Economic Underpinnings of Sovereignty & Self-Determination

Seneca Nation, Niagara Falls, New York
17 Kepakemapa 2019
Today’s Agenda:

1. Introduction
2. History of Hawaiian Homes Commission Act & Department of Hawaiian Home Lands
3. Defining Native Economy
4. Homeowner Financing = Seeding the Nation
5. Questions?
Who Am I?

My name is Niniau Kawaihae Simmons. I work for the Chairman of the Hawaiian Homes Commission and for the Department of Hawaiian Home Lands as the NAHASDA Manager. I’ve been there almost 7 years in that position.

I’m also the happy mom of five children; 3 girls and 2 boys. And thanks to my eldest daughter, I have three wonderful granddaughters and 1 delightful grandson.

I also have a BA degree in Political Science (UH Hilo); a MA degree in Organizational Leadership (Gonzaga); and have 18 months to go in my Education Doctorate at USC.
Hawaiian Homes Commission Act of 1920, as Amended

Prince Jonah Kūhiō Kalanianaʻole
Hawaii’s Delegate to the U.S. Congress, 1902 - 1922
The HHCA:

• Passed thru Territorial Legislature in 1919
• Introduced to U.S. House of Representatives that same year
• Introduced to U.S. Senate in 1920
• Passed the U.S. Congress in May 1921
• Signed into Law by U.S. President Warren G. Harding on July 9, 1921
The HHCA:

• Sets aside 200,000 acres of the worst land for homesteading, farming, or ranching
• Establishes a 50% native Hawaiian blood quantum
• Has the Territorial Governor serve as Chairman of the Hawaiian Homes Commission
• Gives Commission water rights and revenue from water licenses to fund work
At Statehood in 1959:

• In the Statehood Compact, the State of Hawaii had to agree to administer the HHCA in its entirety.

• The HHCA is embedded in the Hawaii State Constitution and HHC Trust Lands’ title held by the U.S. Government.

• Statehood created the Department of Hawaiian Home Lands with the Chairman of the Commission serving as both head of the Hawaiian Homes Commission and director of DHHL.

• Is appointed by the Governor and confirmed by Senate.
HHCA TIMELINE

1911 - The ‘Ahahui Pu‘uhonua served as the catalyst toward the chronicling of the despair and destitution of the maka‘āinana (commoner) in 1911

1921 – Hawaiian Homes Commission Act of 1920 passed by U.S. Congress, setting aside approximately 200,000 acres for homesteading by half-blood native Hawaiians

1923 – First homestead settled at Kalanianaole Settlement in Kalamaula, Molokai

1924 – Second and third homesteads settled at Ho‘olehua, Molokai and Keaukaha, Hawai‘i.

1926 – The “Great Experiment” of the HHCA succeeds and remaining inventory released by U.S. Department of Interior

1959 – HHCA adopted into Hawaii State Constitution as condition of statehood; U.S. Holds title to the 200,000 acres to the State of Hawaii for the betterment of the conditions of native Hawaiians

1994 – HHCA Land Settlement (State of Hawaii) $30 million x 20 years

2019 – Average age of Waitlist applicant: 57 years. Housing need calculated at $10.3 billion.
Native Hawaiian Population

The chart shows the Native Hawaiian population from 1778 to 2011. Initially, the population was around 800,000, but it experienced a significant decline, reaching a low point in the late 19th century. By the early 20th century, the population had recovered slightly, and forecasts indicate a steady increase from 2000 onwards, with an estimated 22% of the population in 2011.
DHHL Statewide Inventory

Hawaiian Home Lands Trust
Percent Acres by Island

<table>
<thead>
<tr>
<th>ISLAND</th>
<th>ACRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawai‘i</td>
<td>117,551</td>
</tr>
<tr>
<td>Maui</td>
<td>31,904</td>
</tr>
<tr>
<td>Molokai</td>
<td>25,748</td>
</tr>
<tr>
<td>Kaua‘i</td>
<td>20,575</td>
</tr>
<tr>
<td>O‘ahu</td>
<td>8,154</td>
</tr>
<tr>
<td>Lāna‘i</td>
<td>50</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>203,982</strong></td>
</tr>
</tbody>
</table>
Defining Native Economy: What’s That?

