporation or its designee pursuant to a contract executed by and among the lessees, lessor, and the arbitrator detailing among other things, the following: description of properties involved, time of performance, compensation, method of payment, settlement and other procedures, and termination.

(c) Any covenant or provision of a lease in violation of this section, shall not be enforceable in any court in this State.

(d) For the purpose of this section renegotiation shall not include negotiation for the determination of lease rental under section 516-66 arising out of an extension under section 516-65.

VILLAGE 9 DURF BUDGET MODIFICATION

6/17/2019

		Initial	Current	Proposed	
Budget Item		DURF	DURF	Revised	Variance
		Budget	Budget Mod.	Budget Mod.	
		1/11/2018	No. 2	No. 3	
Concept Plan		15,000.00	15,000.00	15,000.00	0.00
Charrette Master Planning		0.00	20,000.00	20,000.00	0.00
EA		169,000.00	169,000.00	169,000.00	0.00
Topo & Boundary Survey		0.00	0.00	40,314.12	40,314.12
Subtotal - County MOU		184,000.00	204,000.00	244,314.12	40,314.12
Contingency		66,000.00	46,000.00	5,685.88	(40,314.12)
Total DURF Budget		250,000.00	250,000.00	250,000.00	0.00
APPROVED/DISAPPROVED:					
		Craig K. Hirai			Date
		Executive Director			

APPENDIX C:
WAIĀHOLE STRATEGIC COMMUNITY PLAN
TOWNSCAPE SCOPE OF WORK



WAIĀHOLE COMMUNITY ACTION PLAN

SCOPE OF WORK

September 6, 2019

INTRODUCTION

We are submitting this prefinal Scope of Work simultaneously to the Hawai'i Housing Finance and Development Corporation (HHFDC) and to members of the Waiāhole Waikāne Community Association (WWCA) so that both HHFDC and Waiāhole community members have an opportunity to review and comment on this prefinal draft.

Our tentative title for this Plan is the "WAIĀHOLE COMMUNITY ACTION PLAN" rather than the "Waiāhole Community Strategic Plan" because we think that a Plan for Waiāhole needs to focus on priority ACTIONS that need to be organized and implemented – by HHFDC working in partnership with the Waiāhole community. "Strategies" are all well and good, but real world ACTIONS are needed for positive progress to be made.

We have developed this PREFINAL SCOPE OF WORK for a WAIĀHOLE COMMUNITY ACTION PLAN through a process that included the following events and information reviews:

1. Monday July 29, 2019: I received a phone call from HHFDC informing us that our company had been selected to develop a "Strategic Plan" for the Waiāhole community.
2. We received and reviewed some project documents from HHFDC, including the SMS "Draft Waiāhole Community Strategic Plan" and a Summary of "The Community's Plan."
3. Wednesday July 31: We met with Dean Minakami and Janice Takahashi of HHFDC to discuss scope and schedule for the "Strategic Plan."
4. Monday Aug. 5: We attended the WWCA Steering Committee meeting and gave a short presentation on Townscape, Inc. and our approach to community planning.
5. Wednesday Aug. 7: We joined members of the HHFDC Board of Directors Waiāhole Subcommittee and HHFDC staff for a tour of several Waiāhole farms.
6. Thursday, Aug. 8: We met with Hersh Singer and Faith Rex of SMS to learn about their planning process for the "Waiāhole Community Strategic Plan."
7. Tuesday, Aug. 13: We met with Chris Woodard to learn about his experiences as the (former) HHFDC manager for the Waiāhole leases.
8. Friday, Aug. 16: We began a series of talk story sessions with Waiāhole leaders and families: 8/16 Richard Garcia, 8/17 Kim Barelllo, 8/19 Henry & Violet Roberts; Leslie and Vince Bajet; 8/20 Lawrence and Helene Umemura and Norman Sadoyama; 8/22 Nick Reppun; 8/23 Charlie, Paul and John Reppun; Calvin and Charlene Hoe.
9. Wednesday, Aug. 21: We met with Dean Minakami and Janice Takahashi of HHFDC to give them a progress report on our "plan scoping" work to date.

10. Friday, Aug. 23: We developed a DRAFT SCOPE OF WORK for the WAI'AHOLE COMMUNITY ACTION PLAN and emailed the DRAFT to HHFDC staff and to the Waiāhole families with whom we had met from 8/16 through 8/23.
11. Monday, Aug. 26: We attended the bi-weekly meeting of the WWCA Steering Committee. We presented the Draft Scope of Work and handed out copies.
12. Week of Aug. 26: We wrote and emailed "Thank You" letters to Waiāhole families with whom we met during the period Aug. 16 through 23. We included hard copies of the Draft Scope of Work with these letters.
13. Wednesday, Aug. 28: We received "consolidated comments" on the Draft Scope of Work from HHFDC staff.
14. Aug. 31: We sent emails and a copy of the Draft Scope of Work to several other Waiāhole families with whom we had not been able to meet: Hannah and Lucy Salas, Joseph and Pat Royos and Byron Ho.

Note: We know that we will need to talk with many more Waiāhole families during the planning process.

Based on our review of project documents, our discussions with HHFDC staff and our talk story sessions with Waiāhole farmers and families to date, we have developed some draft **"guiding principles"** for the Waiāhole planning process going forward. These guiding principles are as follows:

- The Waiāhole planning process has to be a truly collaborative and open planning process. HHFDC staff and the consultant will need to work closely with the WWCA and with other Waiāhole families throughout the planning process.
- This planning process has to have a lot more than "community input" – the Waiāhole Community Action Plan has to be a community-based plan that provides analysis and solutions that both the Waiāhole community and the HHFDC can agree to and work together to implement.
- The plan should lay the groundwork for a sustainable Waiāhole community – in terms of environmental protection and stewardship and a thriving rural agricultural community governed by equitable policies and fiscally sustainable economics.
- The Plan should focus on the most important issues/problems of the Waiāhole community and actions needed to address issues/solve problems: ACTION PLANS.
- Both the consultant and designated HHFDC staff will need to spend significant time in the community – not only for "official" meetings with the WWCA, but also – and perhaps of even more importance – doing informal talk story sessions with community leaders and long time residents.

- HHFDC, in partnership with the Waiāhole community, needs to start taking some action on critical environmental issues even while the Plan is being developed. Example: spend some \$\$ to hire an arborist crew to remove albizia that are choking the flows of Waiāhole and Waikane Streams. Recruit some qualified Waiāhole people to do some of the albizia clearing work. HHFDC presence, action and credibility are critically important!
- CRITICAL PLANNING ISSUES include: HHFDC expectations for this Plan; some of the provisions of the Waiāhole Leases; lessee compliance with lease terms; a new potable water system; flooding and management of the streams; removal of albizia and other invasive plants; elderly lessees who can no longer farm; not enough productive farming overall.

