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

March 28, 2014

Board Members:

SUBJECT: REVIEW OF PROJECT RECOMMENDATIONS FOR FUNDING FROM THE FISCAL YEAR 2014 LEGACY LAND CONSERVATION PROGRAM (LAND CONSERVATION FUND) AND APPROVAL OF THE FOLLOWING GRANTS:

KUAMO'O; MOHALA HOU FOUNDATION, AT $3,000,000 FOR PURCHASE OF 47 ACRES IN KONA, ISLAND OF HAWAI'I

HAKIPU‘U LO‘I KALO; KA HULI O HALOA, AT $350,000 FOR ACQUISITION OF 1.5 ACRES OF COASTAL LANDS IN KO‘OLAUPOKO, ISLAND OF OAHU

HO‘OULU OLA; KOKUA KALIHI VALLEY COMPREHENSIVE FAMILY SERVICES, AT $900,000 FOR ACQUISITION OF 11.44 ACRES IN HONOLULU, ISLAND OF OAHU

HELEMANO; DEPARTMENT OF LAND AND NATURAL RESOURCES, DIVISION OF FORESTRY AND WILDLIFE, AT $350,000 FOR ACQUISITION OF 1,613 ACRES IN WAIALUA, ISLAND OF OAHU.

SUMMARY:

Pursuant to H.R.S., section 173A-2.5, the Legacy Land Conservation Commission (the Commission) has produced recommendations to the Board of Land and Natural Resources on project selection for Fiscal Year 2014 (FY14) funding from the Legacy Land Conservation Program (LLCP). Pursuant to H.R.S., section 173A-5, the Department has sought and received the consultation of the Senate President and Speaker of the House of Representatives. This submittal summarizes these recommendations for the Board’s review and requests approval for projects to receive FY14 LLCP funding.

BACKGROUND:

Legacy Land Conservation Commission Recommendations:

In July, 2013, the LLCP announced available FY14 funding from the Land Conservation Fund (LCF) for projects proposing the purchase of lands having value as a resource to the State. Nonprofit land conservation organizations, county agencies, and State agencies applied for funding for seven separate
resource land acquisition projects for the September 16, 2013, application deadline. On December 3, 2013, at a public meeting, the Commission ranked four projects and recommended that they be funded in the order ranked, to the extent that funds are available (see Attachment I).

The Commission’s recommendation results in the following awards:

1. **Kuamoʻo**: Trust for Public Land (TPL) & Mohala Hou Foundation, at $3,000,000 for purchase of 47 acres in Kona, Island of Hawai‘i, for the protection of coastal lands and cultural and historic resources.

2. **Hakipuʻu Loʻi Kalo**: TPL & Ka Huli O Hāloa, at $350,000 for the acquisition of 1.5 acres of coastal lands in Koʻolaulupoko, Island of Oahu, for the protection of agricultural, cultural and historic resources.

3. **Hoʻoulu Ola**: TPL & Kokua Kalihi Valley Comprehensive Family Services, at $900,000 for the acquisition of 11.44 acres in Honolulu, Island of Oahu, for the protection of natural lands, open space, and agricultural production.

4. **Helemano**: Department of Land and Natural Resources, Division of Forestry and Wildlife, at $350,000 for the acquisition and protection 1,613 acres of forested watershed and recreational lands in Waialua, Island of Oahu.

In summary, the Commission recommended funding four projects, in the order ranked (see Attachment I), to the extent that funds are available. The Department finds that funding is available in the amount of $4,600,000, which will fully fund the first three above-listed projects, and will provide a partial award of $350,000 to the fourth project listed. Details on each project are included in the discussion, maps and photos are attached as part of Attachment I.

**Legislative Consultation**

Following the Commission meeting, the Department and the Commission Chair sought the consultation of Senate President Donna Mercado Kim and the Speaker of the House of Representatives Joseph Souki regarding the Commission’s recommendations, pursuant to H.R.S. Chapter 173A. The Senate President and Speaker of the House of Representatives offered no objections or comments to the projects listed as recommended by the Commission in letters dated February 4, 2014, and February 6, 2014, respectively (Attachments II and III).

**DISCUSSION:**

The following discussion describes the details surrounding each of the Legacy Land Conservation Commission’s recommended projects.

