

HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

MINUTES

March 20, 2025

Online Only via Teams

CONVENE: 2:51 p.m.

PRESENT: Councilmember Tasha Kama, Chair
Councilmember Nohelani U‘u-Hodgins, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

STAFF: James Krueger, Senior Legislative Analyst
Ellen McKinley, Legislative Analyst
Carla Nakata, Legislative Attorney
Jennifer Yamashita, Committee Secretary
Jean Pokipala, Council Services Assistant Clerk
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

Zhantell Lindo, Council Aide, Moloka‘i Residency Area Office
Roxanne Morita, Council Aide, Lāna‘i Residency Area Office
Mavis Oliveira, Council Aide, East Maui Residency Area Office
Bill Snipes, Council Aide, South Maui Residency Area Office
Jade Rojas-Letisi, Council Aide, Makawao-Ha‘ikū-Pā‘ia Residency Area Office

ADMIN.: Mimi Desjardins, First Deputy Corporation Counsel, Department of the
Corporation Counsel
Richard “Remi” E. Mitchell, Director, Department of Housing

OTHERS: Testifiers
Scarlett Marten
Jasee Law

Others (38)

PRESS: *Akakū: Maui Community Television, Inc.*

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CHAIR KAMA: . . .(*gavel*) . . . Will the Housing and Land Use Committee meeting of March 20th, 2025, come to order. It is now 2:51 p.m. I am Tasha Kama, Chair of the Housing and Land Use Committee. This online meeting is being conducted in accordance with the Sunshine Law. Members, when your name is called...and you're all with me in the Chambers. Thank you. Thank you. I feel honored you're all here. So, I want to say aloha 'auinalā to Committee Vice-Chair Nohelani U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Aloha, Chair. Aloha, everyone.

CHAIR KAMA: Aloha 'auinalā, Council Chair Alice Lee.

COUNCILMEMBER LEE: And aloha to you too.

CHAIR KAMA: Thank you. And aloha 'auinalā to Vice-Chair Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Aloha 'auinalā, and looking forward to a productive meeting. Thanks for doing this.

CHAIR KAMA: Well, it's all up to you all. That's how productive we're going to be. And we're going to go on to...to say aloha 'auinalā to Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha 'auinalā kākou.

CHAIR KAMA: I want to continue to say aloha 'auinalā to Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Aloha Chair, Councilmembers, community members. There's no testifiers at the Lānaʻi District Office, and I'm here and ready to work. Thank you.

CHAIR KAMA: Thank you. I want to say aloha 'auinalā and mahalo nui loa to Councilmember Keani Rawlins-Fernandez for giving up her time to the HLU Committee so we could continue our discussion on deed restrictions. So, thank you so much.

COUNCILMEMBER RAWLINS-FERNANDEZ: You're very welcome, Chair, and Members. Aloha 'auinalā. There are currently no testifiers at the Molokaʻi District Office. Mahalo, Chair.

CHAIR KAMA: Thank you. Aloha 'auinalā, Councilmember Tom Cook.

COUNCILMEMBER COOK: Aloha 'auinalā. And there's no...currently no testifiers in Kīhei. And I'm looking forward to your meeting today. Thank you.

CHAIR KAMA: Thank you. And aloha 'auinalā to Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha 'auinalā, Chair. And there are no testifiers in Hāna, Chair.

CHAIR KAMA: Okay. And so, we have with us this afternoon Mimi Desjardins with the Deputy Corporation Counsel. Aloha 'auinalā.

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MS. DESJARDINS: Aloha.

CHAIR KAMA: And we have with us today the Director of the Department of Housing, Richard Mitchell. Aloha 'auinalā.

MR. MITCHELL: Aloha, Chair and Members.

CHAIR KAMA: And we have our Committee Staff with us this afternoon, our Senior Legislative Analyst, James Krueger. Aloha.

MR. KRUEGER: Aloha, Chair and Members.

CHAIR KAMA: And we have the Legislative Analyst, Ellen McKinley.

MS. MCKINLEY: Aloha, Chair and Members.

CHAIR KAMA: And we have our Committee Secretary, Jennifer Yamashita.

MS. YAMASHITA: Good afternoon, Chair and Members.

CHAIR KAMA: We have our Legislative Attorney, Carla Nakata.

MS. NAKATA: Aloha, Chair and Members.

CHAIR KAMA: And we have our Assistant Clerk, Jean Pokipala, outside registering people to testify. Thank you, Jean. So, thank you, Members, for attending today's HLU Committee meeting.

**BILL 40 (2025), AMENDING CHAPTERS 2.96, 2.97, AND 3.44, MAUI COUNTY
CODE, ON RESIDENTIAL WORKFORCE HOUSING UNITS (HLU-6)**

CHAIR KAMA: And we have a single item on the agenda today. It's Bill 40. It amends Chapters 2.96, 2.97, and 3.44 of the Maui County Code on Residential Workforce Housing Units. In accordance with the Sunshine Law, as Chair, we'll be calling for testimony on our single-item agenda at the start of this meeting, after I introduce the bill that is on our agenda. Since we have no formal presentation on this bill, we'll take public testimony, and then enter discussion regarding this proposed bill. So, Members, for the past several Committee meetings, we have been discussing with our invited resources the advantages and disadvantages of changing the length and nature of our current deed restrictions that are placed on workforce and affordable housing units created under Maui County Code, Chapter 2.96 and 2.97. Following these discussions, it appeared to me that we needed a broader discussion of changes to our attainable housing regulations. To that end, I asked Committee Staff to prepare an omnibus bill that would serve as a framework for that broader discussion. The resulting legislation, Bill 40 (2025), is before us at this meeting. I only consider this legislation as a vehicle for our

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discussions. I don't expect this bill to be passed out of this Committee with many...without many revisions.

. . . BEGIN PUBLIC TESTIMONY FOR ITEM HLU-6 . . .

CHAIR KAMA: Given that, I'm going to open up this meeting now for public testimony. For Microsoft Team participants logged in via web or the Teams app, please indicate that you would like to testify by clicking the raise-your-hand icon at the top right of your window. Staff will add your name to the testifier list. If you are joined by telephone, star-5 will raise your virtual hand, and Staff will put your name on the testifiers list. Please keep your audio and video muted until you're called to testify. Written testimony is encouraged, and can be submitted via the eComment link at mauicounty.us/agendas. Oral testimony is limited to three minutes per item. When you reach the two-minute mark, you will hear an audible notice. If you are still testifying when the notice sounds, please complete your testimony within the remaining minute. When testifying, we ask that you state your full name for the record. And anonymous testimony is also accepted. Decorum will be maintained throughout this meeting, and violation of decorum may result in being removed from the Chamber or the online meeting. You can view the meeting on *Akakū* Channel 53, Facebook Live, or mauicounty.us/agendas. Thank you so much for your cooperation. So, at this time, we're going to call on testifiers wishing to testify on Bill 40. Staff?

MS. MCKINLEY: Chair, the first, and currently only person signed up to testify, is Scarlett Marten.

MS. MARTEN: Good afternoon.

CHAIR KAMA: Good afternoon.

MS. MARTEN: I would like to thank Tamara Patlin [*sic*] for this bill. You have done an amazing job advocating for your constituents. Even the people who disagree with you admire you for your tenacity and work ethics. I know nothing about the West Side, so I can only advocate for the South Side, and this problem is very prominent. Mayor Bissen came to our Kihei community meeting, and I quote, he said, "Kihei suffers from bad decisions of previous administrations." I'm not sure who he was referring to, but I am a lifelong optimist, and I do believe when we know better, we do better. So, I'm here to testify about Kihei. I have lived there for almost 30 years, and Kihei is dying. Twenty-five years ago, we had five preschools and two-year waiting lists. Kamali'i and Kihei Elementary were maxed. Right now, go look. They're half empty. The new Kihei High School will never reach the capacity. Kihei is dying, and it's turning into haole mainland retirement center. I know the joke is not lost on me. I'm the haole with an accent...but my children's are not. They were born and raised here. They are the true kama'āina, and they cannot come home after college. None of their friends can. And it's not because of job opportunities or because of the gas and grocery prices. It's because of the rent. So, all these retirees that came five, seven, even ten years ago bought the houses in Pi'ilani Villages behind Safeway. They were originally built for

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workforce housing. At some point, we all going to have to have the come-to-Jesus moment and make workforce housing . . .*(timer sounds)*. . . in perpetuity. It has been a proven concept on many islands, ski resorts, and tourist destinations. I do not understand why we cannot apply it on Maui. On South Side of this island, we have five major hotels. I don't know if you ever talked to the general managers, but I did. They all have the same problems. Housekeeping is aging out. The new generation doesn't want to do it, and they are considering J-1 visa. They will bring them from Philippines, Malaysia, Indonesia. They have nowhere to put them. They even considered building a hotel housing. But because of the cost of land and the process, it's just not feasible for them. So, pretty soon--I don't know if it's this Council, or this Mayor, or the next one--we're going to get used to eminent domain and workforce housing in perpetuity. Hospitality on this island is more than 80 percent workforce. . . .*(timer sounds)*. . . You have to be able to have generations of coming young people who will work in these hotels.

CHAIR KAMA: Thank you for your testimony. We're going to ask the Members if they might have questions for you. Members, any questions for our testifier? You have one? Okay. Member Paltin?

COUNCILMEMBER PALTIN: I...I didn't have a question.

CHAIR KAMA: Oh, okay.

COUNCILMEMBER PALTIN: I just wanted to clarify. Member U'u-Hodgins, myself, and Member Kama all put forward bills. So, I didn't want to --

MS. MARTEN: Well, thank you.

COUNCILMEMBER PALTIN: -- hog it.

MS. MARTEN: I didn't want to just give credit to you.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Oh, no, thank you. Yeah. No questions? Oh, Member Sugimura has a question for you.

COUNCILMEMBER SUGIMURA: I don't really have a question. Thank you very much for testifying. I saw her in the back --

CHAIR KAMA: Yeah.

MS. MARTEN: -- and she said, I wasn't really going to testify, but...good job.

CHAIR KAMA: Yes.

COUNCILMEMBER SUGIMURA: Thank you.

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MS. MARTEN: Thank you. I'm here for my children. They can come home.

CHAIR KAMA: Thank you. Thank you so much.

MS. MARTEN: Thank you.

CHAIR KAMA: Staff, any other testifiers?

MS. MCKINLEY: Chair, that is all the individuals signed up to testify. If anyone in the audience...oh, we have a testifier approaching.

CHAIR KAMA: Okay.

MR. LAW: Aloha awakea. Jasee Law. Hawaiian word for...second Hawaiian word for today. Hili...hilina'i, to believe, trust, to lean on, rely on, trust, confidence.

CHAIR KAMA: Thank you. Seeing no questions. Staff?

MS. MCKINLEY: Chair, that is everyone signed up to testify. If anyone in the audience or on Teams would like to testify, please come up to the microphone and begin your testimony or use the raise-your-hand function on Teams and Staff will unmute you. I'll provide a brief countdown...three, two, one. Chair, seeing no one indicating they wish to testify.

CHAIR KAMA: Thank you. Members, seeing there are no more individuals wishing to testify, without objection, I will now close oral testimony. But as a reminder, written testimony will continue to be accepted into the record.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM HLU-6 . . .

CHAIR KAMA: Thank you. So, we're now going to continue to proceed discussing Bill 40. But Members, I wanted to ask you, do you want to continue the discussion that we had these past few days, or do you just want to go into the bill and start from there? What is your pleasure? We can continue discussing, or we can just get right to the bill...and then whatever amendments might be necessary, we can work on them. Up to you all. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. My pleasure would be to go right into the bill.

CHAIR KAMA: That's my pleasure, too, but what is the will of the body? Member Johnson? Oh, maika'i. Okay.

COUNCILMEMBER JOHNSON: Thumbs up for the going into the bill.

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CHAIR KAMA: Thank you. Thank you, Member Sinenci. That's three...four.

VICE-CHAIR U'U-HODGINS: I can do whatever.

CHAIR KAMA: Okay. Okay. We're good. Okay. So, let's go into the bill. Okay. So, I hope that you all have your bill. I...I'm hoping that you all read it. I'm thinking that you probably did and you are ready with your amendments, which is really great. Okay. So, why don't we start with...well, hold on. Okay. So, I think right now, Members, the Chair will entertain a motion to recommend passage on first reading of Bill 40 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 2.96, 2.97, AND 3.44, MAUI COUNTY CODE, ON RESIDENTIAL WORKFORCE HOUSING UNITS," incorporating any nonsubstantive revisions.

COUNCILMEMBER PALTIN: So moved.

COUNCILMEMBER JOHNSON: Second.

CHAIR KAMA: It's been moved by Member Paltin, seconded by Member Johnson. Okay. So, let's...any discussion? Member Paltin, yes.

COUNCILMEMBER PALTIN: Thank you. I really like what...what was done here personally. I think it captured the essence of...of, you know, so many things. If...if I did make an amendment, the only one I see would be if ownership...on page 4, 2.96.060(B)(4), I would make it the same as what (B)(1) is. That would be the only thing that I would change.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: 2.96.060(B)(4), I would...I would make it the same as what (B)(1) is instead.

CHAIR KAMA: So, are you going to make that an amendment or...

COUNCILMEMBER PALTIN: Sure.

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: Would you entertain that? I move to amend 2.96.060(B)(4) to say, "Ownership units that did not receive a County Affordable Housing Fund subsidy will have their...are subject to the deed restrictions contained in this section for the following periods: a. below-moderate income, 12 years; b. moderate income, 10 years; and c. above-moderate income, 8 years.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR KAMA: So, it's been...oh, sorry. It's been moved and seconded with Member Paltin's amendments. And basically, as she stated earlier, that it's only taking what's in item B

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and moving it over to number 4, correct? Word for word, verbatim. And it was seconded by...

