

State of Hawai'i  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Forestry and Wildlife  
Honolulu, Hawai'i 96813

January 10, 2020

Chairperson and Members  
Board of Land and Natural Resources  
State of Hawai'i  
Honolulu, Hawai'i

Board Members:

SUBJECT: ANNUAL REVIEW OF GRANTS FROM THE LAND CONSERVATION FUND FOR EACH PROJECT THAT HAS BEEN PENDING FOR OVER FIVE YEARS – FOR DISCUSSION AND POSSIBLE ACTION:

- (a) LLCP 13-02, DLNR DIVISION OF STATE PARKS, ULUPŌ HEIAU BUFFER, KO'OLAUPOKO, OAH'U, TAX MAP KEY NUMBER (1) 4-2-103:032 (portion)
- (b) LLCP 14-02, HO'ĀLA 'ĀINA KŪPONO, HAKIPU'U LO'I KALO, KO'OLAUPOKO, O'AHU, TAX MAP KEY NUMBERS (1) 4-9-003:003 and (1) 4-9-003:004
- (c) LLCP 14-03, KŌKUA KALIHI VALLEY, HO'OULU OLA, KONA, O'AHU, TAX MAP KEY NUMBER (1) 1-4-020:044

SUMMARY

The Division requests that the Board review three grants from the Land Conservation Fund for projects that have been pending for over five years, and take action for each grant, if deemed appropriate, to (1) defer action on the grant until the next annual review of grants for projects that have been pending for over five years, (2) impose new conditions for grant completion on the Awardee, or (3) terminate the grant.

BACKGROUND

A recent performance audit of the Department's Legacy Land Conservation Program (LLCP), *available at* <http://files.hawaii.gov/auditor/Reports/2019/19-01.pdf>, included a recommendation that LLCP “[I]mplement a policy that places a reasonable limit on the time a project, whether proposed by a state, county, or nonprofit organization, can remain pending.” The Department's response to this recommendation indicated that “[t]he Department will conduct an annual review of each LLCP project that has been pending for over five years, and will present that review to the Board for discussion and possible action. This review will help determine the extent to which the various agencies and non-profits who are responsible for completing these transactions are still working diligently to complete them, and the likelihood of completion within a reasonable time frame.”

**ITEM C- 1**

The Department recently completed its second annual review of grants from the Land Conservation Fund for projects that have been pending for over five years, and now presents its review to the Board for discussion and possible action.

- (a) LLCP 13-02, DLNR DIVISION OF STATE PARKS, ULUPŌ HEIAU BUFFER, KO‘OLAUPOKO, OAH‘U, TAX MAP KEY NUMBER (1) 4-2-103:032 (portion)

On March 8, 2013, under agenda item C-1, the Board approved a \$1 million grant from the Land Conservation Fund for the State's acquisition of approximately 3.44 acres in Ko‘olaupoko, O‘ahu. The Board submittal from the Division explained that:

The buffer abuts the north and east sides of Ulupo Heiau, the largest platform heiau structure on Oahu. Ulupo Heiau is listed on the National and Hawaii Registers of Historic Places. Culturally significant springs are located around the heiau and nearby springs were used to irrigate the lo‘i kalo between the heiau and the Kawainui fishpond. Acquisition of the land for inclusion into Ulupo Heiau State Park preserves the cultural landscape and historical setting of the heiau, and also allows State Parks to provide better management of visitation and cultural education programs and better coordination with neighboring land uses. Plans for the park include walking paths to assist understanding and visitation of the restored site.

The Board reviewed this grant on January 25, 2019, under agenda item C-1, and deferred action until the 2020 annual review (this item).

Over the last two years the Department and the landowner/seller, YMCA of Honolulu, agreed to a \$1.73 million purchase price for the property and to other conditions of the sale. The Division's submittal for the Board's first annual review of this grant included a letter dated November 17, 2018, from the Department to the YMCA, outlining several steps for project completion. The first step, still in progress, is for the YMCA to subdivide its property to create a distinct parcel for conveyance to the State. The YMCA hired a consultant and submitted its subdivision application to the City & County of Honolulu, where it remains under review by the Department of Planning & Permitting. Other steps to complete during and after the subdivision process include a boundary survey, easement recordation, updated title report, Phase 1 Environmental Site Assessment, final Sale Agreement, and final Deed. The Department plans to complete the transaction no later than December 31, 2020, which would coincide with the expected expiration of federal and private grants that provide matching funds.

- (b) LLCP 14-02, HO‘ĀLA ‘ĀINA KŪPONO, HAKIPU‘U LO‘I KALO, KO‘OLAUPOKO, O‘AHU, TAX MAP KEY NUMBERS (1) 4-9-003:003 and (1) 4-9-003:004

On March 28, 2014, under agenda item C-1, the Board approved a \$350,000 grant from the Land Conservation fund to Ka Huli o Hāloa (Ka Huli) for the acquisition of approximately 1.5 acres of coastal lands in Ko‘olaupoko, O‘ahu for the protection of agricultural, cultural, and historic resources. The Board submittal from the Division explained that “[a]cquisition will preserve rare coastal, cultural, and agricultural resources, including the coastal end of the Hakipu‘u ahupua‘a, the brackish Hakipu‘u estuary in Kaneohe Bay, productive agricultural lands in traditional lo‘i kalo cultivation, and native wildlife inhabiting the property.” On June 22, 2018, under agenda item C-1, the Board approved the Division's recommendation to substitute Ho‘āla ‘Āina Kūpono for Ka Huli as the Awardee for this grant, contract number 63824.