Given budget limitations for this planning work, we have assumed that HHFDC will contract for a scope of work and planning schedule that will require approximately 12 months at a cost of \$100,000. Additional time and funds may be allocated to the Waiāhole Community Action Plan if progress is being made toward solving some of the priority Waiāhole issues.

SCOPE OF WORK FOR THE WAIĀHOLE COMMUNITY ACTION PLAN

WORK ELEMENT NO. 1 – DATA REVIEW, ESTABLISH VISION, GOALS AND OBJECTIVES

A significant amount of planning has been done for Waiāhole Valley over the years, including the recent Waiāhole Strategic Plan by SMS and the Waiāhole Strategic Plan developed by the WWCA. Planning work here will include the following tasks:

- 1.1 Review of background documents and information, including:
 - SMS Waiāhole Community Strategic Plan (2019)
 - Waiāhole Community Strategic Plan of the WWCA (2019)
 - For Information presented to HHFDC Board of Directors (2015)
 - Waiāhole Valley planning study (1977)
 - Revised EIS for Waiāhole Valley subdivision (1985) and its related technical studies
 - The Declaration (1995) and its supplements and amendments
 - Sample agricultural and residential lot ground leases (1998)
 - Sample amended ground lease incorporating provisions for self-help housing, deferred sales price loan, and shared appreciation equity programs (2006)
 - Agricultural lot inspection reports (ca. 2011)
 - Phase I Environmental Site Assessment for Lot 33 and subsequent consultant reports (2015 to 2016)
 - Draft administrative rules for the Waiāhole Water System (2016)
 - HHFDC Board For Actions relating to Waiāhole Valley
 - Waiāhole Valley DURF budget and related historical financial information
 - Maps of the Waiāhole Valley subdivision and Infrastructure Systems
 - Operating budget and funding sources for the Waiāhole community
 - Miscellaneous other background information to be provided by HHFDC
- 1.2 Develop some data MAPS for Waiāhole, including maps showing the different types of lot tenancy, including lots with Ag Leases, lots with Residential Leases, DHHL lots, empty lots; map showing active agriculture activities; map(s) illustrating significant environmental problems, including albizia and flooding.
- 1.3 Attend and facilitate Joint Meeting(s) with WWCA and HHFDC to identify and discuss the critical issues that the Action Plan will need to address.
- 1.4 Assist the Waiāhole community to articulate a shared Community/HHDC VISION for Waiāhole Valley and the MISSION of the WWCA, the HHFDC and any other Waiāhole community organizations to implement that Vision.
- 1.5 Collaborate with the Waiāhole community and with HHFDC to clearly define the GOALS AND OBJECTIVES for the Waiāhole Community Action Plan.

We will compile our findings from Work Element No. 1 in a PROGRESS REPORT that we will submit to HHFDC, to the WWCA and to Waiāhole families who may not be members of the WWCA.

WORK ELEMENT NO. 2 – RESEARCH AND ANALYSIS OF THE CRITICAL PROBLEMS/ISSUES

Through an analysis of HHFDC and Waiāhole community documents, as well as through joint discussions involving HHFDC and the community, Townscape planners will identify and describe the critical problems/issues and related costs that the Waiāhole Community Action Plan will need to address. We will consult with other agencies and entities as needed, including possibly the Honolulu Board of Water Supply, the Department of Hawaiian Home Lands, and the Department of Land and Natural Resources. We expect that these critical problems/issues will include (but not be limited to):

- 2.1 The Waiāhole Potable Water System – Existing and Planned/Proposed
- 2.2 Communications between the WWCA and HHFDC, and between the WWCA and Waiāhole residents who are not members of the WWCA;
- 2.3 Compliance with the current leases and data regarding compliance, lease rents and operating costs for HHFDC;
- 2.4 Changes to the terms of the long-term Waiāhole leases that may be needed to provide more financial flexibility for lessees;
- 2.5 Policies for leasing presently unleased lots;
- 2.6 Stream flooding, flood control and potential costs.
- 2.7 Eradication of Albizia trees and other invasive plants and potential costs;
- 2.8 The role of HHFDC, other agencies and the community with respect to enhancing/promoting agricultural production.
- 2.9 Organizational possibilities, including formation of a Farmers hui, possibly a non-profit community entity, possible application of a “Community Land Trust” or other governance model;
- 2.10 Community facilities: Community Center? Care Home for kupuna? Including analysis of Federal Fair Housing laws;
- 2.11 Critical external projects and issues, including the eventual replacement of the Waiāhole Stream Bridge on Kamehameha Highway;

- 2.12 HHFDC funding and staffing limitations, and alternatives for property management;
- 2.13 Federal, State and County regulations that affect management of the Waiāhole community – e.g., Federal Fair Housing Laws, authorized use of funds, infrastructure design standards; environmental regulations: employment; procurement.
- 2.14 The impacts and challenges of CLIMATE CHANGE and how HHFDC and the Waiāhole community can be proactive in adapting their stewardship of Waiāhole lands and resources to climate change impacts.

We will compile our findings from Work Element No. 2 in a PROGRESS REPORT that we will submit to HHFDC, to the WWCA and to Waiāhole families who may not be members of the WWCA.

WORK ELEMENT NO. 3 – ALTERNATIVE SOLUTIONS FOR THE CRITICAL PROBLEMS/ISSUES

Once the critical problems/issues have been identified and described, Townscape planners will collaborate with the WWCA and other Waiāhole community members, and with the HHFDC to investigate and articulate alternative action strategies and preferred actions and strategies to address these problems and issues.

In order to address many of the critical issues in a comprehensive way, Townscape planners will organize a number of WORKING GROUPS consisting of Waiāhole community members and HHFDC staff, and these Working Groups will meet a number of times to develop/agree on:

- Location(s) of the problem, if the problem is a physical/geographical problem
- Elements of the problem or issue
- Solutions that have been proposed in the past
- Ideas for new solutions
- Consultation with other City or State agencies that may have jurisdiction
- Analysis of possible solutions: costs, impacts, obstacles, benefits to HHFDC and to the Waiāhole community
- General agreement on best solution(s)

Townscape planners will document the ALTERNATIVE SOLUTIONS in a PROGRESS REPORT that we will submit to the HHFDC, to the WWCA and to Waiāhole families who may not be members of the WWCA.

WORK ELEMENT NO. 4 – DRAFT WAIĀHOLE COMMUNITY ACTION PLAN

We will continue to collaborate with the WWCA, Waiāhole families who may not be members of the WWCA and with HHFDC to formulate the DRAFT WAIĀHOLE COMMUNITY ACTION PLAN.

The DRAFT ACTION PLAN will summarize the entire planning process and will focus on ACTION AGENDAS and IMPLEMENTATION METHODS for priority issues, programs and projects, which will include but not be limited to the priority issues listed in Work Element No. 2 above.