COUNCILMEMBER PALTIN: No...not verbatim, but to apply to the situation.

CHAIR KAMA: To apply. Right. And was seconded by Member Keani Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Correct. Just pointing out that C is ten years, I think you said eight?

CHAIR KAMA: 12...12, 10, and...

COUNCILMEMBER RAWLINS-FERNANDEZ: So, if it's going to be the same, then it would be ten? Is that...or am I reading something wrong?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: C says eight years on my...

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm sorry, that was (B)(2). Okay. Yeah, sorry, I'm on the same page now.

CHAIR KAMA: Okay. Members, are we all on the same page now with Member Paltin's amendment?

COUNCILMEMBER PALTIN: Oh, did you want me to discuss it?

CHAIR KAMA: If you'd like to.

COUNCILMEMBER PALTIN: Okay. Just that, you know, it's...it's...it has been said that five, eight, ten years are a little short, and this is what 2.96 becomes. I think that if it's a single-family home, that is intended to be kind of more of a forever home. But I don't think that the deed restriction should be less than a multifamily because we've heard so much about multifamilies and apartments and things like that. So, I...I agree that if they didn't get any County subsidy for the Affordable Housing Fund, it shouldn't be quite as long, but it shouldn't be shorter than a multifamily.

CHAIR KAMA: Any other discussion? Okay. Yes, Member U'u-Hodgins?

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I understand Member Paltin's point, but I actually preferred her first language with multifamily and keeping it ten years across the board. And then I also...so I won't be supporting this amendment. I also support shorter deed restrictions than what's currently proposed. And I would not like to have

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number 4 in there because this Council has made it difficult for people to not have County subsidies. So, it's nearly unrealistic to assume that that's not the case. Right now, we have one project coming in without County subsidies. It's a quite large project, and it's becoming extremely difficult. So, we can assume that most likely, that won't happen. And I just find it quite unnecessary at this point, although I would love to get to the point where we don't need to constantly subsidize our affordable housing projects.

CHAIR KAMA: Any other discussion? Member Sugimura?

COUNCILMEMBER SUGIMURA: So...oh, sorry. Member U'u-Hodgins, for clarification. So, you're saying delete 4? Oh, sorry.

VICE-CHAIR U'U-HODGINS: Right now, we're on Member Paltin's amendment, and for me not to get confused--because I do have a bunch of amendments as well--I'm just going to say, in my opinion, everybody do what they want to do. I'm going to vote no, and then I have some other amendments for this section.

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR KAMA: Any other discussion? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I will be voting in support of this motion. Really, my position is, I don't think any more housing should be built unless it's affordable. That's 100 percent. Like, any housing that's built should be affordable. I think there's enough luxury houses here to generate the subsidy, which is the reason that past Administrations and Councils said that they...they were supporting the project in order to subsidize affordable housing. Supporting the development of all these luxury mansions along the coastline, that's like 15, \$20 million. Like part of supporting those projects was to subsidize affordable housing. So, like we won't stop subsidizing affordable housing because that was the claimed or asserted purpose of supporting those projects. Yeah. So, my position is that I wouldn't support any more housing, really, unless it's affordable for our residents. I don't know why we would support anything different, really. So, I will be supporting the motion on the floor.

CHAIR KAMA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Any other discussion? Member Paltin?

COUNCILMEMBER PALTIN: I guess just that I have a couple developers that I've been speaking with on the West Side that were talking about not getting affordable housing, but...you know, I mean, one has entitled land already for R-3, and one is partially, but both of them say they don't want to get any County money because they don't want additional requests or things. I don't know if it'll pan out because, like Member U'u-Hodgins said,

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you know, our whole development and permits and all like that. The one that called me in Kā'anapali--it's not Kā'anapali 20, it's a different one--it's still in the really early stages, but they don't want to do any affordable housing subsidies. So, I guess, you know, there's folks out there, but if what they say and what actually happens could be a different story, but I've had people come to me saying that, but, you know, you can say whatever you want.

VICE-CHAIR U'U-HODGINS: Yeah.

COUNCILMEMBER PALTIN: Just throwing that out there for consideration.

CHAIR KAMA: Any other discussion? Member --

VICE-CHAIR U'U-HODGINS: I'll let him go first since I already...

CHAIR KAMA: -- Sinenci and then Member U'u-Hodgins.

COUNCILMEMBER SINENCI: Yeah, just to clarify, Chair, in number 4, it does say ownership units that did not receive County fund subsidy would have their deed restriction period halved. Can you explain?

VICE-CHAIR U'U-HODGINS: Well, the amendment that Member Paltin...I'm sorry.

UNIDENTIFIED SPEAKER: Can you speak louder?

CHAIR KAMA: I think...I think Member U'u-Hodgins --

COUNCILMEMBER PALTIN: You...you --

COUNCILMEMBER SINENCI: Okay.

COUNCILMEMBER PALTIN: -- turned your mic off.

CHAIR KAMA: You turned your mic off.

VICE-CHAIR U'U-HODGINS: Oh.

CHAIR KAMA: And we all want to hear your answer.

VICE-CHAIR U'U-HODGINS: Sorry, because I was only asking...I was only telling him, that is absolutely what it says, but...correct me if I'm wrong, Member Paltin, but she wanted number 4 to look more like number 1, a, b, and c. So, that was her...yeah, that was her change.

COUNCILMEMBER SINENCI: Got it.

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COUNCILMEMBER PALTIN: Because what it says in there, if it halved it, it would go back to what 2.96 currently is. The way that it's written right now is...is not how it's...currently is. So...and...and we're talking about like single-family homes, which...to me, I...I do believe multifamily is a starter because, you know, you could outgrow it, have more kids. At the point where you get a single-family, it's different. But I mean, with what we're doing with the CPR'ing of 103, then it could be different, but that's not...I don't think that's going to be like subject to workforce housing because it's ten...after the tenth one, then...tenth dwelling unit, then 2.96 residential workforce housing kicks in. So, I don't...those could be starter single-family homes, but it wouldn't apply to this circumstance. We're talking more like projects. Like not the projects, but housing projects.

COUNCILMEMBER SINENCI: Okay. Thank you.

CHAIR KAMA: Member...Member U'u-Hodgins, and then Member Sugimura.

VICE-CHAIR U'U-HODGINS: Thank you. I just wanted to put an exclamation point on what Member Paltin said. She is correct in that some home providers don't need to seek County funding. That's typically when they have already entitled land, which is very few and far between, and that's not what we really have most likely...most available. I've done projects where we didn't need to come for...to this Council for funding because it was death by 1,000 paper cuts. However, the land that is currently entitled is few and far between. So, as those are being developed in the future, we won't have much, and they'll have to probably come to us because our entitlement process is long and expensive. And I'm not too sure if the mansions...and I understand Member Rawlins' point. I wish, too, we didn't have to build anything else. Except this Council doesn't oversee mansions building next to the ocean. They don't need our help. They don't ask for County funding. They can do that without our approval, and they have done it without our approval, and I understand her frustration. I'm from Pā'ia. That's what I look at outside my front door. That's what's next to my grandma's house that's making her property taxes go skyrocketing. I completely understand her point, but that's not really apples to apples in this conversation when we're talking about affordable housing. And I do wish that we only really had that conversation with affordable housing. And we are fortunate in this Council that that is what we focus on, and for me, I just don't want to disincentivize our affordable housing providers by providing something for us that the County government doesn't provide for us. Thanks.

CHAIR KAMA: Thank you. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. So, I'm going to speak against the motion, or I'm going to vote against the motion, and the item number 4, owner...ownership units that did not receive a County Affordable Housing Fund subsidy. I mean these are people who are building on their own, and they're not coming to us, so I do not want to discourage that from happening. Everybody doesn't have to get County subsidy, or if they don't, we shouldn't have to, you know, force them to do something that they may not have penciled out their project with. So, I'm going to be voting against that --

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CHAIR KAMA: Thank you.

COUNCILMEMBER SUGIMURA: -- this motion.

CHAIR KAMA: Member Paltin?

COUNCILMEMBER PALTIN: I just was trying to understand what you're saying. Because if they don't get County subsidy, we're putting less on them.

COUNCILMEMBER SUGIMURA: What you're trying to put...oh, sorry. May I?

COUNCILMEMBER PALTIN: Just trying to understand her...

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: Yeah.

CHAIR KAMA: You want to respond to Member Paltin?

COUNCILMEMBER SUGIMURA: So, we're trying to put a deed restriction on that, right? Where right now they wouldn't come for a deed restriction if they were going to do a project on their own without having any subsidy from us. Am I misunderstanding this?

COUNCILMEMBER PALTIN: Everybody that builds more than ten units is subject to 2.96 residential workforce housing requirements. So, 2.96 does have deed restrictions on them.

COUNCILMEMBER SUGIMURA: But if they're not doing...if they're not coming to the County of Maui for any kind of affordable housing funding, right?

COUNCILMEMBER PALTIN: They're still subject to 2.96. Even if they're not asking for affordable housing, you still have to abide by the...if...if you're building more than ten units, you have to abide by 2.96, the County's residential workforce housing requirements, which is...deed restrictions is a part of that.

COUNCILMEMBER SUGIMURA: Okay. I'll think about it.

CHAIR KAMA: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, number 4 says ownership units that did not receive a County Affordable Housing Fund subsidy will have their deed restricted period halved, rounding up to the nearest whole year. Does that answer your question? Because even if they don't receive a County subsidy, they would still have a deed restriction. Because you...you were saying that they would not. And...yeah. Yeah. Member Sugimura, does that clarify? Okay. Member Sugimura is nodding her head. Okay. And then I wanted to...Member U'u-Hodgins is correct. The single units along the coastlines are not the apples, they're oranges. Here's the apples, Wailea 670,

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Makena Mauka. Those are luxury developments that come before us for approval. Mahalo, Chair.

CHAIR KAMA: Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I'll support this amendment, and I know some of this...this body was not here when Hōkūāo came through this body, and that was the Lāna'i affordable housing by Larry Ellison, who didn't take any money. But on the flip side is that...first off, we don't have billionaires all over the place. We do need some developers that need County funds. By not taking County affordable housing, they have a whole lot more say in what they can do. When you do take the County Affordable Housing Fund, then that public-private partnership kicks in. Then we can have a say. My community wanted some of those units for-sale, but that didn't happen. But if we did kick in some affordable housing funny--funny--some affordable housing money, then we would have a bit more say. We would be a player at the table. Instead, we're on the menu. So, that's what I'm trying to say, is that by having that affordable housing kicks in that public-private partnership, we're invested, and we're invested in our community. So, I...I support this. Thank you, Chair.

CHAIR KAMA: Thank you.

MS. NAKATA: Excuse me, Chair.

CHAIR KAMA: Yes.

MS. NAKATA: Could Staff just clarify? I believe this is the intent of the movant, but in (B)(4), currently it says ownership units, and I believe the intention was for the motion to relate to single-family ownership units; is that correct?

COUNCILMEMBER PALTIN: Yes, that's correct.

COUNCILMEMBER SUGIMURA: Which is two.

CHAIR KAMA: Was that it, Carla?

MS. NAKATA: Yes.

CHAIR KAMA: Okay. Yes, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Question for Ms. Nakata. Should we include that as part of the amendment, or a future amendment, so that it's clear?

MS. NAKATA: Staff will note that is part of the motion, if it should pass. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. And if it doesn't pass--because it doesn't sound like we have the vote so much, but...but maybe I'm wrong because I'm still going

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to vote yes--but would that be considered nonsubstantive if...if...or should someone make that motion later, if...if it doesn't pass?

COUNCILMEMBER PALTIN: Is...are we talking about a friendly amendment or...

CHAIR KAMA: It's just to add single-family.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: So, if the motion doesn't pass--because...so Ms. Nakata is including that in this motion--oh, are you saying in the main motion?

MS. NAKATA: Thank you, Chair. Yeah, we'll include it as part of the motion as a friendly amendment. Thank you.

CHAIR KAMA: Friendly amendment.

COUNCILMEMBER RAWLINS-FERNANDEZ: We're on a motion to amend the main motion, so friendly amendment to the motion to amend, and then we'll cross the bridge later on if this motion fails?

COUNCILMEMBER PALTIN: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR KAMA: So, I'm going to ask Staff to please repeat the motion, so we all know what we're voting for.

COUNCILMEMBER PALTIN: You want me to repeat the motion?

CHAIR KAMA: You...you want to repeat the motion? You got it written down?

COUNCILMEMBER PALTIN: Yeah.

CHAIR KAMA: Okay.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: So, for 2.96.060(B)(4), I'm moving to amend what it says to say, "Single-family ownership units that did not receive a County affordable housing fund subsidy are subject to the deed restrictions contained in this section for the following periods: a. below-moderate income, 12 years; b. moderate income, 10 years; c. above-moderate income, eight years."

CHAIR KAMA: Okay. Member Rawlins-Fernandez?

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo for...to the Staff, and under your leadership, drafting this bill. Is there a reason that the subsidy is exclusive to County Affordable Housing Fund, and not other government subsidies, or...

CHAIR KAMA: Well, try to remember, we all wrote this collectively, yeah?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: Talk louder.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, Member U'u-Hodgins is...

CHAIR KAMA: Speak into the mic, Member Hodgins.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, no, she was just letting me know that 201H is ten years, but...and I don't know what other government subsidies for housing there are now, but also looking...as you know, I like to look beyond the right now as well. And so, you know, there could be some other kind of government, not just County housing assistance...because housing is such a problem. So, in being forward-looking, instead of it being exclusive to County Affordable Housing Fund subsidy, that it be, you know, government housing funds. Something like that.

CHAIR KAMA: So, you want to delete the word "county" and insert "government?"

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes. And then not just Affordable Housing Fund subsidy. Yeah.

CHAIR KAMA: So, are you amending the amendment?