**Kuamoʻo**

Trust for Public Land (TPL) & Mohala Hou Foundation, applied for $3,000,000 for purchase of 47 acres in Kona, Island of Hawai‘i, for the protection of coastal lands and cultural and historic resources. Mohala Hou Foundation will seek the matching funds to cover the remaining 26 percent of project costs from the Hawai‘i County open space fund, Office of Hawaiian Affairs, private foundations and individuals. Funding from the County of Hawaii may include the incorporation of a county-held conservation easement.
The property is the site of a significant transition in Hawaiian history, the Battle of Kuamo'o, fought in December 1819 (also known as "Kaua 'ai noa" or the battle of free eating) regarding the traditional kapu system. Kekuaokalani, nephew of Kamehameha I, and his wife, Chiefess Manono, are said to be buried on the property along with many of their warriors. The property includes burial mounds and sites (platforms, lava tubes), two previously documented heiau, undocumented heiau or shrines, habitation and farming areas, and well preserved portions of the Ala Kahakai National Historic Trail, which provides scenic views of the Kona coast and unique coastal features such as sea arches.

The Mohala Hou Foundation (or a successor organization) will provide pedestrian public access to the coastal trails, including the Ala Kahakai National Historic Trail. It intends to develop a management plan consistent the practice of Aloha 'Aina to conserve and respect the historical and cultural sites, provide contextual and educational opportunities regarding the historic Battle of Kuamo'o, restore the land to productivity though restoration of native plants and agriculture, and provide the public, students, and Native Hawaiians opportunities for meaningful interaction with, education about, and interpretation of these sites, and this important and pivotal period of Hawaiian history.

Mohala Hou intends to transfer the land to a new organization that is oriented towards ownership, management, and restoration of Kuamo'o. Mohala Hou stated this intention in the project application and also in a letter dated February 11, 2014. At the time of authorship of this submittal, IRS 501(c)(3) status is pending: the Department has instructed Mohala Hou to seek Board approval of this transfer when 501(c)(3) status is confirmed.

Mohala Hou Foundation is a local nonprofit organization, tax-exempt under 501(c)(3) of the Internal Revenue Code (IRC). Mohala Hou Foundation’s mission is: to promote public understanding and involvement in Hawaiian culture including music, dance, language, material crafts and history; to sponsor public performances, workshops, classes, retreats and other educational activities focused on Hawaiian culture; to provide scholarships for haumāna (students), kumu (teachers), and kūpuna (Hawaiian elders) to attend performances, workshops, classes, retreats and other educational activities in Hawaiian culture; and to directly engage in other activities related to education the public about Hawaiian music, dance, and culture.

Hakipu'u Lo'i Kalo

TPL & Ka Huli O Hāloa, applied for $350,000 for the acquisition of 1.5 acres of coastal lands in Ko'olinaupoko, Island of Oahu, for the protection of agricultural, cultural and historic resources. The applicants intend to see matching funding for 66% of project costs mainly from the City and County of Honolulu’s Clean Water Natural Lands Program, which regularly requires a conservation easement as a condition of the receipt of funds.

Acquisition will preserve rare coastal, cultural, and agricultural resources, including the coastal end of the Hakipu'u ahupua'a, the brackish Hakipu'u estuary in Kane‘ohe Bay, productive agricultural lands in traditional lo'i kalo cultivation, and native wildlife inhabiting the property. The lo'i on the property are some of the only remaining lo'i kalo in Hakipu'u. Ka Huli O Hāloa seeks to protect the lo'i kalo as an important cultural resource that helps establish the familial connection in Hawaiian cultural between people and the 'aina, and sets the foundation for the 'aina-based Hawaiian value system.

Ka Huli O Hāloa will preserve the lo'i kalo ecosystem so that it may continue to provide the staple food of the traditional Hawaiian diet, support fertile habitat for native wildlife, and serve its many watershed functions. Ka Huli O Hāloa also plans to manage the property as a peaceful refuge for
Hakipu‘u residents and visitors, and to provide immense educational opportunities for school children and the public. The property will provide an outdoor learning environment for Hakipu‘u Learning Center, other Hawaiian charter schools, and public and private schools without access to such resources. The property’s bio-cultural resources will support Hawaiian cultural practices including kalo farming, fishing, and wa‘a (canoe) making, navigation and sailing.

Ka Huli O Haloa is a local nonprofit organization, tax-exempt under 501(c)(3) of the Internal Revenue Code (IRC). Ka Huli O Haloa’s mission is “to provide support and assistance to community-based educational initiatives and community charter school(s) to improve educational options and to perpetuate and preserve the arts, culture, history and traditions of Hawaii through education.”

