

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

March 12, 2021

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 INFORMATION, DISCUSSION, AND POSSIBLE ACTION:

- (a) LLCP 13-02, DLNR DIVISION OF STATE PARKS, ULUPŌ HEIAU BUFFER, KO'OLAUPOKO, O'AHU, 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 (INFORMATION ONLY)
- (c) LLCP 14-03, KŌKUA KALIHI VALLEY, HO'OULU OLA, KONA, O'AHU, TAX MAP KEY NUMBER (1) 1-4-020:044 (INFORMATION ONLY)
- (d) LLCP 15-01, WAIPĀ FOUNDATION, KALUANONO AT WAIPĀ, HALELE'A, KAUA'I, TAX MAP KEY NUMBER (4) 5-6-004:010 (INFORMATION ONLY)

SUMMARY

The Division requests that the Board review one grant from the Land Conservation Fund for a project that has been pending for over five years, and take action for that 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. The Division also provides information about two other projects from past annual reviews (one project completed and one discontinued) and one project scheduled for a future annual review.

ITEM C-1

BACKGROUND

A 2019 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."

The Department recently completed its third 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, O'AHU, 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 Legacy Land grant application estimated total project costs at \$2 million. 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 again on January 10, 2020, under agenda item C-1, each time deferring action until the next annual review.

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, now completed, was for the YMCA to subdivide its property and create a distinct 3.2 acre parcel for conveyance to the State. Remaining steps to complete include:

- engineering assessment of existing storm drainage performance;
- Phase 1 Environmental Site Assessment;
- updated title report and pro forma title insurance policy;
- updated appraisal;
- LLCP acceptance of Project Accounting and Resource Value Documentation;
- Board approval of the acquisition, based on review of due diligence and draft final conveyance documents (Purchase and Sale Agreement, Warranty Deed);
- CSF map for the new State property; and
- recordation of conveyance to the State.

The Division of State Parks ("DSP") secured a grant for matching funds from the Castle Foundation that now runs through December 31, 2021, and DSP is reapplying for a grant from the federal Land and Water Conservation Fund ("LWCF") to replace a LWCF grant that expired at the end of 2020, with outcomes expected this summer. The Department plans to complete the transaction no later than December 31, 2021, provided that funding is available and remaining due diligence is not overly complicated.

- (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 (INFORMATION ONLY)

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.

The Board reviewed this grant on January 10, 2020, under agenda item C-1, deferring action until the next annual review. Since that deferral, Ho'āla 'Āina Kūpono completed its acquisition of the property on July 22, 2020, and conveyed a conservation easement to Hawaiian Islands Land Trust and the City & County of Honolulu. Ho'āla 'Āina Kūpono now stewards 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.

Department news release *available at* <https://dlnr.hawaii.gov/blog/2020/07/29/nr20-107>.

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

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 Comprehensive Family

Services ("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 in upper Kalihi that KKV leases from the State].

The Board reviewed this grant on January 10, 2020, under agenda item C-1, deferring action until the next annual review. Since that deferral, KKV requested that the State discontinue KKV's grant award, with Chief Operations Officer Yuet Mui Kong noting that "we realize that we are unlikely to finalize the negotiation in the near future. We appreciate the support and guidance from you, your program, and the Board of Land and Natural Resources in all these years. We hope that the opportunity will arise again and allow us to breathe life back into Ho'oulu Ola."

- (d) LLCP 15-01, WAIPĀ FOUNDATION, KALUANONO AT WAIPĀ, HALELE'A, KAUA'I, TAX MAP KEY NUMBER (4) 5-6-004:010 (INFORMATION ONLY)

At its meetings held during 2015 (February 27 and April 10, each under agenda item C-1), the Board approved a \$398,250 grant from the Land Conservation Fund to Waipā Foundation for the acquisition of approximately 1.8 acres in Halele'a, Kaua'i for the protection of cultural resources, agricultural resources, and natural wetland habitat. The Board submittals from the Division explained that:

Kaluanono is a mo'o kalo (narrow strip of land cultivated in taro) that is bounded by other lo'i kalo (wetland taro patches), a pond called Kalokowai and Waipa Stream, and an ancient 'auwai. The southern and southwest boundaries of Kaluanono are Waipa Foundation's farm lots. Kaluanono at Waipa is habitat for the endangered Koloa Maoli (Hawaiian Duck), 'Alae 'Ula (Hawaiian Moorhen), 'Alae Ke'oke'o (Hawaiian Coot), Ae'o (Hawaiian Stilt), Nene (Hawaiian Goose), and the native Auku'u (Black-crowned Night Heron). These native wetland birds traverse Kaluanono's shallow stream banks, and the 'Alae 'Ula, 'Alae Ke'oke'o, and Nene have been seen nesting on the property. Waipa Foundation will hold the property and manage the natural, cultural, and agricultural resources. Kaluanono would provide Waipa Foundation a place to teach students about native wetland species and the importance of a healthy ahupua'a, and an opportunity to expand its existing wetland bird curriculum for youth. Acquisition would allow Waipa Foundation to expand its current agricultural activities on the property, possibly planting an orchard with ground crops on the southern portion adjoining Waipa Foundation's existing farm lots, and reopening lo'i kalo (wetland taro patches) on the northern portion. Waipa Foundation will review agricultural plans with native wetland bird experts to prevent impacts on the property's resources and wetland bird behavior. Waipa Foundation envisions a learning shelter

in the middle of the property for visitors and students to observe and discuss the wetland habitat and agricultural activities.

After unforeseen funding delays, the State entered into its contract with Waipā Foundation on September 20, 2017. Therefore this project is not due for Board review until the 2023 annual review cycle.

DISCUSSION

- (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)

The Division of Forestry and Wildlife ("DOFAW") believes that the Division of State Parks—with support from Land Division, Engineering Division, DOFAW, the Department of Accounting and General Services (Land Survey Division), the Department of the Attorney General (Land/Transportation Division), Castle Foundation, the U.S. Department of the Interior, and the YMCA—is still working diligently to complete this transaction, and is likely to complete it within a reasonable time frame.

RECOMMENDATIONS

That the Board:

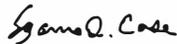
- 1) Defer action, until the 2022 annual review, on a grant from the Land Conservation Fund for LLCP 13-02 to DLNR Division of State Parks for Ulupō Heiau Buffer at Ko'olaupoko, O'ahu, Tax Map Key Number (1) 4-2-103:032 (portion).

Respectfully submitted,



DAVID G. SMITH, Administrator

APPROVED FOR SUBMITTAL:



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