COUNCILMEMBER RAWLINS-FERNANDEZ: I didn't make a motion.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: I was asking a question, since --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- we're on this, and then it...either it can be friendly now, or it can be a future motion. Mahalo, Chair.

CHAIR KAMA: Okay. Back to the...

COUNCILMEMBER PALTIN: Clarification.

CHAIR KAMA: Mimi? Yes.

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MS. DESJARDINS: So, just one quick comment on government subsidy versus just leaving it as receive a County Housing Fund. That could mean first-time homebuyers, et cetera. But if you say government, it could be Federal or State, and I don't know...if that's your intention, great, but that's how...our Department would have concerns about how to interpret that. And then another quick notation is, if it says single ownership units, what about the multifamily or two-family units? Are they...that they...if they are in the same position and receive government funds, or do not receive any County funding, do they not also get their deed restrictions reduced, or is it just single-family? And again, only for clarity, so we...we can interpret this later. Thank you.

CHAIR KAMA: Thank you.

COUNCILMEMBER PALTIN: Do you want my answer? I was thinking we cross that bridge after we do this one on the...the multifamily. Because I mean, it's...if...if this passes, then...but if it doesn't pass, then it is what it is. But I did have a clarification question for Member Rawlins-Fernandez. Like in the 2.97, it doesn't receive affordable housing funds outright unless we give it to them, but I think they get a lot of their various fees waived and things like that. I haven't necessarily seen recently any multifamily that hasn't gotten any kind of subsidy whatsoever, but is that what you meant? Like if they get their fees waived and things like that?

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes, go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: I...I consider all those subsidies, and that's part of why I was asking why it was exclusive to the County Affordable Housing Fund. But it was...it was just a question right now --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and we don't have to, you know --

CHAIR KAMA: Deliberate.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- we can dispose of the motion on the --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- floor now, and then that's food for thought for a future --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- motion. Mahalo, Chair.

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CHAIR KAMA: Okay. Is there any discussion? Other than that, we're going to call for the vote. So, do you all want the motion repeated, or do you think you already know what it is? We know what it is. Oh, you chickadees are brightly listening. Okay.

COUNCILMEMBER SUGIMURA: Here comes Remi.

CHAIR KAMA: Yes, Mr. Mitchell.

MR. MITCHELL: Thank you, Chair. And I first appreciate the collaborative work, and also appreciate the well-drafted bill. It looks like Ellen drafted it, so she has done a cracking job, given our several meetings. On...on this particular section, could I recommend we consider cleaning up the language that refers to the fund? First Deputy referred to the problem with government, and I was kind of whispering another issue I see there, which is, it might need to be just more inclusive to say County fund contribution or other contributions, or County fund monies or other contributions. Because they...projects can be supported from other sources other than the Department of Housing's funds. So, if you limit it that way, you're still missing the potential for contributions from some other source within the County. So, I just want to make sure that if you intend to say any County monies, you say it clearly, as opposed to narrowly around a fund managed by the Department of Housing. Thank you.

CHAIR KAMA: Ms. Paltin?

COUNCILMEMBER PALTIN: Can you...can you give an example of another...like are you talking about like First-Time Homebuyers Fund, or like what...what would be an example of the scenario that you're describing?

MR. MITCHELL: So, the Department of Housing doesn't, for example, manage CDBG-DR monies. Those monies through the Recovery Office and through the Mayor's Office could be, in part, a contribution to a project. And is your...is your focus on the Affordable Housing Fund money, or is your focus on government contributions? Which is it? I'm just trying to make sure if you mean it to be the broader one, that you say the broader one.

COUNCILMEMBER PALTIN: I guess for...for me, in going to the action plan and hearing everyone's feedback and stuff like that, I hope that if somebody rebuilds their house, or owns a house through CDBG-DR monies, that it's a much longer deed restriction than what we're talking about here. Because what happened after Hurricane Katrina was big-time gentrification. We don't want to give people money to build back their house and flip it. With the inelasticity of housing in Lāhainā, and the desirability of housing in Lāhainā, we want to utilize those CDBG-DR funds to bring back our generational populations, our people that make up our community. And...and I would hope it's much longer than 20-year deed restriction. If...if the CDBG-DR limited funding, I know it's 1.6 billion, but you know, there's a limited amount for housing.

COUNCILMEMBER SUGIMURA: 900 million.

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COUNCILMEMBER PALTIN: I want it to go not only to building houses, but really, building our community. So, I would hope it's much longer than what we're discussing here.

COUNCILMEMBER SUGIMURA: Oh, so interesting.

CHAIR KAMA: We're going to go to Member Rawlins-Fernandez, and then Member Sugimura.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I...I...I had suggested earlier we just move forward on this motion and then clean up the language in the next motion. If...

CHAIR KAMA: Well, something sparked something, and then something went someplace.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

CHAIR KAMA: Okay. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah. I...I understand what you're trying to do and say, Member Rawlins-Fernandez. But what you just said, and what you just contributed about the DR fund, there's \$900 million part of that CDBG-DR funds, right? And so, what Director Mitchell is saying is so correct. You know, we cannot only look at the Affordable Housing Fund or whatever because those are CDBG HUD monies. So, to speak of it in a broader perspective--and the...the lawyers can tell us what it should be--if we're looking at it too narrowly, what is the best way of doing it so that it's applicable?

COUNCILMEMBER PALTIN: Member Sugimura, you sold me on it. Let's do it.

COUNCILMEMBER SUGIMURA: What?

COUNCILMEMBER RAWLINS-FERNANDEZ: Government subsidy.

COUNCILMEMBER SUGIMURA: No.

CHAIR KAMA: Agree with the language that Remi had suggested. So...yes. Yes, Member U'u-Hodgins?

VICE-CHAIR U'U-HODGINS: I'm not too sure if this chapter would be triggered for CDBG-DR monies unless we're building in excess of 11 under one permit development. If we do an individual home person build, it's not triggering 2.96.

COUNCILMEMBER SUGIMURA: That's true.

VICE-CHAIR U'U-HODGINS: So, when we do those permits for whenever we tackle CDBG-DR funds, at that time, it might be more appropriate to discuss the deed restrictions because that's not going to trigger 2.96. They're...that's individual homes that don't need to go through a subdivision. They're not going to be permitted together. They

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perhaps might unless they hui up, but this is going to trigger with ten or more homes, which is not...we're not building Lāhainā back under 2.96 in its entirety, in my opinion. But we...

COUNCILMEMBER PALTIN: There...there's those 11 housing projects. Would that be...like Weinberg Court Apartments, Front Street Apartments, Lāhainā Surf, David Malo?

VICE-CHAIR U'U-HODGINS: Those, for sure. But like the...the individual ones, like when we're planning on building back for the low income and for --

COUNCILMEMBER PALTIN: Low- to moderate-income.

VICE-CHAIR U'U-HODGINS: -- HUD monies, yeah, those won't be triggered.

COUNCILMEMBER PALTIN: Individual.

VICE-CHAIR U'U-HODGINS: Yeah. Those won't be triggered, I don't think. But those, for sure, when they come in and ask for monies or...or CDBG-DR monies.

COUNCILMEMBER PALTIN: Those would be triggered because they're like projects. They also did say like possibly new...new projects to get people who are renters to be able to become homeowners. So --

VICE-CHAIR U'U-HODGINS: Yeah.

COUNCILMEMBER PALTIN: -- I mean, I'm not sure. Because the KS lands also could...could possibly be a DR fund project, which --

VICE-CHAIR U'U-HODGINS: Yeah.

COUNCILMEMBER PALTIN: -- would be --

VICE-CHAIR U'U-HODGINS: Yeah, yeah.

COUNCILMEMBER PALTIN: -- 2.96.

VICE-CHAIR U'U-HODGINS: And then this would trigger. But like for the individual --

COUNCILMEMBER PALTIN: Yeah.

VICE-CHAIR U'U-HODGINS: -- like people that, you know, want to build back on their land, it won't trigger.

CHAIR KAMA: So, we're going to go to Mimi Desjardins, and then we're going to go back to Chair Lee, and then Member Sugimura.

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MS. DESJARDINS: Thank you, Chair. Just a real quick thought on CDBG-DR funding. So, it's Federal funding, and we'll continue to have to follow whatever the Federal guidelines are. So, the Federal guidelines could say, for example, you have to put in a 30-year deed restriction, or it may say you can't put in any deed restrictions. I can try to find out an answer to that question for you folks. I don't know off the top of my head, but we have...there's hundreds of pages of regulations that involve that money. So, we'd have to look at that real carefully. Even if it's triggered under 2.96 and you use that funding, we would cover...it'll be covered under the Federal guidelines. Thank you.

CHAIR KAMA: Okay. Chair Lee, Member Sugimura, and then --

COUNCILMEMBER LEE: Yeah. I...I --

CHAIR KAMA: -- Member Rawlins-Fernandez.

COUNCILMEMBER LEE: -- don't know, I get the feeling we are beating a dead horse here. I think some people support this motion, but I'd like to take the vote to find out if other people don't. I don't support it, but I had heard Member U'u-Hodgins say she has a whole bunch of amendments, and I'm thinking, well, why don't we hear them, you know, so we can consider everything instead of one thing at a time? Just consider all...you know, what's...what's the best solution here under the circumstances.

CHAIR KAMA: Well, I thought taking one amendment at a time was the process, right? And then...then we would take the second amendment, right? And between the two, we'd go ahead. So, I'm not sure if we can take them all at one time and figure it out --

COUNCILMEMBER LEE: Well...no, no.

CHAIR KAMA: -- but we should dispose of this one.

COUNCILMEMBER LEE: Yeah. Well...yeah, I think we should dispose of this one.

CHAIR KAMA: Okay. So, we should --

COUNCILMEMBER LEE: But...but --

CHAIR KAMA: -- take the vote.

COUNCILMEMBER LEE: -- but I think if anybody has ideas about, you know, what they're planning to propose, you don't have to go over them one by one, but, you know, I'd like to hear what they're thinking. Thank you.

CHAIR KAMA: Okay. Member...okay. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: I don't remember what I was going to say. Mahalo, Chair. I think what I was going to say was that the motion includes government

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subsidies. Or a...that was a question for Member Paltin, since that was the motion. Was that what was included?

COUNCILMEMBER PALTIN: Well, Member Sugimura sold me on it with her argument, so I accepted it as a friendly.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo for that clarification. And I...I know we kind of, you know, deep dive into the example of DR funds, but I think Member Paltin was just using it as an example of, you know, different government subsidies. And I know that there are, you know, rules and restrictions to all the different government subsidies, which is why I'd be supportive of it being broader government subsidies, because of what we have today. And then, you know, moving into the future, if...you know, even if the County were to create something else for, you know, subsidizing affordable housing. I don't...that's not something we talked about, but, you know, it could be. So, that...that's...that's why. But yeah.

CHAIR KAMA: Member Cook, did you have your hands raised?

COUNCILMEMBER COOK: I'm not supportive of this at that time. I'm...I'm...I'm digesting all this.

CHAIR KAMA: Oh, okay. Okay. He's going to...okay. So, I want to get back to the...the motion that was amended friendly, right? So, Member Paltin accepted Member Sugimura's discussion as a friendly amendment. So, what does that look like now?

COUNCILMEMBER PALTIN: Exactly how --

CHAIR KAMA: Member...

COUNCILMEMBER PALTIN: -- Mr. Mitchell said.

CHAIR KAMA: Okay. Okay. Back to you, Remi. Could you please repeat that? I want to make sure our Staff gets it down right.

MR. MITCHELL: Thank you, Chair. So, I think the motion would read now, single-family ownership units that did not receive a County fund subsidy, or other government subsidy subject to the applicable rules of that subsidy, will have their deed restriction periods--and you've changed the halved portion to 12, 16, and 10; is that correct?

COUNCILMEMBER PALTIN: Twelve, ten, and eight.

MR. MITCHELL: Or 12, 10, and 8 years, rounded up to the nearest whole year. And then there's some additional text in there to specify the AMI for those years that Staff can fill in. Thank you.

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CHAIR KAMA: Thank you.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yeah, it's clear.

MS. DESJARDINS: Chair, just really quickly. I think the magic language for our Department would be subject to the rules of that applicable subsidy. Because we really don't want to be in a position of trying to match two things. So, thank you for that.

CHAIR KAMA: Okay. Sub...okay. Okay. So, I guess we're going to take a roll call vote, right? Okay.

MS. NAKATA: Excuse me, Chair?

CHAIR KAMA: Yes. Yes, Carla?

MS. NAKATA: Could Staff clarify, please, whether the government subsidies would include things like exemptions to development standards and things of that nature? Are we talking strictly financial subsidies?

CHAIR KAMA: Remi? Yes.

MR. MITCHELL: Thank you, Chair. Well, that's for the body to decide. But if I had a recommendation to make, I would keep it simple and keep it on the financial subsidies. Thank you.

CHAIR KAMA: Okay. Did you get that, Carla? Okay. Okay. Are we ready for the vote? Are you voting...are you voting, or you're going to ask a question?

COUNCILMEMBER RAWLINS-FERNANDEZ: I have a question for Ms. Nakata.

CHAIR KAMA: Okay. Question. Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: You had a question, too? Okay. My question for Ms. Nakata is--and...and I guess to clarify with Director Mitchell, funding subsidy--when you were asking about exemptions, if the exemption is a cost--because we've been...the departments, like Wastewater, you know, Parks, others, have...have...Public Works sidewalks--if there's a cost associated, then what we've done is allocated from the Affordable Housing Fund to these self-funded divisions in order to make them whole. And we've been doing that for the past three-ish years because they're self-funded, and it was creating a deficit in their budget if we didn't do something. So, when you say exemptions, do...are...are...do you just mean the no-cost type of exemptions?