Ho‘oulu Ola

TPL & Kokua Kalihi Valley Comprehensive Family Services (KKV), applied for $900,000 for the acquisition of 11.44 acres in Honolulu, Island of Oahu, for the protection of natural lands, open space, and agricultural production. KKV will seek matching funds to cover the remaining 51% of project costs from private sources and the City and County of Honolulu’s Clean Water and Natural Lands Program, which regularly requires a county-held conservation easement as a condition of the receipt of funds.

The property is surrounded by Likelike Highway to the South, State forest land to the North, and City Board of Water Supply property to the East and West. The State’s 100-acre Kalihi Valley Nature Preserve is across the highway, and is currently leased to KKV to be managed as Ho‘oulu ‘Aina, a site that facilitates connections between the land and the surrounding community. The neighboring lands owned by Board of Water Supply and the State are watershed lands within the Ko‘olau Range. The 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 similar way to the Ho‘oulu ‘Aina site. KKV would work with the hunters to control the feral pig population, and illuminate dirt bike riding in order to create safe and healthy public access, open space for public enjoyment, and public outdoor recreational and educational opportunities where none previously existed. KKV will engage the community and the public towards restoration of mauka areas to a native landscape using the seeds of the protected makua (parent) trees on the property, grow food crops and la‘au lapa‘au (medicinal plants), and adopt traditional Hawaiian cultural practices. Kalihi residents will have a place to find local healthy produce and to make and sell value-added products and invasive-species wood products such as albizia furniture. The Kalihi plans to provide the community and public with participation in and benefit from the building of ahu (altar), traditional Hawaiian hale (house), and Hale Ola (House of Life), which will support practices such as ho‘oponopono (traditional Hawaiian method of family problem solving), and provide a positive space for family activities.

KKV is a local nonprofit organization, tax-exempt under 501(c)(3) of the Internal Revenue Code (IRC). KKV’s mission is: “Together we work toward healing and reconciliation and the alleviation of suffering in Kalihi Valley by serving communities, families, and individuals through strong relations that honors culture and fosters health and harmony.”
Helemano

Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW), applied for $1,067,500 in funding (of which $350,000 is available for award) for the acquisition and protection 1,613 acres of forested watershed and recreational lands in Waialua, Island of Oahu. DOFAW is seeking matching funds for 90% or more of the project costs from the Forest Legacy Program, the Army Compatible Use Buffer Program and the City and County of Honolulu Clean Water Natural Lands Program.

The Helemano parcel surrounds the Helemano Military Reservation, and is located downslope of the Poamoho Section of the Ewa Forest Reserve, near the town of Wahiawa. It contains a critical access route to DOFAW-managed lands, including the Poamoho Section of the Ewa Forest Reserve and soon to be created Poamoho Natural Area Reserve. DOFAW and the public currently have limited access to these public lands via an agreement with the current owner; however, this agreement is likely to be terminated upon sale of the property to an owner other than DOFAW. The Poamoho hiking trail and hunting area are popular recreational opportunities in Central O‘ahu and on North Shore, with as many as 55 hikers and hunters in one weekend. Currently, the trail is only open on weekends and holidays, and access is limited to 20 individuals per permitted day.

Acquisition of this parcel will allow DOFAW to secure public and management access to the Forest Reserve and NAR, and will provide much-needed base yard and office space for DOFAW programs and other stakeholders, including the Oahu Watershed Partnerships. DOFAW plans to explore options for agroforestry product development and off road vehicle and mountain bike park and public hunting areas. DOFAW will also use the access to the mauka Forest Reserve and NAR to manage listed species and implement the management goals of the Watershed Initiative, Poamoho Forest Reserve and Natural Area Reserve programs.

In summary, in its recommendations below, DOFAW advises the Board to approve the four projects selected by the Commission and approved by the legislators, amounting to a total of $4,600,000 in awarded funding from the Land Conservation Fund. This amount will fund the first three listed projects at the requested amounts, and provide a partial award of $350,000 to the Helemano project.

Hawaii Revised Statutes, section 173A-4

Section 173A-4, HRS, sets forth two requirements for the Legacy Land grant process: it requires applicants to seek consultation of certain State agencies prior to submitting an application, and it sets forth in detail the framework for what type of deed restriction (including covenants, agricultural easements, conservation easements) may be required over properties being acquired with funds from the LLCP.

Agency Consultation Process

Section 173A-4, HRS, requires applicants to the LLCP to seek the consultation of this Department, Department of Agriculture, and the Agribusiness Development Corporation with regard to the maximization of public benefits of each proposed land acquisition project. Consulting agencies can also provide input regarding other aspects of the project, including the level of legal protection on the land (e.g., whether a conservation easement is appropriate and what agency or organization ought to hold the conservation easement). Using forms supplied by the Department, FY14 applicants consulted the three agencies prior to submitting applications to the LLCP, and then submitted the responses of these agencies to the LLCP along with the application form.
Conservation Easements, Agricultural Easements, Deed Restrictions, and Covenants

Section 173A-4, HRS, requires that organizations and agencies receiving funds under this chapter provide a conservation easement, agricultural easement, deed restriction, or covenant to the Department or another eligible agency. The law also provides that the Board shall be an owner of a conservation easement as a condition of the receipt of funding, and states that the Board or any agency or organization required to hold an easement may provide an exemption from that requirement.

To date, the Department has required all recipients of funds through this program to record restrictions in the deed of conveyance for the property. Similar to many federal programs, the Legacy Land restrictions for county and nonprofit grantees reference the grant agreement that is executed between the Board and the grantee, and also include the statutory restrictions on the transfer of the land provided within Chapter 173A, HRS. These statutory restrictions include payback provisions and mandatory Board approval for any subsequent transfer of the property. Per the restrictions, the owner must manage the land in a manner consistent with the protection of the resources as described in the original grant application.

While the Board currently possesses the optional authority to impose conservation easements on lands acquired by other entities, the Department advises that the deed restrictions imposed in previous years are more appropriate for the recommended Fiscal Year 2014 projects. Of the four projects being recommended, one is to be held by the State, and the remaining three will likely have conservation easements imposed by other agencies. The first three projects listed for funding in FY14 are seeking funds from organizations that will likely hold a conservation easement and the forth project listed will be owned by the State and managed by DLNR DOFAW as Forest Reserve.

Chapter 343, Hawaii Revised Statutes: Environmental Assessment

Class 1, Exemption 15, on the June 12, 2008, Division of Forestry and Wildlife Exemption List, states, “The award of grants under H.R.S., Chapter 173A, for the acquisition of interests in land, provided that the acquisition does not cause any material change of use of land or resources beyond that previously existing.” DOFAW advises declaring awards exempt from the preparation of an environmental assessment pursuant to this exemption.

RECOMMENDATIONS:

That the Board:

1) Approve the acquisition of the following parcels and authorize the Chairperson to execute a letter of offer to the landowner and encumber funds, under the FY14 LLCP ceiling, from the LCF for the following Department project:

   a) Helemano; Department of Land and Natural Resources, Division of Forestry and Wildlife, at $350,000 for the acquisition and protection 1,613 acres of forested watershed and recreational lands in Waialua, Island of Oahu.

Using a total of $350,000 from the LCF, subject to compliance with H.R.S., Chapter 173A, and the normal process and procedures for the acquisition of lands by the State.

2) Authorize the Chairperson to enter into agreements and encumber FY14 funds with the listed grant
recipients for the following grants to State agencies, nonprofit land conservation organizations, and counties:

a) **Kuamo‘o**; Trust for Public Land (TPL) & Mohala Hou Foundation, at $3,000,000 for purchase of 47 acres in Kona, Island of Hawai‘i, for the protection of coastal lands and cultural and historic resources.

b) **Hakipu‘u Lo‘i Kalo**; TPL & Ka Huli O Haloa, at $350,000 for the acquisition of 1.5 acres of coastal lands in Ko‘olaupoko, Island of Oahu, for the protection of agricultural, cultural and historic resources.

c) **Ho‘oulu Ola**; TPL & Kokua Kalihi Valley Comprehensive Family Services, at $900,000 for the acquisition of 11.44 acres in Honolulu, Island of Oahu, for the protection of natural lands, open space, and agricultural production.

using a total of **$4,250,000** from the LCF, subject to:

- compliance with H.R.S., Chapter 173A;
- compliance with H.R.S., Chapter 343;
- execution of a Grant Agreement with the BLNR;
- certification of an appraisal for each project by the Department;
- insertion of Legacy Land Conservation Program restrictions into the deed as a condition of contractual agreements with the grant recipients;
- approval of the Grant Agreement and of the Deed by the Attorney General’s office;
- the availability of funds;
- the approval of the Governor; and
- such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

3) Require the imposition of Legacy Land Conservation Program restrictions into the deeds as a condition of contractual agreements with the grant recipients and exempt projects from any additional conservation easements that may be required under Section 173A-4, HRS.