The DRAFT ACTION PLAN will also document priority issues for which feasible solutions may NOT have been resolved during the 12-month planning process.

We will submit the DRAFT WAIĀHOLE COMMUNITY ACTION PLAN report to the HHFDC, to the WWCA and to Waiāhole families who may not be members of the WWCA for review and comment.

WORK ELEMENT NO. 5 – FINAL WAIĀHOLE COMMUNITY ACTION PLAN

Townscape planners will meet with the Waiāhole working committees, with the WWCA, with families who may not be members of the WWCA, and with HHFDC to discuss their comments on the DRAFT WAIĀHOLE COMMUNITY ACTION PLAN.

The review process will probably include a number of joint WWCA/HHFDC meetings. After Townscape planners receive comments from the community and from HHFDC, we will finalize the WAIĀHOLE COMMUNITY ACTION PLAN.

NOTE: This ACTION PLAN should be seen as only a start in a long-term, multi-generational process that will take many years to implement. Townscape planners would be pleased to have a continuing role in this implementation process. However, this current proposed scope of work is limited to the development of the WAIĀHOLE COMMUNITY ACTION PLAN as described in this Scope of Work.

DELIVERABLES

- PROGRESS REPORTS for Work Elements 1 through 3 – Electronic Format only
- DRAFT WAIĀHOLE COMMUNITY ACTION PLAN – Electronic Format plus 10 hard copies
- FINAL WAIĀHOLE COMMUNITY ACTION PLAN – Electronic Format plus 10 hard copies

STAFFING

Townscape staff for the development of the WAI'AHOLE COMMUNITY ACTION PLAN will be:

- BRUCE TSUCHIDA, Principal Planner of Townscape, Inc.
- LILLIE MAKAILA, Staff Planner
- Other Townscape planners as may be needed

APPENDIX D:
WAIĀHOLE PLANNING MEETINGS
SEPTEMBER 2020 TO MARCH 2021



INTRODUCTION

This summary report is intended to provide a list of work tasks associated with the Waiāhole Community Action Plan project to the HHFDC, the WWCA and its members, and Waiāhole community folks at large. This Report describes planning meetings and correspondence regarding the resuming of planning meetings completed by Townscape, Inc. for the duration of the planning process.

The “Notice to Proceed” (NTP) Letter from HHFDC for this planning project specified the NTP date of November 8, 2019. Prior to that date, Townscape planners did some preliminary meetings and project research in order to develop a proposed scope of work. Please see Appendix D: TSI Planning Scope for details of these preliminary meetings.

LIST OF PLANNING MEETINGS

- November 22, 2019: We met with HHFDC staff to receive and review additional background information about Waiāhole Valley history.
- November 25, 2019: We attended the bi-weekly meeting of the WWCA Steering Committee and discussed prioritization of issues and concerns to discuss at future subcommittee meetings.
- December 2, 2019: We attended the bi-weekly meeting of the WWCA Steering Committee and discussed the goals for upcoming subcommittee meetings, format of the meetings, and communication and publicity to valley residents regarding future meetings.
- December 9, 2019: We attended the WWCA Blessing ceremony along with HHFDC staff and the community. The WWCA invited HHFDC, Townscape, Inc., and all of the community to participate in a blessing in celebration of the official contract with Townscape, Inc. and “NOTICE TO PROCEED”.
- December 11, 2019: We attended a meeting with HHFDC and Dave Bills of Bills Engineering (consultant to HHFDC) to discuss the research into various options for repair or replacement of the Waiāhole Valley Water System (WVWS) that is currently owned by HHFDC and serves the residents of the valley.
- December 16, 2019: We attended a the first of the scheduled monthly coordination meetings with HHFDC staff to discuss updates on the plan and worked to refine a letter to Waiāhole Valley residents inviting them to attend future planning meetings.
- January 6, 2020: We attended a coordination meeting with HHFDC staff.
- January 13, 2020: We attended the first Hui Wai Ola subcommittee meeting of the Waiāhole community, along with HHFDC and other interested parties to discuss the current issues surrounding water for the valley. This meeting discussed the current potable water system, the WVWS, and community shared their concerns for repair and replacement of the water system as all agree that the current system needs significant improvement or change. HHFDC staff shared information regarding an upcoming meeting with the Commission for Water Resource Management, a recent contamination

of the WVWS, and progress on research into various options for repair or replacement of the system.

- January 16, 2020: We attended a meeting with HHFDC staff to debrief following the Jan. 13 Hui Wai Ola meeting, and discuss strategy for future meetings to address water-related issues.
- January 27, 2020: We attended a meeting with staff from the Commission for Water Resource Management (CWRM) to discuss the water resources in Waiāhole Valley, and the proposed water system options for repair or replacement of the Waiāhole Valley Water System (WVWS). This meeting was attended by HHFDC Staff, select WWCA leadership, several Waiāhole community members and Dr. Kapua'ala Sproat. CWRM staff shared regulatory information and recommendations.
- January 27, 2020: We attended a coordination meeting with HHFDC staff and members of the HHFDC Board subcommittee for Waiāhole. This meeting provided project updates to the Board subcommittee.
- January 27, 2020: We attended the WWCA General Meeting which occurs quarterly in the Valley. This meeting included a presentation by HHFDC staff and Dave Bills of Bills Engineering to attendees regarding the proposed options for the repair or replacement of the WVWS.
- February 3, 2020: We facilitated the Hui Ho'oulu 'Ai (Farming & Agriculture) Meeting No. 1. Participants discussed priorities and issues related to farming and agricultural operations and suggested potential resources for support of farmers in the Valley.
- February 11, 2020: We met with Principal Alexandra Obra of Waiāhole Elementary School to discuss the school's role in the community. Principal Obra shared issues that the school is currently facing, and suggested ways that the relationship between the community and school could be mutually beneficial.
- February 11, 2020: We met with Shannon Teixeira, private landowner and life-long resident of Waiāhole Valley. Shannon shared some history of the valley, identified concerns and priorities from his perspective, and suggested some important stakeholders that should be included in the planning process.
- February 21, 2020: We attended a Windshield Survey tour of Waiāhole Valley with Jason Takata of HHFDC. This tour included site visits to important areas and lots that are a priority for Jason in his management duties including common areas for illegal activity, vacant lots, HHFDC open lots, and areas that require on-going maintenance.
- February 21, 2020: We met with Charlie, Paul and John Reppun to discuss their ideas for hydroelectric power generation in Waiāhole Valley. They shared history of Waiāhole water resources, including the Waiāhole Irrigation Ditch, their participation in the Contested Case hearings for water allocation of those waters, and their research into the potential for hydroelectric power generation.
- February 24, 2020: We facilitated the Hui Pono (Leases) Meeting No. 1. This meeting included a presentation of general lease information by HHFDC staff to attendees and discussion regarding priorities for the Hui Pono group moving forward.
- February 25, 2020: We reached out to Barry Usagawa of the Board of Water Supply for recommendations regarding the proposed options for the repair or replacement of the

WVWS. Barry was able to share his knowledge of the use of wells and development tunnels as a water source for a water system.