Ho‘āla ‘Āina Kūpono (Ho‘āla) plans to steward Hakipu‘u Lo‘i Kalo to perpetuate kalo farming, Hawaiian natural resource management, mālama ‘āina education, and as an outdoor classroom for students and the broader community. Since securing Board approval in June 2018:

- LLC, Ho‘āla, and Ka Huli implemented the Board's approval by completing an amendment to the contract;
- Ho‘āla began leasing the property from the current landowner (and Ho‘āla's partner in the acquisition), The Trust for Public Land;
- In September 2019, Ho‘āla secured \$650,000 in matching funds from the City & County of Honolulu, Clean Water and Natural Lands Fund;
- In December 2019, LLC accepted a Phase 1 Environmental Site Assessment for the property and received an updated preliminary title report; and
- The Trust for Public Land reports that it is working with the City & County of Honolulu, Department of Land Management to negotiate the Conservation Easement that the City will hold and to complete the necessary appraisals for the entire conservation transaction.

The performance period for the Board's existing contract with Ho‘āla ‘Āina Kūpono ends on March 20, 2020. In the original application from Ka Huli o Hāloa, the total estimated cost of the property was \$ 1 million.

- (c) LLC 14-03, KŌKUA KALIHI VALLEY, HO‘OULU OLA, KONA, O‘AHU, TAX MAP KEY NUMBER (1) 1-4-020:044

On March 28, 2014, under agenda item C-1, the Board approved a \$900,000 grant from the Land Conservation Fund to Kōkua Kalihi Valley (KKV) for the acquisition of approximately 11.4 acres in Kona, O‘ahu for the protection of natural lands, open space, and agricultural production. The Board submittal from the Division explained that “[t]he property is part of a koa mesic forest that includes old growth koa, hala, and ‘ohia trees, but mostly with nonnative invasive plants and pines. Currently, the property is accessed by trespassing hunters and dirt bikers, and has a reputation within the community as a site for criminal activities. KKV seeks to transform the site into a safe and healthy place for Kalihi Valley residents and the broader public, and manage in a way similar to the Ho‘oulu ‘Aina site” [a 21.2 acre property that KKV leases from the State].

In its most recent request for an extension of the LLC contract performance period, KKV noted that it is negotiating a purchase price with the seller's agent. Because expected matching funds from the City & County of Honolulu Clean Water and Natural Lands program were not extended during the City budget process, KKV is preparing to reapply for that funding. The performance period for the Board's existing contract with Kōkua Kalihi Valley (contract number 63424) ends on December 31, 2020. In the original application, the total estimated cost of the property was \$ 1.8 million.

## DISCUSSION

- (a) LLC 13-02, DLNR DIVISION OF STATE PARKS, ULUPŌ HEIAU BUFFER, KŌ‘OLAUPOKO, OAH‘U, TAX MAP KEY NUMBER (1) 4-2-103:032 (portion)

The Division believes that the Division of State Parks—with support from Land Division and the Department of Accounting and General Services (Land Survey Division)—is still working diligently to complete this transaction, and is likely to complete it within a reasonable time frame.

- (b) LLCP 14-02, HO‘ĀLA ‘ĀINA KŪPONO, HAKIPU‘U LO‘I KALO, KO‘OLAUPOKO, O‘AHU, TAX MAP KEY NUMBERS (1) 4-9-003:003 and (1) 4-9-003:004

The Division believes that Ho‘āla ‘Āina Kūpono, with support from its partner The Trust for Public Land, is working diligently to complete this transaction, and is likely to complete it within a reasonable time frame.

- (c) LLCP 14-03, KŌKUA KALIHI VALLEY, HO‘OULU OLA, KONA, O‘AHU, TAX MAP KEY NUMBER (1) 1-4-020:044

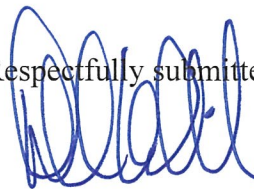
The Division believes that Kōkua Kalihi Valley, with support from its partner The Trust for Public Land, is working diligently to complete this transaction, and is capable of completing it within a reasonable time frame.

#### RECOMMENDATIONS

That the Board:


- 1) Defer action, until the 2021 annual review, on a grant from the Land Conservation Fund for LLCP 13-02 to DLNR Division of State Parks for Ulupō Heiau Buffer at Ko‘olaupoko, O‘ahu, Tax Map Key Number (1) 4-2-103:032 (portion).
- 2) Defer action, until the 2021 annual review, on a grant from the Land Conservation Fund for LLCP 14-02 to Ho‘āla ‘Āina Kūpono for Hakipu‘u Lo‘i Kalo at Ko‘olaupoko, O‘ahu, Tax Map Key Numbers (1) 4-9-003:003 and (1) 4-9-003:004.
- 3) Defer action, until the 2021 annual review, on a grant from the Land Conservation Fund for LLCP 14-03 to Kōkua Kalihi Valley for Ho‘oulu Ola at Kona, O‘ahu, Tax Map Key Number (1) 1-4-020:044.

Respectfully submitted,



DAVID G. SMITH, Administrator

APPROVED FOR SUBMITTAL:

  
SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources