

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 23, 2025

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:25OD-035

OAHU

Amend Prior Board Action of March 28, 2025, Agenda Item D-2, as Amended; *Issuance of Direct Lease to Hui O Hau'ula for Community Services and Activities Purposes; Koolauloa, Oahu, TMK (1) 5-4-014:003.*

The purpose of the amendment is to add the lease language for future rental re-openings so that rent will be based on the Board's then prevailing minimum rent policy.

BACKGROUND:

At its meeting on March 28, 2025, under agenda item D-2, as amended, the Board of Land and Natural Resources ("BLNR") authorized the mutual cancellation of General Lease No. S-6187 and issuance of a sixty-five (65) year direct lease with a removal bond requirement upon the 20th anniversary of the lease, for the removal of all improvements constructed on the premises, to Hui O Hau'ula for Community Services and Activities purposes. A copy of the approved as amended submittal is attached as **Exhibit A**.

REMARKS:

Originally, staff had presented a request for a ten (10) year direct lease which did not trigger any rental reopening. At its meeting, the BLNR amended staff's recommendation to issue a sixty-five (65) year lease upon mutual termination of the current lease (GL 6187). The amended Recommendation was silent on any rental reopening provision during the 65-year term, though the lease would use the standard terms and conditions of the most current non-profit lease document form as may be amended from time to time. The current language in non-profit leases provides, "The annual rent reserved shall be reopened and redetermined on every tenth (10th) year during the term of the lease, subject to the Board policy on minimum rent applicable at the time of the reopening."

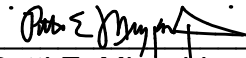
For clarification purpose, staff recommends the Board amend its prior action by inserting the above-mentioned language in the Recommendation section.

RECOMMENDATION:

That the Board:


- 1, Amend its prior Board action of March 28, 2025, Item D-2, as amended to include the following condition “The annual rent reserved shall be reopened and redetermined on every tenth (10th) year during the term of the lease, subject to the Board policy on minimum rent applicable at the time of the reopening”; and
2. Affirm that, except as amended hereby, all terms and conditions listed in its March 28, 2025, Item D-2 approval to remain the same.

Respectfully Submitted,



Patti E. Miyashiro
Land Agent

APPROVED FOR SUBMITTAL:



Dawn M. S. Cheng, Chairperson

AMENDED

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

March 28, 2025

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:25OD-035

OAHU

Issuance of Direct Lease to Hui O Hau'ula for Community Services and Activities Purposes; Koolauloa, Oahu, TMK (1) 5-4-014:003.

APPLICANT:

Hui O Hau'ula, a Hawaii non-profit corporation and 501(c)(3) organization ("HOH").
Copy of IRS Determination Letter as attached as **Exhibits A.**¹

LEGAL REFERENCE:

Sections 171-6 and 43.1, Hawaii Revised Statutes ("HRS"), as amended.

LOCATION:

Government lands situated at Hauula, Koolauloa, Oahu, identified by Tax Map Key: (1) 5-4-014:003, as shown on the maps attached as **Exhibits B1** and **B2**.

AREA:

4.936 acres, more or less.

ZONING:

State Land Use District: Urban
City and County of Honolulu LUO: AG-2

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

¹ Determination Letter dated October 8, 2014 currently found on the IRS website.
<https://apps.irs.gov/app/eos/details/#main-content>

as amended
APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
March 28, 2025 Kit

D-2

EXHIBIT A

BLNR –Issuance of Direct Lease
to Hui o Hau'ula

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CURRENT USE STATUS:

General Lease No. S-6187 issued to Hui O Hau'ula for community services and activities purposes.

CHARACTER OF USE:

Community services and activities purposes.

LEASE TERM:

Ten (10) years.

COMMENCEMENT DATE:

April 1, 2026.

ANNUAL RENTAL:

\$480 per year, pursuant to the Board policy adopted on May 13, 2005 under agenda item D-19 on minimum rent for new disposition.

METHOD OF PAYMENT:

Due annually.

RENTAL REOPENINGS:

Not applicable.

PERFORMANCE BOND:

Twice the annual rental amount.

CHAPTER 343 ENVIRONMENTAL ASSESSMENT:

Final Environmental Assessment with a finding of no significant impact was published in the Environmental Notice on July 23, 2024²

DCCA VERIFICATION:

Place of business registration confirmed:	YES
Registered business name confirmed:	YES

² FEA can be downloaded from https://files.hawaii.gov/dbedt/erp/The_Environmental_Notice/2024-07-23-TEN.pdf

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to Hui o Hau'ula

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Good standing confirmed: YES

APPLICANT REQUIREMENTS:

None

REMARKS:

At its meeting of October 23, 2020, under agenda item D-7, the Board of Land and Natural Resources ("Board") authorized the issuance of a right-of-entry permit to HOH over the subject parcel for due diligence and site maintenance purposes.

Since 2020, HOH and the community worked diligently in the upkeep and maintenance of the subject parcel by keeping the once overgrown vegetation under control. During an inspection in October 2022, staff noted that majority of the area has turned into an open space with no fencing installed. Community members can exercise on the walking path around the perimeter of the parcel while the kids enjoy their ball games on the well-maintained grassy area in the middle.