- February 27, 2020: We met with staff from Doonwood Engineering, the current operators for the WVWS for information and recommendations regarding the proposed options for repair or replacement of the WVWS.
- March 2, 2020: We attended the monthly coordination meeting with HHFDC staff and discussed progress to date, upcoming meetings, and immediate priorities for the month.
- March 4, 2020: We attended a pre-meeting with the WWCA chairpersons to plan and prepare for the upcoming Hui Wai Ola meeting scheduled for Monday, March 9, 2020.
- March 5, 2020: We met with Juan Garcia of the Department of Hawaiian Home Lands (DHHL) Homestead Services Division (HSD) for O'ahu island. This meeting shared details of our current work on the Waiāhole Community Action Plan, detailed the history of DHHL lots and lessees in the Valley, and discussed potential ways that DHHL can be involved in and support the planning efforts.
- March 6, 2020: We attended a meeting with the Hawai'i State Energy Office which included State Energy Office staff, and the Reppun brothers. This meeting discussed the proposed idea of hydroelectric power generation in Waiāhole Valley. State Energy Office staff was able to share some suggestions for potential resources for funding and technical assistance in pursuing hydroelectric power generation in the Valley.
- March 9, 2020: We met with the Jacobsen Family of Lot #81 located on Waiāhole Valley South Branch Road. This meeting discussed how the family became lessees in the valley, and the challenges of having an agricultural lot that does not have electricity as the last HECO utility pole and power lines along South Branch Road end several hundred yards from their lot.
- March 9, 2020: We facilitated the Hui Wai Ola Meeting No. 2. This meeting provided informational updates on questions and concerns that were raised at Hui Wai Ola Meeting No. 1, as well as updates on the various options from repair or replacement of the WVWS.
- March 10, 2020: We met with Jason Shitanishi of the United States Department of Agriculture (USDA) Farm Service Agency (FSA). This meeting discussed challenges and concerns facing farming and agricultural operations in Waiāhole Valley, and the current planning efforts associated with the Waiāhole Community Action Plan. Jason shared some potential resources for funding and technical support for farmers and agricultural operations in the Valley.
- May 11, 2020: There was a meeting of the DBEDT Subcommittee on Waiāhole to discuss the status of the planning work completed and to give guidance for the on-going planning process.
- July 21, 2020: Townscape participated in a Traffic Issues Meeting to discuss the traffic congestion issue at the intersection of Waiāhole Valley Road and Kamehameha Highway. This meeting included Liko Hoe of Waiāhole Poi Factory; John Reppun of Kahalu'u Neighborhood Board and a Valley resident; Laurence Uyemura and Toni Cano, of the WWCA and a Valley residents; as well as HHFDC staff Dean Minakami, Carianne Abara, and Jason Takata. This meeting discussed concerns and potential solutions to the traffic congestion and safety issues surrounding the Waiāhole Poi Factory.

- August 24, 2020: Townscape attended an in-person site visit hosted by Jason Takata of HHFDC regarding the traffic issues and concerns at the intersection of Waiāhole Valley Road and Kamehameha Highway. This meeting also included: Liko Hoe, Calvin Hoe, John Reppun and Nellie Dano.
- September 1, 2020: Townscape attended a virtual meeting hosted by HHFDC staff to discuss traffic issues and concerns at the intersection of Waiāhole Valley Road and Kamehameha Highway related to parking and traffic from patrons of the Waiāhole Poi Factory. This meeting was open to community participation. A total of 4 HHFDC staff and 16 community members and 1 Townscape staff were in attendance. (note: Townscape staff experienced technical difficulties with the Teams platform and were unable to attend the meeting in its entirety).
- October 5, 2020: Townscape staff facilitated a Hui Pono Lease Rent Renegotiation Meeting virtually via Zoom. This meeting was attended by HHFDC staff, community members and WWCA steering committee members. It included a presentation on Leases provided by Chris Woodard of HHFDC. The meeting concluded with a verbal outburst of some of the WWCA steering committee members questioning the integrity of staff and the proposed process.
- October 13, 2020: Townscape attended an in-person meeting with WWCA Steering Committee and Dean Minakami of HHFDC to discuss the outburst at the October 5, 2020 Hui Pono meeting.
- November 5, 2020: Townscape attended a meeting hosted by HHFDC staff regarding Albizia tree removal. Staff of the Koʻolau Mountain Watershed Partnership shared a presentation regarding best management practices for albizia tree removal.
- January 23, 2021: Townscape received a copy of a letter from Laurence Uyemura to Janice Takahashi regarding a proposed alternative for the future of the Waiāhole Valley Water System.
- February 17, 2021: HHFDC staff attended a meeting with Laurence Uyemura regarding his January 23, 2021 letter to Janice Takahashi. (note: as Townscape was not explicitly invited, we were not in attendance in order to be sensitive to stagnant communication with the WWCA regarding resuming the Action Planning process).
- April 16, 2021: Townscape prepared a DRAFT Action Plan Outline and provided this DRAFT for review to HHFDC staff and WWCA steering committee members.
- April 19, 2021: HHFDC provided comments to DRAFT Action Plan Outline.
- April 24, 2021: WWCA Farmer's Hui co-chair provided comments to DRAFT Action Plan Outline.
- April 26, 2021: WWCA Farmer's Hui remaining co-chairs provided comments to DRAFT Action Plan Outline.
- April 27, 2021: Townscape attended the WWCA Farmer's Hui Meeting.
- April 29, 2021: Townscape attended the HHFDC Lease Rent Renegotiation Meeting. This meeting was open to community attendance. A presentation on the Lease Rent Renegotiation process was provided by Chris Woodard of HHFDC.
- May 11, 2021: Townscape provided a Revised DRAFT Action Plan Outline to HHFDC and WWCA steering committee members for review.

- May 13, 2021: The DBEDT Subcommittee to Waiāhole has a meeting to discuss Waiāhole issues and reviewed the Revised DRAFT Action Plan Outline.
- May 18, 2021: HHFDC provided comments to Revised DRAFT Action Plan Outline.
- June 9, 2021: WWCA Farmer's Hui contacted Townscape to request data related to the Farmer's Hui for use in grant writing.

APPENDIX E:
WAIĀHOLE FARMING ACTION PLAN

WAIĀHOLE FARMING ACTION PLAN

Waiāhole, Koʻolaupoko, Oʻahu

September 2021

Prepared by
Townscape, Inc.

NOTE FROM TOWNSCAPE, SEP. 23, 2021: This draft material on **FARMING IN WAIĀHOLE VALLEY** is an excerpt from the draft report on Waiāhole issues that Townscape, Inc. has been working on since early 2021. The full draft report, which also contains sections on the **WAIĀHOLE WATER SUPPLY SYSTEM** and on **THE RENEGOTIATION OF WAIĀHOLE LEASES** is still not ready for community review. However, HHFDC recognizes that community action on **FARMING ISSUES AND OPPORTUNITIES** is a very high priority for the Waiāhole community. The HHFDC has agreed that the draft chapter on **FARMING IN WAIĀHOLE VALLEY** can be released for community review at this time.

NOTE FROM TOWNSCAPE, SEP. 28, 2021: Apologies to the WWCA, but we have had to amend our submittal to the WWCA of excerpts on **FARMING** from the draft report on Waiāhole issues. We mistakenly included in our Sep. 23, 2021 submittal to the WWCA the introductory material on **FARMING** and excerpts from the **SMS Plan** and the **WWCA Plan**. Our submittal to the WWCA should have been limited to **Sections 1.1. FARMERS' MARKET/FESTIVAL MARKET, 1.2. FARMERS' HUI and 1.3. WAIĀHOLE-WAIKĀNE BRAND**. The attachment to this email is the amended submittal on **FARMING**.

The HHFDC will be sending copies of this submittal to Waiāhole families who are not members of the WWCA.

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FARMING ACTION PLAN

1. FARMER'S MARKET/FESTIVAL MARKET

The Hui Ho'oulu 'Ai envisioned a farmers' market or festival market that would be a venue for farmers from the Valley to sell their produce directly to consumers. This market would take place within the Valley and would serve the surrounding communities. The market would feature agricultural producers from Waiāhole-Waikāne and would include fresh produce, value added items, as well as prepared food. This market may also include various arts and crafts, as well as live music and entertainment. It would take place at a consistent frequency, allowing local community folks to be regular patrons supporting Waiāhole-Waikāne farmers. A farmers' market or festival market would open an additional sales stream for farmers in the Valley, and would provide a venue for the surrounding community to take an active role in supporting farmers in their own community.

1.1 POTENTIAL SITE LOCATIONS

The Hui Ho'oulu 'Ai, Farming & Agriculture group of the WWCA has discussed the vision for a farmers' or festival market for the Valley farmers. They expressed that the festival or market must be located within the Waiāhole-Waikāne area. The vision is for this event to be called the Waiāhole-Waikāne Farmers' Market/Festival Market, and in order to have that name it must be located in the Waiāhole-Waikāne area. This event is meant to showcase the Valley and everything that it has to offer, and therefore it must take place in the community's "back yard". The location should be easily seen and accessed by people traveling through the area and should allow appropriate space for the sale of produce, prepared foods, and potentially live music and entertainment. In addition to these preferences, there would be a need for appropriate infrastructure such as vehicular access, parking, water, and restrooms. This report identifies two potential site locations, and discusses the suitability of these sites to meet the needs and preferences for a Waiāhole-Waikāne Farmers' Market/Festival Market.

Waiāhole Beach Park



Figure 1 - View of Waiāhole Beach Park (source: hertz.com)

The Waiāhole Beach Park is located at 48-181 Kamehameha Highway. It is a public beach park and it is owned and maintained by the City & County of Honolulu, Department of Parks and Recreation. The park is located in District 4, within the Kahalu'u Complex of Parks. It is located

along Kamehameha Highway, the main access road to the Waiāhole area, and it is a large open space that would be suitable for hosting a farmers' or festival market. This property is located in the State Land Use Agricultural District and is zoned AG-2 General Agricultural District in the City Land Use Ordinance. Outdoor recreation and public uses are allowed on this parcel. This location is strongly preferred by the Hui Ho'oulu 'Ai and WWCA Steering Committee members.

The Waiāhole Beach Park presents several major challenges to community use. The park is described by the Department of Parks and Recreation as a "view plane" park. It does not have any amenities or facilities in place. There is no running water, no vehicular access, no restrooms, and no designated parking. Use of this park is limited by these issues, and these constraints would need to be addressed in order for the space to be used by the community to host a farmer's or festival market.

The process to utilize the space, according to the Department of Parks and Recreation, is to reach out to the District 4 (Windward) Manager with a proposal describing the proposed use. This proposal would be reviewed and either approved or denied. If the proposal is approved, a Special Use Permit would be issued to the organization or entity who will be hosting the festival or market. As the lack of access, water, restrooms, and parking create safety issues, it is not likely that a Special Use Permit would be issued to host a farmers' or festival market at Waiāhole Beach Park.

A potential long-term solution to address these constraints and allow for use of the Waiāhole Beach Park by the community might be a partnership between a community group or organization and the Department of Parks and Recreation. Through a partnership of this type, the community and the City Department may be able to create access and a safe parking space. Portable restrooms can be rented for the site as well as portable water and are therefore not the priority issues that should be addressed. Once safe access and parking are established, planning and funding for the construction of a comfort station at the Waiāhole Beach Park can then be the next priorities in creating a public park that is able to better serve the community.

At this time, the Waiāhole Beach Park only meets the following preferences of the community: located in Waiāhole/Waikāne area, highly visible as it is located along the main highway and has ample space for vendors and entertainment. The site does not have suitable infrastructure such as vehicular access, parking, water, and restrooms. The challenges to design and construction of the necessary infrastructure will likely take time, effort and funding. For comparison, the Waimānalo Bay Beach Park project Phase I including a baseball field, playground, and 11 parking stalls at a cost of \$1.42M. Pu'u 'o Hulu Community Park comfort station was completed in 2019 at a cost of just over \$1M. Funding for the necessary infrastructure would need to be secured in order to allow the venue to be used for a festival/market space.

Waiāhole Nursery & Garden Center (Koalani Acres, LLC. c/o Patricia Dukes)

The Waiāhole Nursery and Garden Center is located along Kamehameha Highway in Waiāhole. It is between Lot #10 and Lot #11. This property is a 3-acre fee simple parcel that is owned by Koalani Acres, LLC, whose agent is Patricia Dukes. The Waiāhole Nursery and Garden Center offers services such as plant sales, tours & education, and site rental for use as an event venue. There are two driveway accesses to the property, as well as a large gravel parking area. This site could easily accommodate a farmer's or festival market with estimated parking for about 20-



Figure 2 - Waiāhole Nursery & Garden Center (source: hawaiimagazine.com)

30 vehicles This property is located within the State Land Use Agricultural District and is zoned AG-2 General Agricultural District in the City Land Use Ordinance. Outdoor recreation and public uses are allowed on this parcel.