MS. NAKATA: Staff is just saying that the more clarity we can have in terms of how to write up what's being requested, the better. So, as I understand it, it's now including other

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government financial subsidies. So, I...I'm assuming that this includes things like fee exemptions or waivers, but it does not, or it does include things like exemptions from development of sidewalks, or things like that, that would have a cost associated, but it's not a dollar amount that the County's granting per se.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that clarification. So, for me--and I can ask Director Mitchell his...his opinion--but those have costs associated to them that we have been --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- allocating from the Affordable Housing Fund to the departments to make them whole. So, there is a funding implication.

MR. MITCHELL: Thank you, Chair, for the question. I'm trying to keep this as simple as I possibly can. So, if we could phrase it as direct financial contributions, or some manner like that, that will just keep, I think, the entire process simpler than trying to track every little exemption and whether that has a potential financial value to the developer. But obviously, once you've got your first go-around of this amendment approved, then we can take a look at the language again and reflect on whether it might need to be tweaked. Clearly, this is not going to be finished today, so we'll have another opportunity at this. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Director Mitchell. I am satisfied with that, and so I believe we're saying the subsidies would not include exemptions, even if there's a cost associated in this motion right now.

CHAIR KAMA: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then later on in the future, we can have more of a discussion on that.

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Chair Lee?

COUNCILMEMBER LEE: I was also concerned about what Carla brought up, and appreciate the Director's comments. Because there...there can be direct and indirect value added to the project, and so it's not only government subsidies. Could be something else, too. It could be a time, fast-tracking something, or exempting this...this or that process. So, that's what is not included in the verbiage, but I suggest we take the vote. Yeah, thank you.

CHAIR KAMA: Absolutely. So, we're going to do a roll call vote. Staff?

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MS. MCKINLEY: Proceeding with the roll call vote. Chair Lee.

COUNCILMEMBER LEE: No.

MS. MCKINLEY: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: No.

MS. MCKINLEY: Councilmember Paltin.

COUNCILMEMBER PALTIN: Aye.

MS. MCKINLEY: Councilmember Johnson.

COUNCILMEMBER JOHNSON: Aye.

MS. MCKINLEY: Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aye.

MS. MCKINLEY: Councilmember Cook.

COUNCILMEMBER COOK: No.

MS. MCKINLEY: Councilmember Sinenci.

COUNCILMEMBER SINENCI: Aye.

MS. MCKINLEY: Committee Vice-Chair U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: No.

MS. MCKINLEY: Committee Chair Kama?

CHAIR KAMA: No.

MS. MCKINLEY: Chair, that's five "noes"...or sorry, four "ayes," five "noes," motion fails.

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COUNCILMEMBER PALTIN: I mean, if...if we do both, that's what it says right now. Because I...I guess I just go back to the idea that multifamily is the starter, and single-family is the...the forever home, or the dream, or whatever, you know? I mean, I see so many multifamilies being proposed, and then I see in the comments, we want single-family ownership...but I mean, not everyone can attain that. So, it really feels like single-family homeownership is the dream that people want to get. And so, that's why it's important to me that we don't allow speculative interests in single-family homes. We've allowed it in A-1, A-2 zoning. We've allowed it left, right, and center. But it's the speculative interests, which some people call generational wealth or whatever. Although, you know, that's not...I mean, I'm not trying to steal the community land trust tagline, but I agree...to me, generational wealth is being able to spend time with my family--which...I mean, I'm not doing lately--but for normal people who have normal lives to be able to go to their kids' games, to be able to like help their kid with homework, to be able to not work two to three jobs. Like, it's...it's too...what...what deed restrictions do...do is they give you other types of generational wealth, where...where it's time spent with family, time spent surfing, time spent paddling, not having to work three jobs, not having to worry about your landlord doubling the rent, not worrying about like, you know, all the things that people are worried about right now when they don't have homeownership. I mean, even homeownership, people are worried about it now because of tariffs and whatnot --

CHAIR KAMA: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: -- and...and --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- all the things. But I really feel that, you know, single-family home ownership is the dream of most of our residents. And so, we...we need...I...I would like to do everything possible to take that speculative nature out of it because if...if it isn't, anybody who had moved here and realized that dream could sell the house for however much millions, and go back to Tennessee, Texas, California after they have a kid, want to be near their parents or whomever, and cash out of the lottery, and it's never affordable again for another local person. And maybe it doesn't happen that much in Kahului or Wailuku, but I've...I've seen it happen nearly every month, every year, in West Maui. Or, you know, they...they...they got an affordable home, they moved back home to the continent, whatever, and they'll say, oh, you can rent out my house...but it's not affordable rent, you know? It's...there isn't any sense of I won the lottery, I got this affordable single-family home that is so coveted, but there isn't really a sense of I want to pay it forward and give the next local family the opportunity to get an affordable single-family home. And...and I haven't seen that. And...and that's why deed restrictions longer on single-family homes are...are very important to me.

CHAIR KAMA: Okay. So, the motion is to insert the word "single-family" in the front of ownership, correct? That was Member Keani Rawlins' amendment, right?

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COUNCILMEMBER RAWLINS-FERNANDEZ: Correct.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: And I personally don't feel that strongly about it. I was just cleaning up the bill pursuant to our Staff's clarification question. And as we discussed earlier, most multifamily units do get subsidies, so it wouldn't so much be implicated in this section, but I could be wrong, so I'm fine to withdraw my motion.

CHAIR KAMA: Okay. Will the seconder withdraw his second then?

COUNCILMEMBER JOHNSON: I withdraw my second.

CHAIR KAMA: Thank you. Okay. Any other amendments? Member U'u-Hodgins?

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I will begin with page 3, B, deed restrictions for multifamily or two-family ownership units, each within the income groups, are subject to the following deed restriction, and it's ten years across the board.

CHAIR KAMA: Where...where are you at, page 3?

VICE-CHAIR U'U-HODGINS: Page 3 on the bottom.

CHAIR KAMA: Yeah. Multifamily.

VICE-CHAIR U'U-HODGINS: Section B.

CHAIR KAMA: Okay. So, A, B, and C, you want it ten, ten, ten?

VICE-CHAIR U'U-HODGINS: Yep.

CHAIR KAMA: Okay. That...is that a motion? That's a motion?

VICE-CHAIR U'U-HODGINS: Yep.

CHAIR KAMA: Did someone second that?

VICE-CHAIR U'U-HODGINS: I don't know. I guess not.

CHAIR KAMA: Okay. It was moved by Member U'u-Hodgins, seconded by Member Cook, to amend 2.96.060(B)(1), A, B, and C, to ten years, ten years, ten years.

VICE-CHAIR U'U-HODGINS: Yeah.

CHAIR KAMA: Is that correct?

VICE-CHAIR U'U-HODGINS: Yes.

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CHAIR KAMA: Okay. Discussion?

VICE-CHAIR U'U-HODGINS: I think we've had this discussion several times, but I don't disagree that a multifamily unit is not probably your forever home...but at the same time, I don't want it to be flipped so easily either. So, ten years is similar to what 201H does, and I would just like to keep that part consistent.

CHAIR KAMA: Okay. Discussion? Oh, yes, Member Cook, and then we'll go to Chair Lee, and then Ms. Paltin.

COUNCILMEMBER COOK: Thanks. I want to, just so my colleagues kind of know where I'm coming from in this, in general, and I support that. During the discussions that we've had in the last week with the various resource people, it's been stated, and I've heard other times, it's...that we have the most restrictive and regulated land use in the country. I agree that the demand and speculation on our local housing needs to be addressed, but feel that we are not addressing the cause of the high costs and the...I...I...the ten-year deed restriction. Having a deed restriction, having limitations, I agree, is, to some degree, mitigating the speculative aspect of it and making it...people have more of a commitment that when they're buying the property, they're buying the property to live in it. I think that leasehold property, and taking the...the...the value of the property out of the equation and having the vertical, there's other ways to do it...and I'm not prepared to propose it. I just want people to know, I am shoulder-to-shoulder with wanting to maintain, and preserve, and enhance local generational homeownership for our children and grandchildren. And, you know...so, I'm...I'm seconding this motion. I'm supporting of this motion, but I just want people to understand even though I may disagree with some of the details of this particular bill as we go through it, philosophically, and deeply morally, that's my feelings. Thank you for the opportunity.

CHAIR KAMA: Thank you. Chair Lee?

COUNCILMEMBER LEE: Yeah, I'll be voting against the motion because I've said it before that the below-moderate is the...is the group that has the most subsidy, no matter how you slice it. And then the moderate--you know, these people work hard, you know--they work hard to buy a home, and work hard to...to get two or three, you know, jobs to pay. And if they're paying more, I don't know why they should be restricted as the people in the below-moderate. So, I...I believe that there...there needs to be a sense of fairness here, and I don't see the fairness. So, I am voting no. And besides, you know, I...I agree with the general remarks of Mr. Cook. We're spending an awful lot of time on something like this when the bigger problems are the costs involved, and us involved. If we removed us from a lot of these projects and restrictions, it'll be cheaper. You know, something to think about. Thank you.

CHAIR KAMA: Okay. Member Paltin?

COUNCILMEMBER PALTIN: I...I also won't be supporting the motion. I know Member U'u-Hodgins like thought it was my original proposal because that's what we landed on

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for Wailea 670, but that was only because I felt like my back was against the wall, and I was just trying to get something. It wasn't because it was well-thought out, I think. But I thought we had heard from our resources that kind of what Chair Lee was saying, and from my recollection of when Linda Munsell was the Deputy Director of Housing and Human Concerns, the data that she had was, you know, when the...the 120 percent AMI for multifamily, people weren't doing it. That's why I was kind of surprised when Hale Kaiola suggested a 20-year deed restriction. So...but, you know, I mean, and then people bought it because that's the state of our...our market right now. But I...if this is the best we can get right now, I mean, I think I'm...I'm okay with how it is written, so I wouldn't be supportive of how it...of that, I guess.

VICE-CHAIR U'U-HODGINS: Chair, I'm not necessarily married to this idea. I have so many other things, so we don't need to take a vote. I'm happy to rescind it, and move on to my other --

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: -- amendments.

CHAIR KAMA: Okay. If the seconder is able to...

COUNCILMEMBER COOK: I withdraw.

CHAIR KAMA: Okay. Thank you for that. Members, you are so great today. Okay. Does anybody else have any other amendments?

VICE-CHAIR U'U-HODGINS: I do.

CHAIR KAMA: Oh, okay. Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: For the single-family ownership within income groups that are subject to deed restrictions contained in the following deed restrictions--this is on page 4, Section 2--below-moderate, instead of 20 years, 15; moderate income, instead of 16 years, 12; and I will keep above-moderate income to the proposed 10 years. I move to make that motion please, Chair.

CHAIR KAMA: Okay.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: It was moved by Member U'u-Hodgins and seconded by Member Sugimura, right, to do...what was it again, 12?

VICE-CHAIR U'U-HODGINS: Fifteen, twelve, and ten.

CHAIR KAMA: Fifteen, twelve, and ten.

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VICE-CHAIR U'U-HODGINS: And in the same motion, Chair, if you don't mind, I would like to just strike number 4 in its entirety.

CHAIR KAMA: Okay. And strike number 4. Okay. Discussion.

VICE-CHAIR U'U-HODGINS: Sure, I will start with number 4. I don't want these deed restrictions halved. I would rather find a more reasonable deed restriction. I think Member Rawlins-Fernandez made a good point when she was asking to clarify what that means with the affordable housing subsidy. And for right now, even 100 percent affordable housing projects, in 2.97, when you get a waiver for your building permit fees, for your parks fees, if...to her point, when she was asking about all the other things that make whole, that's basically every project we have. And so, number 4 becomes moot. And as far as number 2, going back to the years, I was just...I'm trying to find a better balance. So, 20, 16, and 10 years is what Member Paltin, I think, originally proposed in Bill 12. Mines were a little bit shorter. So, this is kind of more in the middle. I don't disagree that I want our local people to have a forever home. I want them to stay home. But I also want our housing providers to be able to actually build these homes with enough financing that they can create a product that people want to stay in for a long time. And every restriction we put on makes it more difficult to finance, makes it more difficult to then build, and makes the product not wanting for our local residents to stay there. I know that Member Paltin, unfortunately, you know, in West Maui, they have that issue. But on my side of the island, we don't have enough affordable housing, period. And it's like a weird, bittersweet luxury to have affordable housing flip out, and I don't want it to be that way. Let me make that very clear. I don't want affordable housing to flip out of affordability. But we don't even have that opportunity on my side of the island, not even at all. I've worked on a few projects, and they're very small, and few and far between, and they're on previously-entitled land. We don't have that anymore. And so, I just...as Member Cook said, I don't want to put so many restrictions on it that we don't even have housing. I'm not too sure how many homes we've even had come through with 2.96 in a while. And so, we're talking about all...we're talking about 2.96, and yet sometimes I wonder if we really are just spinning our wheels because not too many projects actually come through. And so, I just want to make it a bit more realistic.

CHAIR KAMA: Okay. Very good. Chair Lee?

COUNCILMEMBER LEE: I think Member Paltin had her hand up first.

CHAIR KAMA: Oh, I'm sorry. Member Paltin?

COUNCILMEMBER PALTIN: Just a request, if we can separate...because I would like to support the removal of number 4, but I wouldn't like to support the other one. So, if...if...if we can do it one vote at a time?

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: So, we're on the number 2 first...or, I mean, whichever.

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UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Okay. So...

COUNCILMEMBER PALTIN: Or I think maybe number 4 might go faster if we...if we just do number 4 first.

CHAIR KAMA: Okay. We'll just separate it out. Right, you want to do number 4 separately than from 2, A, B, C. Okay. Any discussion on number 4? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: I support that.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Taking that first --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and I support removing it. Mahalo --

CHAIR KAMA: Very good.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Member U'u-Hodgins.

CHAIR KAMA: Okay. So, do we need to actually do a motion to separate, or can we just separate it ourselves?

COUNCILMEMBER LEE: You need a motion, yeah.