1. The wealth and resources of a country or region, especially in terms of production and consumption of goods and services

2. Careful management of available resources
Homeowner Financing = Seeding the Nation

- Even out the financial arena of homeownership
- Using NAHASDA funding to create an economy
- Create loan products that utilize native values to qualify
- Teaching families to “Pay it Forward”
“HALE” assists eligible applicants/lessees with the following:

**Risk Mitigation**
- Homebuyer education
- Using credit history, diagnoses problems
- Native Hawaiian qualifications

**Loss Mitigation**
- Lease cancellation prevention
- Keeps families in their homes

• HALE emphasizes *kuleana* in terms of financial behavior

• HALE promotes applicant/lessee empowerment
What Kind of Native Qualifications?

Hard worker, dependable
Made past mistakes, ready for change
Attends financial literacy classes & applies to own life
Motivated to have a stable home
Exhibits cultural values: aloha, ‘ohana, “We” not “I”
Elder with Fixed & Stable Income
Section 8 Homeowner Program
## Careful management of available resources:

<table>
<thead>
<tr>
<th>Yes:</th>
<th>No:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Stewardship of natural resources</td>
<td>• Not hoarding</td>
</tr>
<tr>
<td>• Efficiency in using resources</td>
<td>• Not selling</td>
</tr>
<tr>
<td>• Sharing resources with those in need</td>
<td>• Not taking more than can be used</td>
</tr>
<tr>
<td>• Taking only what is needed</td>
<td>• Not giving to those who already have</td>
</tr>
<tr>
<td>• Providing for those that cannot for themselves</td>
<td>• Making those without “earn” what is needed</td>
</tr>
<tr>
<td>• Spirit of cooperation, compassion</td>
<td>• Judgmental spirit</td>
</tr>
</tbody>
</table>
NAHASDA Loan Products

ELIGIBILITY REQUIREMENTS:

- 18 Years Old
- ½ Blood native Hawaiian
- Have monthly income from a job or fixed income (Social Security, etc.)
- Eligible to reside on DHHL Trust Lands
Self-Help 0% Loan

- Families work with self-help program like Habitat for Humanity
- Utilize sweat equity to lower construction costs
- After completion, NAHASDA loan is over 30 years at 0% interest to DHHL
- Mortgage payments are at or below 30% of adjusted monthly gross income
- Reduces Davis-Bacon labor costs
60/40 Split

- Takes 60% of total loan cost and sets it aside to amortize to zero over 30 years
- Uses 40% of total loan cost to calculate monthly mortgage payments at 1% over 30 years
- Attempts to even the playing field where Davis-Bacon wages are 40% of total loan
- Mortgage payment usually at or under 30% of family’s adjusted gross monthly income
Example:

$350,000 \times 60\% = \$210,000 \text{ (set aside/deferred)}$

$350,000 \times 40\% = \$140,000 \text{ (amount to repay)}$

$140,000 \times 1\% \text{ over 30 years} = \$450.30/\text{month}$

*Someone making $10/hr @ 160 hours/month could qualify*
Development Example - Kapolei

Over 15 years from beginning to the present...
And, it’s not yet done...
2005
February – began construction of Kualaka‘i Parkway
September – 159 acres conveyed to DHHL from DLNR

2006
October – start DHHL off-site infrastructure construction
2007

February – start Hale Kalanianaole construction
March – start Kapolei Parkway Extension construction
2008
February – Kapolei Parkway Extension construction completed
March – dedication of Hale Kalanianaole
2009
February – begin construction of Kanehili houses
December – first Kanehili houses completed
2010
February – Kualaka‘i Parkway and Kapolei Parkway Extension opened to traffic
March – begin construction of Kroc Community Center
May – begin construction of Keahumoa Parkway
August – begin construction of UH West Oahu campus
2012
January – dedication of Kroc Community Center
June – begin construction of Ko’oloaula affordable housing
August – begin construction of Keahumoa Parkway
August – UH West Oahu open for classes
2013
March – begin occupancy of Koʻoloaʻula affordable housing
2014

October – begin construction of Kauluokahai, IIB

December – groundbreaking for Special Olympics Hawaii
2015
March – groundbreaking for Ka Makana Ali’i
August – completion of Kauluokahai, IIB infrastructure
2017

July – Ho‘opili: First Occupancies
December – Kaulūokahai JIB House Lot Selection
Questions?

Suggestions?