In the meantime, the idea of having a community center/resilience hub that is built to protect and support the resilience of the Koolauloa community continued to be discussed in the community. The concept of a resilience hub originated after Hurricane Sandy affecting New York and New Jersey in 2012. According to the Centers for Disease Control and Prevention Social Vulnerability 2016 Index for the City and County of Honolulu ("C&C") that identify particular community characteristics that increase vulnerability to tsunamis, hurricanes, flooding, and sea level rise, nearly the entire Koolauloa District is designated as having "High Vulnerability". Pursuant to a license agreement C&C's Department of Land Management, the applicant operates and maintains the present-day Hauula Community Center located at 51-010 Kukuna road, which is owned by the C&C and also in the flood zone.

Koolauloa is the only district on Oahu that does not have a designated hurricane shelter located in the community. The closest designated hurricane shelter is Kahuku Elementary School is within the area designated as minimal flood hazard. Therefore, there is a compelling need for the Koolauloa community to have the critical lifelines that can be provided through the Resilience Hub: safety and security, food, water, shelter, health and medical communications, transportation and waste management technology.

At its meeting on March 24, 2023, under agenda item D-5, the Board authorized the issuance of a three (3) year direct lease to HOH for community services and activities purposes.³ The limited three-year term of the lease was intended to give HOH site control of the land for fundraising purposes and to complete the

³ Board submittal can be downloaded from <https://dlnr.hawaii.gov/wp-content/uploads/2023/03/D-5-1.pdf>

environmental review process under Chapter 343, Hawaii Revised Statutes (HRS). General Lease No. S-6187 was issued April 1, 2023.

As noted in the 2023 submittal, the ultimate goal for HOH, upon compliance of the requirements under Chapter 343, HRS and obtaining the necessary various grants, was to build a community resilience hub at the subject location that can provide safety, security, food, water, shelter, health and medical services, energy, communications, transportation and waste management during any emergency situation.

Since the lease was issued in 2023, HOH together with community volunteers have continued with the clearing the property of invasive trees and grasses and maintaining the cleared areas free of invasives. The flat land provides a park-like area for keiki and their parents and grandparents to exercise and play games and have team practices. Photos taken during an inspection in October 2024 are attached as **Exhibit C**.

Through their hard work, HOH has applied for and obtained several grants for the Resilience Hub totaling an approximately \$6,000,000 from various organizations and government entities. In addition, with the help of a grant from the C&C a 40-foot container was placed on-site that is filled with 1,500 five-gallon buckets (family-size) of dehydrated food that is stored onsite for emergencies/disasters. HOH has applied for and been awarded several federal grants and is awaiting the status of the award amount. However, recent changes at the federal level have created uncertainty as to whether HOD will receive funding.

These and additional funds being sought by HOH will go towards the final design and permitting and upon obtaining the appropriate permits, HOH will start with the site preparation and improvements.

HOH discussed the situation with the staff who agrees that the proposed resilient hub would benefit the community. HOH does not intend to slow down any community programs simply due to the lack of federal funding. Instead, they indicated that they would continue to provide the programs/activities to the community at the greatest extent as possible, while continuing to seek funding from private donors and government entities. In view of the upcoming expiration of the lease in March 2026, HOH asks the Board for approval to continue its presence on the leased premises. The requested extension of the lease term will allow HOH time to continue fundraising and obtaining the permits.

§171-43.1 Lease to eleemosynary organizations provides, “The board may lease, at a nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such

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eleemosynary organizations for the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service". The non-profit status required is confirmed and mentioned above. Purpose for HOH is for "charitable and educational services for Koolauloa" which is consistent with the proposed use.

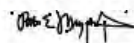
HOH is an Internal Revenue Code Section 501(c)(3) tax-exempt organization and therefore qualifies for direct negotiation of a lease under the above-cited authority. Section 171-43.1, HRS, does not mention lease extensions, however, and for that reason staff is recommending a new 10-year lease to HOH is lieu of a 10-year extension of the existing lease. The requested new 10-year direct lease would provide enough time for HOH to develop any long-term strategic plan/goal toward the securing of funding issue. Staff is also amenable to any other lease term if the Board considers it appropriate. Staff understand that the district senator is supportive of the proposed lease term extension.

The HOH has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions. There are no other pertinent issues or concerns, and staff recommends the Board authorize the requested amendment approve the request. There are no more pertinent issues or concerns. Staff recommends the Board issue a direct lease to the Applicant according to the terms and conditions described above.

RECOMMENDATION: That the Board authorize the issuance of a direct lease to Hui o Hau'ula covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

- A. The standard terms and conditions of the most current non-profit lease document form, as may be amended from time to time;
- B. Review and approval by the Department of the Attorney General; and
- C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

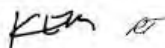


Patti Miyashiro
Land Agent

APPROVED FOR SUBMITTAL:



Dawn Chang, Chairperson



Land Board Meeting: March 28, 2025; D-2 Approved as amended.

Approved as amended. See attached page.

Land Board Meeting: March 28, 2025; D-2 Approved as amended.

Approved as amended. The Board amended the staff submittal and recommendation section by authorizing the mutual cancellation of General Lease No. S-6187 and reissuance of a direct lease as requested in the staff submittal, with the following amendments: (i) amending the term to 65 years, effective upon execution of the lease and the cancellation of GL No. S-6187; and (ii) (special conditions) adding a removal bond requirement upon the 20th anniversary of the lease, for the removal of all improvements constructed on the premises.