CHAIR KAMA: I don't know, I mean, that was...that was part of...

COUNCILMEMBER RAWLINS-FERNANDEZ: Rosenberg's lets us do whatever, is what I was told.

CHAIR KAMA: Well, that's what I heard, but I'm not Rosenberg.

MR. KRUEGER: Chair, if it's okay, can we ask the Committee Attorney to weigh in?

MS. NAKATA: Chair, maybe it's simplest if we just request Member U'u-Hodgins withdraw the original motion, and then make a new motion to strike 2.96.060(B)(4).

VICE-CHAIR U'U-HODGINS: Can do. I'm happy to withdraw, and then we'll stick with my motion to strike number 4 in its entirety.

CHAIR KAMA: Thank you. Okay. So, did we all get that so I don't have to repeat it? Right?

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VICE-CHAIR U‘U-HODGINS: Sounds good.

CHAIR KAMA: Okay. Very good. So, now we are on Member U‘u-Hodgins original motion, right? So, we’re back to 2.96.060(4). Okay.

COUNCILMEMBER LEE: Okay. So, my turn.

CHAIR KAMA: Yes, Chair Lee?

COUNCILMEMBER LEE: Okay. I am...so this is...oh, I’m sorry, 15, 10, and what?

CHAIR KAMA: No, no, we’re on number 4. We separated it out.

COUNCILMEMBER PALTIN: We’re...we’re just striking 4.

COUNCILMEMBER LEE: Oh, just...oh just striking 4.

CHAIR KAMA: So, we’re only...yeah.

COUNCILMEMBER LEE: Okay. I have nothing to say on that one.

CHAIR KAMA: Okay. Does anybody else have anything to say? Yes, Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Once again, I believe we should have partnerships with our builders, and I think striking out 4 brings them to the table, and I’m in full support of it. Thank you, Chair.

CHAIR KAMA: Okay. Sure. Any other discussion? To delete or not delete number 4, that’s what it actually boils down to. Okay.

COUNCILMEMBER LEE: He makes a good point.

CHAIR KAMA: Okay. Are we going to do...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Are we going to do a roll call vote, or can we just have a show of hands? Voice vote. That’s what I heard. Is that true?

UNIDENTIFIED SPEAKER: Voice vote.

CHAIR KAMA: Okay. All those in favor of deleting--because that’s what it is, right--number 4, raise your hand and say “aye.”

COUNCILMEMBERS: Aye.

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CHAIR KAMA: Hallelujah. I want to sing that song at this moment. Okay. So, the vote is eight to zero...nine to zero, motion passes.

VOTE: AYES: Chair Kama, Vice-Chair U‘u-Hodgins, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Okay. Any other amendments?

VICE-CHAIR U‘U-HODGINS: Can we go back, Chair, to my --

CHAIR KAMA: Number 4...(2)(a)?

VICE-CHAIR U‘U-HODGINS: -- number 2?

CHAIR KAMA: Yeah. Okay. Let’s go back to that.

VICE-CHAIR U‘U-HODGINS: Single-family ownership homes within each income group are subject to the deed restrictions contained in this section. The following periods are below-moderate income, 15 years; moderate income, 12; and --

CHAIR KAMA: Yeah.

VICE-CHAIR U‘U-HODGINS: -- above-moderate --

CHAIR KAMA: Yeah.

VICE-CHAIR U‘U-HODGINS: -- 10.

CHAIR KAMA: Okay. So, that’s a new motion, right?

VICE-CHAIR U‘U-HODGINS: Yes, please.

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CHAIR KAMA: Okay. Did that get a second?

VICE-CHAIR U'U-HODGINS: I don't know.

CHAIR KAMA: Okay. Member Sugimura seconded your motion. Discussion? You don't have to. I know we went through it already, but up to you.

VICE-CHAIR U'U-HODGINS: Yeah, I...I said my discussion earlier, and then we...we split that other...last motion --

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: -- so...

CHAIR KAMA: Any other discussion? Chair Lee?

COUNCILMEMBER LEE: . . .*(inaudible)*. . . wild about that...this motion. My concern is the national average, which includes Hawai'i, people move from their homes every seven to ten years on average, okay? Has nothing to do with deed restrictions, has everything to do with life. Get a divorce, somebody dies, change of jobs, have children, your parents come and live with you, whatever. That's life. So, every seven to ten years, people have a reason to move on, or move someplace. That's what bothers me about this restriction. The other part that bothers me is the shared equity part. The way things stand right now, so these folks wouldn't for...in the A category, below-moderate, wouldn't be able to use their equity for 15 years. The...the only thing that they are allowed to do is to refinance. But they can't take an equity loan to pay for grandma's operation, or the kids' school tuition, or childcare, or anything. So, that's the part that really bothers me. Maybe we could work on that. Maybe we could work on how we figure out shared equity. Not that you can...they can, you know, take out every single...all the value in their homes, but make it a little easier for them to borrow money is...is my concern...if we're going to stay with this kind of stringent deed restriction.

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: So, I'm still thinking about it.

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: You know, it's not something that...

CHAIR KAMA: You're not married to it.

COUNCILMEMBER LEE: This is not an easy...easy --

CHAIR KAMA: No.

COUNCILMEMBER LEE: -- vote. Thank you.

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CHAIR KAMA: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. While the national average that Chair Lee referenced is correct, the national average on deed restriction length is 30 to 50 years. And...and that's to say, you know, if somebody moves in seven to ten years, after winning the lottery of single-family homeownership in Maui, whether it's Pā'ia, or Lāhainā, or Lāna'i, it's about paying it forward. It's not like you won the lottery, and seven years from now, you cash out at a million-something dollars, you know. And on the shared equity, or the pulling out the equity, we've had folks say, you can pull out the equity that you put in. You can't pull out the equity of the full value, but the equity that you put in. It's...it's getting away from the idea that because you won the lottery, now you're a 1.5 millionaire, you know. Because that's what like...I mean, maybe it's 1.4 now. Like I was blown away at the recent appraisals that were mailed out. Like holy cow, you know. And...and all of the value is in the land. It's not in the house. But that's just saying like, you know, people are free to move every seven to ten years, but the idea that you won the lottery, and you got the dream home, that's great. But now you're taking that affordable housing off the market for the next family, and the next family, and the next family. And it's true, like what Member U'u-Hodgins said, we're not building it fast enough. And it's also true that we can't build our way out of it. And it's also true that Maui housing is inelastic. You can build 20,000 units right now, and it's not going to be 20,000 local families getting houses. Because the demand for Maui is...I don't know, we might have had to reconsider the no ka oi slogan, you know? Because everybody and their brother wants the best. And everybody and their brother would love to own a home in Maui. And so, it's just thinking about the...the community that you want to be a part of in 30 to 50 years. Because in seven to ten years, if we...if we focus on the individual homeowner winning a lottery, making out with a million-something bucks after seven years, we're...we're not going to be able to help our residents in the long...over the course of a long-term. And...and I think that, you know, it's not often that I get starstruck by the continent, but I think that they have it right with the 30- to 50-year average on deed restrictions. Like Member Johnson said, it's about creating islands of affordability. And the amount of affordable housing per 2.96 is so small. Like yeah, everyone says when it's 50 percent, nothing got built. And...and I...I believe the 50 percent is one factor, but there was a combination of many factors. That was when the economic --

CHAIR KAMA: Downturn.

COUNCILMEMBER PALTIN: -- the bottom fell out, you know. So, I mean, it's...it's not just the bottom falling out. It's not just the 50 percent. It's a combination of factors. But we're talking about 25 percent of market homes--not even just 25 percent of the project, which is more--25 percent of the market homes we're talking about. If you go out, you get your first-time homebuyer, your family gives you some money, you hit the jackpot, whatever, and you buy one of the other market homes, do whatever you want. Move in seven years, jack up the price. You know, like seven years from now, you're going to have a lot more value because that's the trend, you know. But we're talking about a very small, limited amount of affordable housing that is not meant to have one person

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cash out on in the lottery. We're talking about building our communities, paying it forward, generational wealth, that's security of home, not having to move every time because your landlord jacks the rent, not having to move every time because FEMA or COVID or whatever. So, that's just my comments. I'd like to keep it where it is, but it is better than what 2.96 is currently. So, I likely would not be supporting this amendment, but if the amendment passes, I'm not going to like cry in my milk.

CHAIR KAMA: Thank you. Any other...Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Yeah, I had written down islands of affordability in a sea of market, you know, sea of change in market speculations. It's...it's funny because, you know...well, first off, I'll start from personal experience. Iwiole was built in 1990. That's a workforce housing on Lānaʻi. I raised my child in that place, right. Now she's 21 years old. If they did have a short deed restriction, we...I don't know where we could find a place on Lānaʻi that had that kind of rents. So, I...I consider myself like a living member of the working poor. That's where...if not there, then where? So, the...you know, one of the times I remember when we talked about deed restrictions, we were talking with Aspen, and they kind of laughed at us at how short our deed restrictions were. They're like you know how hard it is to build an affordable housing project or a workforce housing project? And I shook my head vigorously. Oh, we know. And they said, then what are you doing? Like it's...it's...it's kind of comical for you guys to be doing this because guess what's going to happen in these short-term...or these, you know, 12, 10, and 8 years? You're back to square one, right? And again, I lived in Iwiole to raise my daughter who's 21 now. That...that would have cut my time there short. And...and I do want to address some of the things that were said a little bit earlier, and I'll end it on this, but you know, I've heard some talking points from our Members that I think have...have not aged well in today's situation. We don't have...there's...there's not a lack of scarcity to build these units. It's just a lack, or maybe a fear, or not understanding the process. We...many communities across the nation, they use their bonds to...to build these projects. We have AA+ bond rating. We got a great bond rating. We have an Affordable Housing Fund. Not many communities have...can say that, right? We have the lowest property tax rates in the nation, even lower than Texas. And we know Texans hate their taxes. We...the...the idea that we...we have to look at building infrastructure for the builders. The builders tell us--and that number's changed--but in my experience, \$500,000 to build a house, you know, about a three-two. That's...that's what it was told to me recently. I know that number changes. But it's...if they're required to build an infrastructure, that's where the County kicks in. That's where we put in our good bond rating. That's where we kick in our Affordable Housing Fund. That's where we look at the tax rates for our billionaires and our millionaires, right? So, that's...I think we shouldn't act from a position of scarcity. We should build these islands and protect them...islands of affordability, and protect them as long as we can. I...I...if somebody didn't protect it for me, then I would have been out of that two-bedroom where I raised my child. Thank you, Chair.

CHAIR KAMA: You're welcome. Member Rawlins-Fernandez, and we'll continue with Member Cook.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Member Johnson said that it was comical. I think it's more tragic. It's also tragic, the examples that Chair Lee used about life happening...about medical bills and the cost of education being just so out of reach for most people. America has truly failed its people when it can't provide these two like basic things that everyone should be able to have access to...medical and education. I think we, as Councilmembers, it seems that we kind of have a fundamental difference on how we look at housing, whether housing should be used for the commodification of winning the lottery, as Member Paltin stated...cashing in on the government subsidy that...that we provide, or that the speculative market houses provided to those affordable units. Islands of affordability, inventory of affordability, either way, but cashing in on those government subsidies contributes to the cost of all the housing going up. Like it seems like pretty straightforward to me. Government subsidies is taxpayer dollars, and it should belong to everyone, and that's why these affordable units should remain in affordability, really for...in perpetuity. I think by not tying deed restrictions to the length of time that it would take for the construction of new affordable housing to replace those that would fall out of...of the deed restriction is not very strategic on our part. I think that's...it...it would be smarter and less arbitrary. So, I will not be supporting the...the motion on the floor. Mahalo, Chair.

CHAIR KAMA: Thank you. Member Cook?

COUNCILMEMBER COOK: Thank you, Chair. Forty million people want to live here, and they can afford it, and they're not us, okay. Our problem is not with demand. Our problem is with supply, and being able to fin...I'm going to use myself as an example, being able to finance my home. Both my kids...because I could get a second mortgage, I got to help them go to college. My contractor license, you had to have \$35,000 cash in the bank, now it's 50. I could get a second on my house, do that, and then pay it off. So, that type of liquidity...and my son still lives in the house. It's the one...the only property I ever bought. So, I'm just...and I am a little odd duck. You all know that. You work with me for a while. What Member...I think it was Member Paulson [sic] said, the value isn't in the house, it's in the property. And so, I just strive to focus on that during our conversations, that leasehold property, taking away the opportunity for people to win the lottery, to capitalize on having a piece of Maui, and being able to commoditize it and sell it when it is a workforce, you know, residential property, is a tool and a way to limit its value, limit its liquidity, limit its desirability to be speculated because it isn't like that. So, I can...I'm going to support this. I'm not gung ho on...you know, I believe that deed restrictions is a tool. We don't have that many tools in our toolbox right now. We need a tool. I can accept this tool. It's not my favorite tool, but I'm hoping that we can...I'll summarize with this. As a builder, I see very little incentives to build. It's very, very, very difficult to build. You can have a pile of material, you can own a piece of property, and you can't build--whether it's you don't have the water, you don't have this, you don't have that. So, we collectively, as the policymakers in government, have the opportunity and the responsibility to work on this challenge to enable people to build, to incentivize them to build. And I agree, we are the stewards of the land. We are not here to just like play Monopoly. So, I'll support this. I just hope that I'm conveying, I don't think we're really getting...making solutions. We may be making it harder for

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people to sell and stuff, but I think we're also making it harder to build. Thank you for your patience with me.

CHAIR KAMA: Thank you. Any other...oh, Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair, for my opportunity. It's...it's not, I guess, a surprise, I...I support the...the longer deed restrictions. For me, when I'm...when I'm thinking generational, 100 years is...is not a long time for...for many generations to be where we live. I don't have my own home, but I...I thank my dad who left...left all of us, you know, homes for us. And so, I'm appreciative of the multigenerational home. I don't see...I don't know, Chair, I don't know how many thousands of people have already left for the mainland...you know, close to 100,000, I would think. I mean, we're nearing there. So, when you talk about moving, it's just become too expensive for all of our families. And as our testifier said, she wants all of her children and grandchildren to...to come home too, as...as...as much as all of us want our families to come home too. I...I like to, you know go...visit, and--and we're going to be visiting all the districts next month--but personally, I...you know, I...I see the change in population. Like I'm very aware of it. I mean, we...I mean, you know, we have all of our families and the different cultures and stuff, but I see less of it as I go around this island. So, I mean, that's...that's the other thing that's going to be really, you know, evident in the next couple years. We're here for a couple years, but the decisions we make after we...we leave here today is going to, you know, span three more generations. So, I'm...I won't be supporting this motion, Chair. Thanks.

CHAIR KAMA: Okay. Thank you. Member U'u-Hodgins, and then Member Paltin.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. You know, it's funny, because I don't disagree with majority of what people have said today. I just think I look at it differently. It is difficult to build affordable housing, but that shouldn't be the case. Like that's the problem we're discussing, is that it is so hard to build affordable housing. Something we've said we needed for 30-something years is still hard to build. That's the problem. Deed restrictions is part of the problem, but the fact that we don't make it easier to build is the problem. So, we can look at everybody else, and like, oh, they have a 30-year deed restriction or 50-year deed restriction, but what else are they doing to not make it difficult? Are they providing their own affordable housing? Because we don't. We just made a Housing division--which is lovely, don't get me wrong--but our former Mayor used to make housing. Back in the day--I've said this so many times--my grandma bought low-income housing. We didn't need a deed restriction because we were able to actually build. We still live there. So, we're penalizing our people who actually want to live in the homes forever. The problem is people moving here, not our local people not being able to live here and finance their own property. And I completely understand this idea of winning the lottery. I do. And yet, I find it to be so incredibly disheartening. To win the lottery to be able to stay home? That's bananas to me. And yes, I completely don't disagree. However, I would like to put that into perspective. I have a gigantic family. Nearly everybody on this island, for whatever reason, is somehow related to us. And yet, not too many people I know have actually bought into affordable housing. A lot of us already own property. We've owned property because we've been here for

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generations and generations. Not too many people have actualized the Affordable Housing Fund directly. So, winning the lottery is really capitalizing on my parents' investment into this County, my brother's investment into this County if he so chooses to have a home. We are talking, hopefully, about long-term residents finally actualizing their taxes with something tangible, like a house. That's what we're talking about here, to me. It's not necessarily winning the lottery. And I'm hoping maybe one day--because I don't have affordable housing personally--that my kids might be able to buy affordable housing. And what that means for me is that my great-grandparents' taxes that they have been putting into this place before half of these people were here, and my grandma's, and my parents', and mine, and everybody else's in our family tree, has helped this one child buy a home. That's what it means to me. And you're right. Member Rawlins-Fernandez is absolutely right. It is our taxpayers' money. That is all of our money. That's my point. And so, it is all of the money that we've all collectively invested. And if it wasn't so hard to build, we wouldn't have to subsidize it so much. And it's not necessarily arbitrary, my 15, 12, and 10. That is the balance of what I heard over the last few weeks of discussion. And if it takes...if we didn't have affordable housing development take so long, then we wouldn't need, really, these long deed restrictions because people wouldn't be selling it necessarily. Or they would be able to live where they would choose to live from the first get-go instead of having to buy whatever they can afford in that moment because we don't have inventory for people to buy. And then going, oh, shoot, shucks, I'd rather be over here, where I'm really from, like I said before. If I had to choose, and I had to build stability for my family, I would probably buy in Kahului or Kihei--not my favorite--but I'd want to go home. No offense. No offense. It's only because I'm a Pā'ia girl. It has nothing really to do with Kihei. But I have to live in Olinda right now. But that's not where I want to live. That's not where I want to die. I want to go home, but I can't. This is the problem. It's not deed restrictions, it's that this body doesn't know how to make affordable housing. We haven't. This County doesn't know how to make it...no offense. That's our problem. And we look to everybody else as being the problem. But really, we don't know how to do it. We ask everybody else to do it for us. We make it difficult. We make it expensive. And we wonder why we don't have anything. That's the problem.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: I'll drink to that.

CHAIR KAMA: Would we all like to drink to that? I've got water.

VICE-CHAIR U'U-HODGINS: Right. And I was . . .*(inaudible)*. . .

CHAIR KAMA: Okay. So, Members...Members, we're going to take the vote. Yes. Oh, I'm sorry. Member Paltin?

COUNCILMEMBER PALTIN: I just wanted to speak to what Member Cook said about somebody would hopefully be able to buy it as single-family homes are considered like more forever homes, I would hope that our County Department of Housing, if anybody wanted to sell before the deed restriction, would take the first right of refusal for a single-family

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affordable home. So, I don't think that's a worry. Like if anybody was selling their single-family home before the deed restriction ended, we better pick it up, right?

COUNCILMEMBER COOK: Agreed.

COUNCILMEMBER PALTIN: So, I mean, like maybe there's some wishy-washiness about the Kaiola project and all the defects or whatever, hopefully they can work it out, but we also have the first right of refusal on that. I don't know if we would buy it if it's as defective as they say, but that's not about deed restrictions, that's about product defect. You know, like I mean, if it was a not-defective property, I hope we would pick those up too. So, I...I just wanted to comment on that. Like being able to sell or get out of it...get out of an affordable housing deed restriction shouldn't be the concern because we, the County, should exercise that first right of refusal. And the other point I wanted to make is in terms of steps. Like I agree that we have many problems in creating affordable housing--permitting, whatever, whatever, whatever--but it's kind of like if you have a bucket that's leaking, before you pour all the water into it, you want to fix the leak first is...is the way I see it. And...and that it's so difficult for us to, you know, kind of fix the leak. Like...like to me, once we get over this hump of deed restrictions to something where it's better than five, eight, and ten, then we move on to the...the next issue, which I don't know if it's permitting, or getting our own person in the Planning Department that can work on Change in Zoning for our own County housing, or whatever. But I have a hard time going full steam ahead with the leak in the bucket.

CHAIR KAMA: I agree. Okay. Members, any other discussion? Yes, Chair Lee?

COUNCILMEMBER LEE: I can appreciate what Member Paltin said, but, you know, 15, 20 years ago, there wasn't this kind of housing problem. Deed restriction...deed restrictions were not the problem because there was supply. But today, there isn't...for many reasons, not simply because of deed restrictions. As Member Cook said, you know, we have to increase supply, and that's where our focus should be. So, hopefully, we won't spend, you know, more of an inordinate amount of time on this. I'm...I'm willing to compromise, you know, and...but I am still concerned about the shared equity agreement. I think that needs to be revised, but that could be done, I think, administratively. And if so, please do it...because don't give it to us because we'll take another five years to do that, okay? No, really, it's not that we want to give everybody the opportunity to use up all the equity in the first, or second, or first ten years. That's not it. But just give them a chance to use some of it because they can't use any of it for the first ten years, or whatever the deed restriction is. The only thing they can do is refinance. So, if we can give them a break there, you know, I'd be happy to...to support either this motion or something close to it. Thank you.

CHAIR KAMA: Okay. Mr. Mitchell, were you going to say something?

MR. MITCHELL: Thank you, Chair. I wasn't intending to, but Member Paltin gave me the stare of a...I went to a military boarding school, and...and while I was there, when I got that stare, I would quickly say yes, sir. And...and the...the statement was about whether the Department would exercise the right of first refusal. And as I've indicated to the

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body, my focus is on developing and maintaining an inventory of affordable housing, and I won't be able to maintain that if I don't exercise that right of first refusal. So, yes, ma'am.

COUNCILMEMBER PALTIN: Thank you. I wish my kids listened as well.

CHAIR KAMA: Got to send them to a military boarding school. My father gave us that stare for years, and we knew what it meant. Now I know where he got it. Okay.

COUNCILMEMBER PALTIN: That's my get-out-of-the-rip-current stare.

CHAIR KAMA: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I was hoping that either Corp. Counsel or Director Mitchell would be able to clarify some of the points that were just made about not being able to do anything but refinance. I don't know, what did you say, Chair Lee? Because I'm not sure if that's accurate. You cannot sell for three years? You were...you were spitting out numbers, but I was trying to look to...

COUNCILMEMBER PALTIN: She said equity, but you can take out the equity you put in. You can't take out the full value of the equity because it's deed-restricted. So, you can...you can take out the equity, what you put in, but you can't take out the full value.

COUNCILMEMBER LEE: Okay. I'm talking about a real case. You're...you're talking about what you think might be the case.

COUNCILMEMBER PALTIN: Oh, Freddie Mac said...I mean, the Freddie Mac people...

COUNCILMEMBER LEE: No, the...the way the County does the shared equity program, according to someone who called me two weeks ago and said, I cannot take equity out, I can only refinance. So...so, let's say he has a 6 percent rate of interest right now. So, he can refinance to 5-1/2, or 4-1/2, but he can't take out \$20,000 to pay for a medical bill. That's what I'm saying. So, maybe the reason why they do that, or the reason why the Department does that, is to guard against people taking out too much money before...before the time lapses, see? So...so, he's not...he wasn't able to take out 10 cents.

COUNCILMEMBER PALTIN: You can't take out...you can't take out more...well, I guess it depends on who your lender...mortgage lender is, but you can't take out more equity than what you put in while it's deed restricted.

COUNCILMEMBER LEE: No, it's not the lender. He told me it's not the lender. It was the agreement with the County...the County.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, can we call on Director Mitchell since we have Housing here --

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CHAIR KAMA: Okay. Mr. Mitchell.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- who can speak to it.

MR. MITCHELL: Thank you, Chair. And thank you, Chair Lee. Yes, I will sit down with Department Staff and look at our practice, which you have correctly described as one where someone who's in a deed-restricted home seeks to refi. We allow them to refi if it's to improve the interest rates or the term...or extend the term of the loan. We don't allow them to cash out. And what you're suggesting...cash...we don't allow them to cash out at all, and what you're suggesting is, see if you can have some flexibility in how you administer that. And I'm...I'm saying yes, we'll look into that. Thank you, Chair.

CHAIR KAMA: Mr. Cook?

COUNCILMEMBER COOK: Could you clarify cash out? Does cash out do a home equity loan?

MR. MITCHELL: Thank you, Chair. And thank you, Member Cook, for the question. Yes. Taking out a HELOC or some other financial instrument that results in them getting cash. A good example of that is we recently received a request from an individual who was going to request, I think, 150,000 for undisclosed purposes, and whoever the financial institution was, they would not get their money back until sometime in the future when the property's sold. And there were escalation clauses in the value of what was taken out, so that amount that was taken out, it had a high interest rate, it would grow over time, and it could get very large. If you do that, then there's a market fluctuation, that person could be upside down in that home, and now you've destroyed the affordability of the home. So, it's not a practice that we've engaged in, but I'm hearing the request to have some flexibility with looking at...

COUNCILMEMBER LEE: Small incremental, you know, small incremental.

COUNCILMEMBER COOK: Like 25 grand.

MR. MITCHELL: Again --

COUNCILMEMBER LEE: Well, let them decide. . . .*(inaudible)*. . .

MR. MITCHELL: -- again, we'll...we'll look into that.

COUNCILMEMBER LEE: God.

MR. MITCHELL: Thank you, Chair.

COUNCILMEMBER LEE: Don't ask us.

CHAIR KAMA: Member Paltin?

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COUNCILMEMBER PALTIN: I just wanted to clarify with Director Mitchell, is that administrative rules? It's not in the Code, and it's not a Freddie Mac thing?

MR. MITCHELL: It's the...thank you, Chair. Yes, it's our practice.

COUNCILMEMBER PALTIN: So, does that mean administrative rules?

MR. MITCHELL: How we've administered that. Yes, in our administrative rules, how we've managed that.

COUNCILMEMBER PALTIN: Oh, so we cannot fix that. You got to fix that.

MR. MITCHELL: Thank you, Chair. Yes, we're going to look into that, discuss that with Staff, and then we will look at ways to have more flexibility. Thank you, Chair.

CHAIR KAMA: Look at that, we solved one thing. Okay. Can we continue with the vote, Members? Do you remember what we're voting on?

COUNCILMEMBER COOK: Could somebody repeat exactly what this vote's for?

UNIDENTIFIED SPEAKER: Fifteen, twelve, ten.

CHAIR KAMA: That's what we're voting on, yeah. Are you going to ask a question, or are you voting?

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, I was going to make a point earlier, but then Chair Lee was like saying some stuff --

CHAIR KAMA: Okay. Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- that I wanted to get Director Mitchell to...to elaborate, and explain, and clarify for us. Now it doesn't quite flow as it would have otherwise, but it's okay. So, I...I wanted to bring up the Maui Databook again about why deed restrictions and the length of deed restrictions are important, and why...I...I know, you know, there's difference of opinion on how much development we just kind of let like just go wild. Because in 1970, the population was 38,000. And then...this is the Databook, I don't know. This is from the Maui Databook. So, 38,000. And then in that ten years, it grew by 62.4 percent, and that's when housing was being built. And if housing was going to the residents and those that were, you know, crowding in houses, then they already lived here, so it wouldn't have grown by 62 percent to 62,000. And then in 1990, another 45 percent to 91,000. And then another ten years, 28 percent to 117,000. Another ten years to 144, to 2020, 154. And that's where you see less growth, from 22.8 percent to 6.7 percent, because housing also kind of slowed down. So, there's...there's a correlation with the amount of housing to population, and I don't know if Maui folks, residents, have had that serious conversation of how large of a population does Maui want to have? Like do...does...do you folks want the population to continue to just explode like that, and at what point will it be O'ahu, you know? I

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mean on Moloka'i, we've had that conversation, and we don't want our population to explode like this, which is why you don't hear Moloka'i people begging for affordable housing to be built on our island. Mahalo, Chair.

CHAIR KAMA: Thank you. Chair Lee?

COUNCILMEMBER LEE: Oh, okay. I disagree to a certain extent. This is not something that we can, you know, legislate, you know, what the population should be. There are many things contributing to that. Actually, our population was dropping after COVID. But what we need to...to take into consideration is, let's not forget, the root cause of our housing crisis is not having enough housing, and the high cost of living, and the high cost of money. So, there are many contributing factors. And I would suggest we try and get over this hump, and take a vote one way or the other, and keep going, and solve the problem so we can all watch the 6:00 News.

CHAIR KAMA: Thank you, Chair Lee. I spent half an hour trying to get to this place. So, we're going to take the vote, 15, 12, and 10. Voice vote?

COUNCILMEMBER RAWLINS-FERNANDEZ: No. Chair, I said I was going to vote no.

CHAIR KAMA: Okay. Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, roll call, please.

CHAIR KAMA: Chair? Thank you. I mean, Staff, please.

MS. MCKINLEY: Chair, proceeding with the roll call vote. Chair Lee.

COUNCILMEMBER LEE: No.

MS. MCKINLEY: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Yes.

MS. MCKINLEY: Councilmember Paltin.

COUNCILMEMBER PALTIN: No.

MS. MCKINLEY: Councilmember Johnson.

COUNCILMEMBER JOHNSON: No.

MS. MCKINLEY: Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: No.

MS. MCKINLEY: Councilmember Cook.

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the same 20, 10...or 16 and 10 years. So, I guess we can assume everybody's going to stay exactly where they are for at least 20 years. I do have a bunch of amendments, but it is 4:45.

CHAIR KAMA: How many...how many do you have?

VICE-CHAIR U'U-HODGINS: Like six.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: How long did you guys want to stay here? And some of them require quite lengthy discussion, I'd assume. So, I don't know what you guys want to do. I don't want to keep --

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: -- everybody here --

CHAIR KAMA: Yeah.

VICE-CHAIR U'U-HODGINS: -- right before we start budget season, and we're going to have to be in here with each other for a long --

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: -- long, long time.

CHAIR KAMA: Why don't we have a discussion about this for at least until 5:00? And so, talk fast, real quick. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Maybe if Member U'u-Hodgins just reads all of them. You know, because like when you moved to remove number 4, like that was pretty fast, and you know, everyone's on board. So, if there are amendments that you're proposing that, you know, would have unanimous support, then maybe we can pick out those, and then we can tackle the other ones after that.

VICE-CHAIR U'U-HODGINS: That's a great suggestion. How about I do two of them that I think might be easiest? Okay. Thank you. Okay. One of them is on page...

CHAIR KAMA: Wait, wait, wait. Okay. and there was somebody else that...

VICE-CHAIR U'U-HODGINS: Sorry.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yeah, we're trying to figure out where we're going.

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UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Okay. Go forward, go forward.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Okay. Okay.

VICE-CHAIR U‘U-HODGINS: Okay. Well, actually, I think this might be easier, but I don’t know, up to everybody. So, this is on page 5, Section C, where it just says owner-occupied in perpetuity. I was just wondering if we could add long-term rental. And then on page 7, number 5, when we did Housing, this was one of the issues. For a period of three years or more before submittal--I won’t read the entire paragraph--but as we discussed, sometimes life happens. So, I’m wondering if we could just insert, unless an exemption is granted by the Director.

COUNCILMEMBER COOK: Where is that?

VICE-CHAIR U‘U-HODGINS: On page 7...

COUNCILMEMBER PALTIN: I’m okay with that second one. Let’s move on that, make an amendment.

VICE-CHAIR U‘U-HODGINS: Okay. Do you want to do just...

COUNCILMEMBER LEE: Page 7.

VICE-CHAIR U‘U-HODGINS: On page 7, paragraph 5, in Section 6, number 5, is just to add a waiver of exemption if necessary by the Director.

COUNCILMEMBER PALTIN: So moved.

VICE-CHAIR U‘U-HODGINS: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR KAMA: So...

COUNCILMEMBER LEE: Section 5.

VICE-CHAIR U‘U-HODGINS: Page 7.

COUNCILMEMBER LEE: Section 5?

VICE-CHAIR U‘U-HODGINS: Yeah.

CHAIR KAMA: Number 5.

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COUNCILMEMBER PALTIN: Section 6, 2.96.090(5).

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: (B)(5).

COUNCILMEMBER JOHNSON: For a period of three years?

COUNCILMEMBER LEE: Can you repeat the amendment...proposed amendment?

COUNCILMEMBER PALTIN: For three years before the submittal of the ownership application, have not had an interest of 50 percent or more in real property in fee or leasehold in the United States where the unit or land is suitable for dwelling purposes unless the applicant is selling an affordable unit and purchasing a different affordable unit that is more appropriate for the applicant's family size, or if the Director gives a waiver.

VICE-CHAIR U'U-HODGINS: Yeah.

COUNCILMEMBER LEE: Okay.

CHAIR KAMA: Okay.

COUNCILMEMBER JOHNSON: Could you...

CHAIR KAMA: Remi?

COUNCILMEMBER JOHNSON: Okay. Perfect.

CHAIR KAMA: You want to comment on that? You good?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yeah, you want to take it?

COUNCILMEMBER PALTIN: Just trying to expedite.

VICE-CHAIR U'U-HODGINS: That's in case somebody gets a divorce --

CHAIR KAMA: Yes.

VICE-CHAIR U'U-HODGINS: -- they had to sell property; and with their children, need to buy another home. We...when we were doing some housing projects, that was one of the issues we ran into all the time. And so, I don't have any specifics to change, rather [*sic*] than we need to give us and future homeowners some flexibility.

CHAIR KAMA: Okay.

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COUNCILMEMBER PALTIN: Portability of affordability.

CHAIR KAMA: Go ahead, Director.

MR. MITCHELL: Thank you, Chair. And I apologize, I was unaware that the meeting was going to go into the evening, so I didn't cancel my evening meetings.

CHAIR KAMA: Oh, okay.

MR. MITCHELL: I did cancel two meetings today to get to this meeting. So, if it's okay with the Chair --

CHAIR KAMA: Yes.

MR. MITCHELL: -- I'd like to be excused so I don't have to.

CHAIR KAMA: Oh, okay. Okay. So, if you got to leave, you got to leave, right?

MR. MITCHELL: Thank you, Chair.

CHAIR KAMA: Okay. So, basically, so I guess you're okay with the waiver? Your waiver. This is what is giving you more authority.

MR. MITCHELL: . . . *(inaudible)* . . .

CHAIR KAMA: Okay.

MR. MITCHELL: Appreciate the flexibility and the less friction in the process that helps on what I call the nontemporal restrictions to make things easier for developers. Thank you.

CHAIR KAMA: Okay. Thank you. Any other discussion?

COUNCILMEMBER LEE: No, we want to vote.

CHAIR KAMA: No? Okay.

COUNCILMEMBER JOHNSON: Let's vote.

CHAIR KAMA: Voice vote, right?

COUNCILMEMBER LEE: Aye.

CHAIR KAMA: See, Member Johnson said this is a voice vote. All those in favor, say "aye."

COUNCILMEMBERS: Aye.

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CHAIR KAMA: Okay. Nine, zero. Motion passes.

VOTE: AYES: Chair Kama, Vice-Chair U‘u-Hodgins, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: You want to go back to your page 5?

COUNCILMEMBER PALTIN: No, keep reading through and see if we have some easy stuff.

VICE-CHAIR U‘U-HODGINS: That’s...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

VICE-CHAIR U‘U-HODGINS: I think...I thought those were the two easy ones.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

VICE-CHAIR U‘U-HODGINS: We only did one. We did the...

CHAIR KAMA: We did page 7. We got to do page 5.

COUNCILMEMBER PALTIN: Can you just read the rest, even if they’re not easy?

VICE-CHAIR U‘U-HODGINS: Oh, can we do the page 5, and then I can read the rest?

COUNCILMEMBER LEE: Thanks, Remi.

UNIDENTIFIED SPEAKER: Bye, Remi.

CHAIR KAMA: Thank you, Remi.

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VICE-CHAIR U'U-HODGINS: The page 5 is Section C, ownership units must be occupied by their owner in perpetuity. I'm not necessarily against that, but if we had long-term rental availability, and actual long-term rental availability, I would appreciate that. Like my family, we have our own trust because we couldn't afford to buy homes otherwise, and basically we own collectively a trust, and my grandma has a long-term lease of 15 years, which has provided her some stability in property tax.

UNIDENTIFIED SPEAKER: Did you make the motion?

CHAIR KAMA: So, what are you...what are you...

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

VICE-CHAIR U'U-HODGINS: I move to include long-term rentals after --

COUNCILMEMBER RAWLINS-FERNANDEZ: Owner.

VICE-CHAIR U'U-HODGINS: -- owner in perpetuity at--no comma yet--and include their long-term rentals, unless the Director finds one of the following exists, and it goes yada, yada, yada.

COUNCILMEMBER PALTIN: Second for discussion.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second. Oh.

CHAIR KAMA: Okay. So, it's been moved...moved by Member U'u-Hodgins, second by Member Paltin. Discussion? Member Paltin?

COUNCILMEMBER PALTIN: I didn't want to amend it without just first discussing it through. So, what...what we're trying to do with the ownership units must be occupied in perpetuity is to keep things affordable. Would you be open to same...same...similar situation where it's more so for West and South Maui than any other place? But I feel like our long-term...long-term rental exemption and rate has a big loophole, especially like when you look at it in light of FEMA coming in and raising rents. Would you be open to long-term rental not more than like 100 percent to 120 percent AMI regardless of what that person's income is?

VICE-CHAIR U'U-HODGINS: Sure. How do you think that would work? Like if you could just describe how that would work.

COUNCILMEMBER PALTIN: So, you would look up the size bedrooms or whatever that the house is, and then you'd look up...like I'd...I'd go for 100 percent what the rental...HUD rental rate is for 100 percent AMI, and that would be the max that it could be rented for, regardless of who you rent it to's income.

VICE-CHAIR U'U-HODGINS: Okay. And then Housing would keep track of this? Or we would...they would submit their...like for us, when I have to do my grandma's stuff, we

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have to submit her rental lease to RPT. So, is it...I...literally I'm just asking how it would work in this scenario.

COUNCILMEMBER PALTIN: I think if it's documented as one of those like either ownership in perpetuity or long-term rental in perpetuity, they should have a list, and cross-reference it with their long-term rental exemption, that this one is capped at so much.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: Yes. And I'm not...the...the part that would be different than the HUD guidelines, I think, is in HUD guidelines, it's inclusive of utilities. I'm not saying that. Like they got to pay their own utilities.

CHAIR KAMA: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, what I was going to contribute to the discussion was...because long-term rental is not defined here. So, either it can be defined, or it can point to 3.48.466, which is in our tax, that's RPT, 3.48.466. However, so...and then, if we wanted to do that, we can do a couple things. We can, one, include, like, the definition as, you know, it relates to this section of RPT because in this section, dwelling units occupied as a long-term rental and under a signed contract to lease for 12 consecutive months or more to the same tenant. And then there's, you know, a process for that. And then adding the language in 2.96 for what Member Paltin is saying regarding the...the tenant being the...the rental, the cost...the rental price being 100 percent AMI or less, and there not being any income restrictions connected to the...the...the tenant itself because of what Member Paltin has explained multiple times, which is that it...it costs a lot more to live in West Maui. And so, the type of jobs necessary generates more income than other places on Maui.

COUNCILMEMBER PALTIN: And...and if I can specify, I think the HUD rental guidelines go by household size. So, I would choose a family of four just, you know, as average.

VICE-CHAIR U'U-HODGINS: I'm quite open. My...my point was just to give the legitimate long-term local owners some flexibility. I'm quite flexible. As long as it actually makes sense, then I'm cool.

CHAIR KAMA: Okay. So, Members, after hearing the discussion, and the motion by Nohe, and seconded by...wow, I'm on first names already, it's not even 5:00.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yes. So, do you want the motion repeated, or is this a...okay. Staff, can you please repeat the motion?

MR. KRUEGER: Apologies, Chair. There's been some discussion that's gone on. If it's okay, could...could we request that the movant repeat the motion one more time?

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CHAIR KAMA: Sure. Can you restate?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: Okay. Ownership units must be occupied by the owner in perpetuity or--what was your words?--in long-term...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: Or in long-term rental as defined in 3.48.466 at the...at the max value of...and you can --

UNIDENTIFIED SPEAKER: Rental max.

COUNCILMEMBER PALTIN: -- at the max rental price of HUD 100 percent AMI for a family of four, not to include utilities --

UNIDENTIFIED SPEAKER: Regardless of...

COUNCILMEMBER PALTIN: -- regardless of income --

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: -- with...without income restrictions, unless the Director finds one of the following exists. And you can pretty it up, but that's the...the general gist.

CHAIR KAMA: Okay. Got it? Okay. Thank you. So...so, Members, do...do we want to do a voice, or do you need to do a roll call?

COUNCILMEMBER JOHNSON: Voice.

CHAIR KAMA: Voice? Voice? Okay. Thank you, Members. Oh, Mimi, do you have your hands up, Mimi?

COUNCILMEMBER SUGIMURA: No, I...I...I'm asking her.

CHAIR KAMA: Oh, you're calling on...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Oh.

COUNCILMEMBER SUGIMURA: Yeah, I'm just curious to see what Corp. Counsel...

MS. DESJARDINS: Thank you, Chair. I mean, it...it's completely up to you folks how to define it. I thought the issue that Member U'u-Hodgins was getting at was ownership could also include, since a lot of people are holding property in trust. This happens with the

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subdivision process, where it has to be defined...owner is defined as like an individual or a family trust, or somehow defining in 2.96 that ownership could include a closely-held family trust. So, like if you're renting to your grandmother out of a family trust, that's still considered ownership, even though...who is the owner? The family trust. So, it might be worth exploring, and I can look at that a little bit more, but that sort of piqued my interest in that. Because I know we've had this trouble with the subdivision process, like really defining, because so many people no longer have their properties in their individual names.

COUNCILMEMBER PALTIN: Wouldn't the...the friendly amendment to her motion address that? Like she could rent it to her grandmother? It doesn't have to be up to 100 percent AMI, it could be nominal. So, wouldn't that address that kind of situation?

MS. DESJARDINS: I believe so. I think that would squarely fall in there as long as those financial...I mean, you could go as high as to say, you know, whatever...as defined affordable...as defined by 2.96. Because it can go as high as 140. I don't know if you want to just say whatever the definition of affordable housing is.

COUNCILMEMBER PALTIN: 100 percent is good with me.

MS. DESJARDINS: Yeah. That's up to you folks, yeah.

UNIDENTIFIED SPEAKER: Okay.

COUNCILMEMBER PALTIN: James, did I say 100 percent AMI for a family of four, not including utilities? Okay.

CHAIR KAMA: You did now.

MR. KRUEGER: Yes.

COUNCILMEMBER JOHNSON: All right.

CHAIR KAMA: Okay. Did we all hear that? So, again, I'm going to ask, is it a voice vote? Okay. Thank you, Members. So, all those in favor of the motion, please raise your hand, say "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: Okay. I see nine, zero. Motion passes.

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VOTE: **AYES:** **Chair Kama, Vice-Chair U‘u-Hodgins, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: **APPROVE amendment.**

COUNCILMEMBER JOHNSON: Good job.

CHAIR KAMA: Okay. So, what do you have left, Member U‘u-Hodgins?

COUNCILMEMBER LEE: Excuse me, Chair.

CHAIR KAMA: Yes.

COUNCILMEMBER LEE: Before we go too far down --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- the pages, I...I would like to ask for a reconsideration on the vote on the deed restrictions. And now the reason why I’m saying that is because originally, I had asked Member Nohe U‘u-Hodgins to...to give us all of her ideas.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: And then I guess you wanted her to go one by one.

COUNCILMEMBER PALTIN: I think Member U‘u-Hodgins has to ask for the reconsideration because you were on the losing side. Somebody on the winning side.

COUNCILMEMBER LEE: No, I was on the winning side.

COUNCILMEMBER SUGIMURA: I think she was on the winning side.

COUNCILMEMBER PALTIN: Oh, you were on the winning side.

COUNCILMEMBER LEE: I was on the winning side.

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COUNCILMEMBER PALTIN: Okay. Sorry.

COUNCILMEMBER LEE: So, I thought --

COUNCILMEMBER PALTIN: Go ahead, reconsider.

COUNCILMEMBER LEE: -- we were going to have more discussions on various numbers.

COUNCILMEMBER PALTIN: I'll second her reconsideration --

CHAIR KAMA: Okay. Thank you.

COUNCILMEMBER PALTIN: -- for reconsideration.

COUNCILMEMBER LEE: Yeah.

CHAIR KAMA: Okay. So, we're back to...oh, it's been moved and seconded to reconsider what number?

COUNCILMEMBER LEE: Yeah, this was 2.96.060(B)(2) on page 4. On page 4. And we voted on the deed restrictions below-moderate 20 years, moderate 16 years.

COUNCILMEMBER PALTIN: So, that brings us back to right before we took the vote, right?

CHAIR KAMA: Yes.

COUNCILMEMBER PALTIN: So, call for...call for the roll call one more time.

CHAIR KAMA: Okay. Yes.

COUNCILMEMBER LEE: Well, we got to vote on the reconsideration first.

CHAIR KAMA: Got to vote on the reconsideration.

UNIDENTIFIED SPEAKER: Voice vote.

CHAIR KAMA: Okay. Voice vote for the reconsideration?

COUNCILMEMBER SUGIMURA: Aye.

COUNCILMEMBER LEE: Aye.

CHAIR KAMA: All those in favor say "aye."

COUNCILMEMBERS: Aye.

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CHAIR KAMA: Mr. Sinenci? Okay. Thank you. Nine, zero for the reconsideration. Okay.

VOTE: AYES: Chair Kama, Vice-Chair U‘u-Hodgins, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE reconsideration of amendment.

COUNCILMEMBER LEE: And may I ask Member U‘u-Hodgins to make the motion again?

COUNCILMEMBER PALTIN: No. Doesn't the reconsideration --

CHAIR KAMA: No.

COUNCILMEMBER LEE: Okay.

COUNCILMEMBER PALTIN: -- will take us right back to before the vote. So --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- start the roll call.

COUNCILMEMBER LEE: That's right. That's right. So, roll call.

CHAIR KAMA: Okay. Let's do this again.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER SUGIMURA: Yeah, it's 15, 10...15, 12, and 10.

COUNCILMEMBER LEE: Okay. So, maybe...so maybe you can repeat or some...I'll just repeat that the...what...the motion had to do with amending what is there now, 20, 16, 10 to 15, 12, 10. So...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

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COUNCILMEMBER LEE: Yeah. So...an aye vote would support her motion of 15, 12, 10.

COUNCILMEMBER SUGIMURA: Yes.

COUNCILMEMBER LEE: Correct?

COUNCILMEMBER SUGIMURA: Yes.

COUNCILMEMBER LEE: Aye.

MS. MCKINLEY: Chair, proceeding with the roll call vote.

COUNCILMEMBER LEE: Oh.

MS. MCKINLEY: No? Sorry.

COUNCILMEMBER LEE: Aye.

MS. MCKINLEY: Okay.

COUNCILMEMBER LEE: Aye, aye, aye, aye.

MS. MCKINLEY: Chair Lee?

COUNCILMEMBER LEE: Oh, okay.

MS. MCKINLEY: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Aye.

MS. MCKINLEY: Councilmember Paltin.

COUNCILMEMBER PALTIN: No.

MS. MCKINLEY: Councilmember Johnson.

COUNCILMEMBER JOHNSON: No.

MS. MCKINLEY: Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: No.

MS. MCKINLEY: Councilmember Cook.

COUNCILMEMBER COOK: Aye.

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VICE-CHAIR U‘U-HODGINS: -- of the amendments I would like to make probably require his input.

CHAIR KAMA: Okay. Okay.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR KAMA: So, it's 5:00...yes, Member Paltin?

COUNCILMEMBER PALTIN: Oh, I just was wondering, and it's open to everyone, if...if it would be okay for Member U‘u-Hodgins just to read it. We're not going to vote on it, but just to marinate in it until whenever the next time it is, and we can all commit to not making any comments on what she says. We just want to hear it and then leave.

UNIDENTIFIED SPEAKER: Fine.

CHAIR KAMA: Is everybody open to that?

UNIDENTIFIED SPEAKER: Yeah.

CHAIR KAMA: Okay. So, that's...

VICE-CHAIR U‘U-HODGINS: Actually, so...

CHAIR KAMA: Member Rawlins-Fernandez?

VICE-CHAIR U‘U-HODGINS: Oh, sorry. Go ahead.

CHAIR KAMA: I heard her say no talking, but she wants to say something now. Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: . . .*(laughing)*. . . After I talk, no talking.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: I was going to say, I support that, so I'd like to hear the amendments. And then my question is going to be for you, Chair, if Director Mitchell had an opportunity to review and...and give any feedback. He did? Okay. Is it on Granicus?

CHAIR KAMA: The what? Her...her...her...

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, no.

CHAIR KAMA: The...

COUNCILMEMBER RAWLINS-FERNANDEZ: It's not on Granicus.

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CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Director Mitchell, did he review the bill?

CHAIR KAMA: I'm sure he did.

COUNCILMEMBER RAWLINS-FERNANDEZ: Did...did he give you any feedback?

CHAIR KAMA: No, he didn't.

COUNCILMEMBER RAWLINS-FERNANDEZ: Because there's a section on there that I...I was surprised is on there.

CHAIR KAMA: Okay. . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: But I'm supportive of it.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: I just wasn't sure. That's why I'm not...I'm not saying anything.

CHAIR KAMA: Okay.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR KAMA: Okay. So --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: -- Members, this is the plan. For the next ten minutes, we're going to allow Member U'u-Hodgins to read her four amendments.

VICE-CHAIR U'U-HODGINS: Well, sure. But I don't have, actually, any specific amendments, but rather things that I wanted to consider to amend.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: But I wanted Member --

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: -- I'm sorry, Director Mitchell's opinion --

CHAIR KAMA: To comment.

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VICE-CHAIR U'U-HODGINS: -- and figure out how an amendment --

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: -- would look.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: Which include, on page 3, this is probably what Member Rawlins-Fernandez was talking about. The...for G, residential workforce housing credits --

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

VICE-CHAIR U'U-HODGINS: -- yeah--may not be issued after January 1st, 2050. We see it again on page 6 and page 9. I wanted his opinion on that, and perhaps then I might propose an amendment. Further, on page 4 again...because we spent a lot of time on page 4...number 3, ownership units on County-owned land will be subject to a deed restriction of 99 years. My question was, are we making a County trust? Are we doing our own version of Na Hale O Maui? And if so, then I would support 99 years; and if not, then I would like to find something else, or remove it in its entirety. Later on, on page 4, Section 5, I believe it's (F)(3), the 25 percent difference between the appraisals must be added to the owner's purchase price. This is something we were talking about in our refinancing home equity conversation. On the last day of Committee, we heard that perhaps 50 percent is something a bit more reasonable when it's being discussed, so I wanted...for FHA loans. So, I wanted to have his opinion on that and find a different percentage that might be...that might work best. And then on page 7, selection priority. I know that this is something this body has discussed before, but I wanted to discuss the resident of the County for three or more years. Three years is adorable for them to be considered a resident. So, I wanted to know what that meant, and I wanted to have that discussion on the selection priority, and if maybe possible, kind of figure out where we can amend for that. But no actual specific amendments, but amendments that I thought were worth potentially talking through when we have Director Mitchell with us.

COUNCILMEMBER PALTIN: Thank you. Good night.

CHAIR KAMA: Okay.

MS. NAKATA: Chair?

CHAIR KAMA: Yes?

MS. NAKATA: Would you like Staff to prepare a letter to the Housing Director --

CHAIR KAMA: Yes, please.

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MS. NAKATA: -- with the questions?

CHAIR KAMA: Yeah.

MS. NAKATA: Okay.

CHAIR KAMA: We're probably not going to...I'm probably going to defer, adjourn, and do this again, right?

UNIDENTIFIED SPEAKER: After budget.

CHAIR KAMA: After budget, yeah? So, tell him don't feel pressured with all the other questions that we sent him from all of the Committees. Okay. Thank you. Yes, Mimi?

MS. DESJARDINS: Thank you. I just want to throw a few things out because our Department also did not have an opportunity to review this before posting. Very quickly. If there is going to be a sunset of housing credits, the question is, after that date, will housing credits that have already accumulated expire, or will they be able to be used? So, that was one question we had. Another one was on page 5, at the very top, it talks about the Department must verify the sales price, and that has caused some confusion in the past, what does that mean to verify it? It should say approve. If...if that's the intent, the language should be more affirmative in what you're asking the Department to do, rather than just verify. It means it doesn't really give them the authority to say we don't really like it, or it's...you can't do it. And then the other one, just really quickly, is on page 5, C, unless the Director finds one of the following exists, and it says one, two, three, four, I would suggest thinking about saying unless the Director finds one of the following or something, give him a little bit more discretion in case something else comes up because we've seen other people in hard times that aren't included here that...that should be considered. So, it could say includes the following...or including, but not limited to, something along those lines. And that's it, but thank you very much.

UNIDENTIFIED SPEAKER: So moved.

CHAIR KAMA: Okay. Okay. Thank you. Yeah, did you get all of that, Staff...I mean, Carla, to add into the letter?

MS. NAKATA: So, Chair, I think --

CHAIR KAMA: Yes.

MS. NAKATA: -- Staff will work on getting the amendments that were approved by the body today incorporated into another proposed CD1 version, along with Corporation Counsel's comments.

CHAIR KAMA: Okay. Thank you.

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MS. DESJARDINS: I'm sorry, one more quick thing, and this might be me, but on the top of page 5, where it says subparagraphs 2A through 2E, somebody smarter than me can verify whether it should say 5A through 5E, because the paragraph changed, or is it really 2A through 2E? And that's it, I promise.

CHAIR KAMA: I think it's E, because they redid the letters, right? So, it's E. Right?

COUNCILMEMBER JOHNSON: There's stuff going down.

COUNCILMEMBER RAWLINS-FERNANDEZ: Are you on...are you on the news today? I want to go see it so badly.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair Lee . . .*(inaudible)*. . .

UNIDENTIFIED SPEAKER: So do I.

UNIDENTIFIED SPEAKER: You want to go see your . . .*(inaudible)*. . .

UNIDENTIFIED SPEAKER: I want to see my own . . .*(inaudible)*. . .

CHAIR KAMA: So, are we good, Mimi? Okay. So, Members...okay. I guess we're good. We're good? Yeah. Okay. So, Members, I'm going to defer this matter, without your objections, and we'll come back with a CD1 version after budget.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR KAMA: So, this meeting is now adjourned at 5.15 p.m. Thank you, everyone. . . .*(gavel)*. . .

ADJOURN: 5:15 p.m.

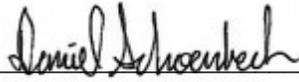
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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 64 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 23rd day of April 2025, in Wailuku, Hawai'i

A handwritten signature in cursive script, appearing to read "Daniel Schoenbeck", is written over a horizontal line.

Daniel Schoenbeck