With an agreement between the property owner and a community group or organization, use of this site for a farmer's or festival market could take place without the need for any additional land use permitting or strategic planning. As the property is currently used as an event venue, a farmer's or festival market would fit well with the current operations on the parcel. Locating the market on this parcel would fit the following preferences of the community for the site: located in Waiāhole/Waikāne area, highly visible as it is located along the main highway, has ample space for vendors and entertainment, and has suitable infrastructure such as vehicular access, parking, water, and restrooms.

1.2 APPROVALS & PERMITS FOR THE MARKET

The necessary approvals and permits needed for the market are site specific. These details are described above in the description for the two potential sites identified. Beyond land use approvals, markets often include the need for liability insurance for the property, liability insurance for any vehicles used to transport commercial goods, GET licenses for all vendors, as well as the appropriate health certificates for any prepared foods.

Currently the City & County of Honolulu Department of Parks and Recreation is partnered with the People's Open Market (POM) program to provide farmer's markets at various parks

throughout Honolulu. This program was founded in 1973 and is meant to accomplish three goals:

1. To provide the opportunity to purchase fresh agricultural & aquacultural products and other food items at a low cost.
2. To support the economic viability of diversified agriculture and aquaculture in Hawai'i by providing market sites for local farmers, fishermen, or their representatives to sell their surplus and off-grade produce.
3. To provide focal point areas for residents to socialize.

There are 25 market locations on O'ahu that serve an estimated 500,000 people. The markets operate once per week for about one hour and often include items that are priced lower than retail stores and feature ethnic produce that is not easily found at larger stores.

Vendors who wish to participate in the open market are required to complete a vendor application, provide their own insurance, and meet permitting requirements. The application includes identification information as well as details about the items that will be sold. Applicants are asked to identify if they will be selling only items that they have produced, only items produced by others, or both.

Vendors are expected to carry Comprehensive General Liability Insurance that includes bodily injury and products liability coverage of no less than \$1M per occurrence and property damage coverage of \$30,000 per occurrence. In addition, vendors are also asked to carry Auto Liability Insurance for any vehicles that are used to transport or sell products. This should include no fault and bodily injury coverage of no less than \$300,000 per occurrence and property damage of no less than \$30,000 per occurrence.

All vendors are required to have a Federal Employer ID number and/or Social Security Number as well as a General Excise Tax License for the State of Hawai'i. Depending on the items being sold, vendors may have to have the following licenses/certifications/permits, etc:

- Retail Merchant License
- License for Commercial Measuring Devices
- Food Service and Food Establishment Permit
- Food Stamp Authorization
- X-Ray or Skin Test
- Commercial Marine License

As the POM program operates in partnership with the Department of Parks and Recreation, a farmer's market located at Waiāhole Beach Park may be in conflict with this program. Should Waiāhole Beach Park be renovated in order to allow for public use as an event venue, the community may be able to work with the POM staff to bring a POM sponsored farmer's market to the park. A POM market would be open to all POM vendors, and would not be exclusive to Waiāhole-Waikāne producers. If an exclusive market is desired, finding ways to differentiate from the POM markets would be advised such as, branding as a "festival market" or "Waiāhole-Waikāne" community event.

A potential market should use the POM program as a model for the insurance, licenses, and permits required of all vendors. Insurance, licenses and permit requirements for the use of public spaces such as HHFDC owned lands or City & County owned lands are the same as those described above. Insurance requirements for the use of private spaces, such as the

Waiāhole Nursery & Garden Center, are at the discretion of the property owner. Licensing and permitting requirements are the same as described above.

1.3 NEXT STEPS

The following are the suggested action steps for implementation:

1. Select or form an organization to lead the establishment of the market.
 - a. This might be a new organization such as a Farmers' Hui, or could be a task taken on by the WWCA, or another community organization.
2. Complete a survey of agricultural and commercial producers to gauge interest in participation in a farmer's or festival market.
 - a. This survey should include questions regarding:
 - i. potential produce, and other products that might be sold at a market
 - ii. insurance, licenses, and permit inquiries
 - iii. preferred frequency of participation
 - iv. any barriers that might be preventing a person's participation that they may need assistance in overcoming
 - b. This survey will give a clear idea of the interest in participation, types of products that will be available at the market, and types of assistance needed, if any in preparation for establishing the market.
3. Select a site location.
4. Complete necessary site improvements, agreements, applications, insurance and permitting requirements based on the site location selected.
5. Marketing & promotion.
6. Host a Waiāhole-Waikāne farmers' or festival market on site.
7. Debrief amongst leadership & vendors and suggest improvements for future markets.

2. FARMERS' HUI

The Hui Ho'oulu 'Ai hosted a meeting in spring 2021 and invited members of the community to discuss the idea of a farmers' hui and how this concept might support Waiāhole-Waikāne farmers. Participants in this meeting discussed the need for someone(s) to take charge of establishing the farmers' hui and begin the process of establishing a farmers' hui as a legitimate entity within the community. Leadership is critical to the formation of a farmers' hui.

Defining the purpose of the farmer's hui is another critical component in establishing a farmers' hui. Some participants questioned what the overall purpose of a farmers' hui might be, and how the hui would function within the community. It was suggested that the purpose of the farmers' hui is to create a support network of interested farmers in Waiāhole-Waikāne in order to provide support, assistance and fellowship opportunities to its membership.

The Hui Ho'oulu 'Ai and participants in the spring meeting recognized that successful farms and agricultural operations in Waiāhole-Waikāne would benefit everyone within the community, including the HHFDC as the landowner and landlord to the tenants. The community values the agricultural history and character of Waiāhole-Waikāne and seeks to preserve and perpetuate this unique characteristic within the community for the future.

Some suggested functions of the farmers' hui include seeking financial and technical assistance resources to support members of the hui, organizing community workdays to provide volunteer labor to farmers in need, and taking on a leadership role in establishing a farmers' or festival market and a Waiāhole-Waikāne brand.

2.1 FARMERS' HUI IN HAWAII

There are many examples of farmers' hui that have been established in the islands. This report will focus on four successful hui that may be good models for a Waiāhole-Waikāne Farmers' Hui.

Wai'oli Taro Hui

The Wai'oli Taro Hui was formed in 2018 following the historic flooding that damaged much of Wai'oli and Hanalei Valleys on the north shore of Kaua'i island. Kaua'i supplies 80% of the kalo consumed locally, and 30% of that kalo is grown in Wai'oli and Hanalei Valleys. The farmers of Hanalei and Wai'oli were faced with overwhelming obstacles in repairing the flood damage which severely decreased the flow of freshwater to the lo'i kalo and made it clear to kalo farmers that their way of life was at risk.

In order to accomplish the work needed to protect their farm operations and preserve the small, generational farms of this place, kalo farmers unified as one and established the Wai'oli Taro Hui. This hui worked with the Ka Huli Ao Center for Excellence for technical assistance. They were able to establish themselves as a nonprofit and obtain federal tax-exempt status. They were able to navigate the complex permitting processes in order to make necessary repairs. They also applied for and were granted a perpetual easement and right of entry from the Board of Land and Natural Resources to access critical lands owned by the State of Hawai'i. The Wai'oli Taro Hui was able to work with the Commission on Water Resource Management to establish critical instream flow standards that will help to protect taro farming there for future generations. This hui has accomplished all of these measures in the three years since their formation, and will continue to work towards protecting their way of life for generations to come.

Hawai'i Agricultural Foundation

The Hawai'i Agricultural Foundation (HAF) was established in 2007 under the name the Hawai'i Farm Bureau Foundation for Agriculture. It was renamed HAF in 2010. The HAF Ag Park is located in Kūnia at the property formerly known as the Kūnia Agricultural Park. The HAF Ag Park was established in 2012 and includes 220 acres of land leased to 25 farmers who grow a variety of produce. HAF is responsible for the day-to-day operations and maintenance of the park, and provides a full-time property manager to oversee the property, programs and provide assistance to lessees. HAF also works in partnership with local schools to provide agricultural education to students in the State.

HAF facilitates the following programs to support farmers:

1. Outreach/Public Awareness Programs such as, "EAT THINK DRINK", Localicious Hawai'i, and Local Inside CSA.
2. Educational Programs
3. Farmer Assistance Programs

Other programs are facilitated by HAF, such as food safety workshops, farmer training and fundraising. HAF has created successful partnerships with the State of Hawai'i Department of Agriculture, State of Hawai'i Department of Education, the Hawai'i Community Foundation, Hawaiian Airlines, Honolulu Magazine, and many more.

Hawai'i Farm Bureau

The Hawai'i Farm Bureau is a grass roots non-profit organization that was established in 1940 by a group of Windward O'ahu farmers and was incorporated in 1950. Today, there are approximately 2,000 member families located in eleven Farm Bureau counties across the state. The East O'ahu Farm Bureau includes the Waiāhole-Waikāne area. The Hawai'i Farm Bureau is meant to unify the County Bureaus. They work on special interests such as: land use, water, commodity groups, pesticide awareness, legislative activity, taxes and marketing. The Hawai'i Farm Bureau works to provide assistance with grant writing, technical training and assistance, advocacy, and operates a system of farmer's markets.

The Hawai'i Farm Bureau Farmer's Markets are: Kapi'olani Community College, Mililani, Honolulu, Kailua, Kaua'i Community, Kaua'i Culinary and Keahou. The Hawai'i Farm Bureau also hosts the Hawai'i State Farm Fair which usually takes place each summer and has been located at Kualoa Ranch in recent years. This Fair features the 4-H program, various vendors, family activities, and agriculture related educational booths.

2.2 ESTABLISHING A FARMERS' HUI

Creating a Farmer's Hui in Waiāhole-Waikāne could be a successful method of assisting farmers with networking, and providing technical support and assistance to farmers in need. All of the Farmers' Hui that were researched as a part of this planning process are nonprofit organizations with 501(c)(3) tax status. Should Waiāhole-Waikāne farmers decide to establish a hui, consideration should be given to 1. Leadership, and 2. Purpose, Goals, & Objectives. Once these two steps have been completed, the following is a step by step guide to establishing the hui as a non-profit organization in the State of Hawai'i.

Action Steps to establish the Farmers' Hui as a non-profit organization:

- I. Create a name for the hui.
 - a. Check the Hawai'i Business Registration Division (BREG) name search to ensure that the name is available and meets state requirements.
- II. Establish the leadership.
 - a. Incorporators
 - b. Directors
 - c. Officers
 - d. Registered Agent
- III. Complete the Articles of Incorporation.
 - a. BREG Articles of Incorporation
 - i. <https://files.hawaii.gov/dcca/breg/registration/forms/dnp-1-pdf.pdf>
- IV. Obtain an Employer Identification Number (EIN).
 - a. IRS Form SS-4
- V. Establish governance & policies.
 - a. Bylaws
 - b. Conflict of Interest Policy
- VI. Obtain Hawai'i State Tax Identification Numbers/Accounts.
- VII. Complete a 501c3 Application
 - a. Form 1023-EZ
 - i. <https://www.irs.gov/forms-pubs/about-form-1023-ez>
- VIII. Complete a Hawai'i State Tax Exemption Application.
 - a. Form G-6: Application for Exemption from General Excise Taxes
 - i. https://tax.hawaii.gov/forms/a1_b2_1geuse/
- IX. Complete Charitable Solicitation forms.
 - a. Register as a Hawai'i Charity
 - i. Hawai'i Tax and Charities Division
 1. Form 990
 - a. <https://ag.hawaii.gov/tax/files/2018/06/Hawaii-Charity-Registration-Guide-7.10.19.pdf>

3. WAIĀHOLE-WAIKĀNE BRAND

The Waiāhole-Waikāne community has expressed a desire to create a brand for Waiāhole-Waikāne products that can be shared amongst Waiāhole-Waikāne farmers. This brand is envisioned to help strengthen the image of Waiāhole-Waikāne agriculture, and to hopefully increase consumer recognition of the value of Waiāhole-Waikāne grown products. In order to fully understand what a Waiāhole-Waikāne brand might be, it is important to understand the meaning of the following terms: brand, logo, label, trade name, and trademark.

- **Brand**
A brand is an intangible marketing or business concept that helps people to identify a company, product or individual.
- **Logo**
A logo is a symbol or other design adopted by an organization to identify its products, uniform, vehicles, etc.
- **Label**
A product label is any piece of material that is attached to a product or product container to identify it or its contents. Product labels are important in identifying the brand and any other information as needed (ex: Hawai'i grown coffee).
- **Trade name**
A tradename is the official name under which an individual or company chooses to do business. Registering a trade name is an important legal step in branding. In the State of Hawai'i, trade names must be registered with the Department of Commerce and Consumer Affairs, Business Registration Division.
- **Trademark**
A trademark is associated with a trade name and is used to provide legal protection for use of names, logos, symbols or company slogans. Trademarks can be registered at both the State and Federal level.

Based on the community discussions to date, it seems that the community desires a brand and logo that express that a product or item was grown or produced in the Waiāhole-Waikāne Valleys. One way to establish and secure such a brand is to register it as a trademark. A trademark must be registered with the State Department of Commerce and Consumer Affairs, and must be registered under an active trade name. (ex: Waiāhole-Waikāne Farmer's Hui may be a registered trade name of the Farmer's Hui, and the Hui may register Waiāhole-Waikāne Grown as a trademark). The following are the steps to securing the Waiāhole-Waikāne brand by registering a trademark.

3.1 ACTION STEPS TO SECURING A TRADEMARK:

1. **Check to see if the trademark is available.** Go online to the Hawai'i Business Registration Division (BREG) name search and search for similarly named trademarks and to see if the desired trademark is available.
2. **Design a trademark/logo/label.** This trademark/logo/label should be what is affixed to the product or product container to signify that it is a product of the brand.
3. **Submit trademark application.** This can be completed online at the Hawai'i Business Registration Division website, including submittal of a "specimen" or an example or mock-up of how this trademark will be used in commerce (ex: a produce container featuring the logo as a sticker on the container).

4. **Use the trademark/logo/label.** Distribute and use the trademark/logo/label on all products that are a part of the brand.
5. **Enforce your trademark.** If another entity begins to use the trademark that has been secured, it is the responsibility of the owner of the trademark to notify the entity that they are infringing on an active trademark. If use of the trademark is not enforced, another entity can challenge the existing trademark ownership and potentially take the trademark as their own.

3.2 EXAMPLES OF SUCCESSFUL BRANDS

Kona Coffee/Hawai'i Grown Coffee

Kona Coffee is internationally recognized as high quality coffee. It is one of the most expensive coffees, and it is strictly defined and graded by State of Hawai'i standards. In 1991, the Hawai'i State Legislature passed what is known as the Kona coffee blend statute, HRS §486-120.6. This statute established legal requirements for labeling of coffee products as "Kona Blend". In order for a coffee product to be labeled as "Kona Blend" it must contain no less than 10% by weight of coffee beans grown within the Kona district of the Big Island (North and South Kona). This label is managed and enforced by the State of Hawaii Department of Agriculture, Commodities Branch of the Quality Assurance Division.

In 2002, Hawai'i Grown Coffee Act 258 amended HRS §486-120.6 to include roasted and instant coffee products, and also recognized other regions within the State of Hawai'i for labeling purposes (ex: Ka'ū, Hāmākua, Kaua'i, etc).

These laws have several major functions:

1. To protect Hawai'i coffee growers from mislabeling of non-Hawai'i grown coffee with the Hawai'i grown labels.
2. To ensure the quality of Hawai'i grown labeled coffee.
3. To ensure transparent labeling for consumers.

Most people are able to recognize the strength of the Kona Coffee brand, but not all realize that it is with State of Hawai'i oversight that the Kona Coffee, and other Hawai'i grown coffee brands have gained international success and recognition. The State Department of Agriculture is critical in the day to day inspection and labeling of Hawai'i grown coffees sold in the local, national and international markets.

4. FUNDING AND TECHNICAL ASSISTANCE

The Hui Ho'oulu 'Ai has identified a need for funding support for farmers in the Valley. Grant and loan funding could help to provide necessary resources to individual farmers or to an established farmers hui. Technical assistance in preparing grant and/or loan applications is a critical component to successfully being awarded funding resources. Partnership with individuals or an organization who are able to provide this type of assistance to the Waiāhole-Waikāne farmers will aid in securing much needed financial resources, and ultimately in contributing to the long-term goal of revitalizing agriculture in the Valley.

Funding resources could be used for establishing a farmer's hui in the Valley. Some funding is needed to complete all necessary applications and registrations. Total costs for State registration is approximately \$25 (for non-profit organizations). Total costs for Federal filings is approximately \$300 to \$600. A budget of about \$1,000 should be set aside for necessary State and Federal filings in establishing a farmers' hui.

Establishing a Waiāhole-Waikāne brand will incur some costs. The costs for Trade name and/or Trade mark registration is approximately \$50 per trade name or trade mark. Each logo, saying, or label that is trademark protected will require a separate filing and fee. A budget should be determined based on the types of and number of trade names and trademarks desired.

Funding may also be needed for the purchase of cooperative or shared machinery and/or equipment, farmer training and technical assistance are other potential uses of funding.

4.1 POTENTIAL FUNDING SOURCES

Federal Resources

USDA

- Farm Loans – The Farm Service Agency offers loans to help farmers and ranchers get financing to start, expand or maintain a family farm. This program offers the following types of loans:
 - Operating Loans to cover operating costs and living expenses.
 - Microloans are meant to offer funding with less paperwork and less requirements.
 - Targeted Loan funding is meant to support women and minority farmers and ranchers.

Contact information: <http://fsa.usda.gov/farmloans>

- Rural Development and Grant Assistance
 - Rural Cooperative Development Grant Program is meant to help individuals and businesses in starting, expanding or improving rural cooperatives and other mutually-owned businesses.
 - Application Online
 - Deadline: August 10, 2021
 - Maximum Grant Amount: \$200,000

For more information and to apply, visit: <https://www.rd.usda.gov/programs-services/rural-cooperative-development-grant-program>

- Value-Added Producer Grants help agricultural producers enter into value-added activities related to the processing and marketing of new products.
 - Application Online
 - Deadline: Closed for 2021 (March 5, 2021)
 - Maximum Grant Amount:
 - Planning Grants \$75,000
 - Working Capital Grants \$250,000

For more information and to apply, visit: <https://www.rd.usda.gov/programs-services/value-added-producer-grants>

State & County Resources

Hawai'i Department of Agriculture – Agricultural Loan Division

- Qualified Farmer Loans are meant to assist farmers who are established farmers in Hawai'i (over 3 years as a resident, over 2 years as a farmer) who derive most of their income from their farming operations.
 - Application Hardcopy
 - Deadline: Open
 - Maximum Loan Amount:
 - Farm Ownership and Improvement \$800,000
 - Farm Operating \$800,000
 - Micro-loans \$25,000

For more information call or visit the O'ahu office at:
1428 South King Street, Honolulu, Hawaii 96813
Telephone: (808) 973-9460

Or visit: <https://hdoa.hawaii.gov/agl/qualified-farmer/>

- Part-time Farmer Loans are meant to assist farmers who are established farmers in Hawai'i (over 3 years as a resident, over 2 years as a farmer) who derive 25%-50% of their income from their farming operations.
 - Application Hardcopy
 - Deadline: Open
 - Maximum Loan Amount: \$25,000

For more information call or visit the O'ahu office at:
1428 South King Street, Honolulu, Hawaii 96813
Telephone: (808) 973-9460

Or visit: <https://hdoa.hawaii.gov/agl/part-time-farmer/>

Private funding sources are also available for individuals and organizations. Other organizations that may offer support might be:

- the Office of Hawaiian Affairs - <https://www.oha.org/grants>
- the Castle Foundation - <http://castlefoundation.org/investments/windward/grants/>

- 'Ulupono Initiative (Omidyar Network) - <https://ulupono.com/how-we-work/funding-application/>
- Hawai'i Community Foundation - <https://www.hawaiicommunityfoundation.org/grants/apply-for-a-grant>