4) Declare these awards of funds exempt in accordance with Class 1, Exemption 15, or: the June 12, 2008, Division of Forestry and Wildlife Exemption List.

5) Authorize the Department to proceed with all due diligence and negotiations that may be necessary to carry out the grants and acquisitions mentioned above.

Respectfully submitted,

Randy Kenedy
LISA HADWAY, Administrator
Division of Forestry and Wildlife
APPROVED FOR SUBMITTAL:

[Signature]
WILLIAM J. AILA, JR., Chairperson
Board of Land and Natural Resources

ATTACHMENTS:

Attachment I: Table of recommended awards for the Fiscal Year 2014 Legacy Land Conservation Program with project maps and photos attached

Attachment II: February 4, 2014, letter from the Senate President

Attachment III: February 6, 2014, letter from the Speaker of the House of Representatives
At its meeting on December 3, 2013, the Legacy Land Conservation Commission recommending that the Board of Land and Natural Resources fund the projects listed above in the order ranked, to the extent that funds are available, through the Fiscal Year 2014 Legacy Land Conservation Program.

Currently, the estimated funding available is $4,600,000. With this estimate, funding the projects as listed would result in awards of the requested amounts for the first three projects listed, and a partial award of $350,000 to the fourth project listed.
Kuamo'o Lands

PORTION OF TAX MAP PLAT (3) 7-9-05

Key:
- Parcel 2 (30.80 acres)
- Parcel 3 (16.357 acres)
- Parcel 4 (0.777 acres)
- Parcel 14 (59.40 acres)

Source: John Child & Company.
Sea Arch near southern border of Parcel 3
Bay or inlet near southern boundary of Parcel 3
Konane Board (Hawaiian checkers)
Photographs of the Hakipu'u Lo'i Kalo Property

Rain water on a kalo leaf

One of the property's lo'i kalo
Condemned house and large 'ulu tree on the property
Aerial image with estimated property boundary lines and labels
FY 14 Legacy Land - Ho‘oulu Ola

Kalihi Valley (‘Ili of Pohakaa and Kiol) General Location & Parcel Map
FY14 Legacy Land - Ho'oulu Ola

Ho'oulu Ola General Location, Topography & Plat Maps
Old growth hala tree amidst nonnative species

Old growth koa tree on overpass overlooking Likelike Hwy.
Large level grounds currently used by dirt bike racers that Ho'oulu 'Āina staff plan to plant
Photos of the Helemano Property

Figure 1. View of the Poamoho Hele Loa Access Road

Figure 2. View of gulch habitat and terrain looking toward the North Shore, Oahu

Figure 3. View of Kukui Tree agro-forestry stand on right and fallow pineapple land on left
William J. Aila, Jr., Chairperson
Board of Land and Natural Resources
State of Hawaii
P.O. Box 621
Honolulu, Hawaii 96809

Dear Mr. Aila:

I am in receipt of your letter dated January 10, 2014 in which you submit for my review and consultation the recommendation of the Legacy Land Conservation Commission’s funding of four projects for the Fiscal Year 2014 Legacy Land Conservation Program.

This letter is to acknowledge that you are seeking comment to fulfill your statutory requirement pursuant to Hawaii Revised Statutes, Chapter 173A, that requires the Department to request consultation on the list of recommended projects with the Senate President, prior to submitting them to the Board of Land and Natural Resources for approval.

After reviewing we currently have no concerns or objections to the four projects as proposed in your attachments.

Thank you for the opportunity to provide comments on this matter.

Sincerely,

Donna Mercado Kim
Senate President
Senator, 14th district
February 6, 2014

Mr. William J. Aila, Jr., Chairperson
Department of Land and Natural Resources
P.O. Box 621
Honolulu, Hawaii 96809

Dear Chair Aila:

Thank you for your letter requesting consultation on the recommendations of the Legacy Land Conservation Commission regarding funding of projects for the Fiscal Year 2014 Legacy Land Conservation Program.

Upon reviewing I currently have no concerns or objections to the seven projects as proposed in your attachments.

Sincerely,

Joseph M. Souki
Speaker of the House