

HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

MINUTES

February 19, 2025

Online Only via Teams

CONVENE: 9:04 a.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 (Out 12:07 p.m.)
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member (Out 12:04 p.m.)
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member (In 9:06 a.m.)

STAFF: James Krueger, Senior Legislative Analyst
Ellen McKinley, Legislative Analyst
Carla Nakata, Legislative Attorney
Jennifer Yamashita, Committee Secretary
Lei Dinneen, 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.: Chris “Nahulu” Nunokawa, Deputy Corporation Counsel, Department of the
Corporation Counsel
Richard “Remi” Mitchell, Director, Department of Housing

OTHERS: Testifiers
Leonard Nakoa (HLU-24)
Andrew Pereira, Pacific Resource Partnership (HLU-24)

Others (56)

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

CHAIR KAMA: . . .(gavel). . . Will the Housing And Land Use Committee meeting of

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

February 19, 2025 come to order. It is now 9:04 a.m. I'm Tasha Kama, Chair of the Housing And Land Use Committee. This online meeting is being conducted in accordance with the Sunshine Law. And, Members, when your name is called, if you are not with me in the Council Chamber, please identify by name who, if anyone, is in your workspace with you today. And minors do not need to be identified. So, I'd like to say aloha kakahiaka and saluut to our Council Chair Alice Lee, who will give us the morning greeting interpretation and from where it is from. Chair Lee.

COUNCILMEMBER LEE: Morning, Chair. Yes, the morning greeting is from the country Belgium, which is in Western Europe with a population of about 11 million dollar...11 million dollars, . . .*(laughing)*. . . that's all that's on my mind, budget. Yeah, 11 million people. And so looking forward to your meeting and the greeting, as you said, is saluut.

CHAIR KAMA: Thank you.

COUNCILMEMBER LEE: I'm home alone in my workspace and there's nobody here with me. Thank you.

CHAIR KAMA: Okay. Thank you. So, we want to continue to say aloha kakahiaka and saluut to our Committee Vice-Chair Nohelani U'u-Hodgins

VICE-CHAIR U'U-HODGINS: Good morning. Saluut, everyone.

CHAIR KAMA: So, we're going to continue with our Councilmember Tamara Paltin. Good morning, aloha kakahiaka, and saluut.

COUNCILMEMBER PALTIN: Saluut and aloha kakahiaka kākou.

CHAIR KAMA: Thank you. Want to say aloha kakahiaka and saluut to our Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Saluut, Chair, Councilmembers, community members. There is no testifiers at the Lānaʻi District office. And I'm here and ready --

CHAIR KAMA: Thank you.

COUNCILMEMBER JOHNSON: -- to work. Mahalo.

CHAIR KAMA: Thank you. And so we want to say aloha kakahiaka and saluut to our Councilmember Keani Rawlins-Fernandez. Morning.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka. Mai Moloka'i nui Ahina. I am at my private residence alone. And there are currently no testifiers at the Moloka'i District office. Mahalo, Chair.

CHAIR KAMA: Thank you. And so we want to say aloha kakahiaka and saluut to Councilmember Tom Cook.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER COOK: Aloha kakahiaka [sic], Chair, and saluut. There's currently no testifiers at the South Maui office. And I'm looking forward to the meeting today.

CHAIR KAMA: Thank you. I want to say good morning, aloha kakahiaka, and saluut to our Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Hi. Aloha kakahiaka, Chair, and saluut. Here at my home office. I'm here by myself. And there are no testifiers at the Hāna District office.

CHAIR KAMA: Thank you. And so we want to say aloha kakahiaka and saluut to our Council Vice-Chair Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good morning, Chair. Saluut. And I...I want to apologize for being a little late. I was trying to buy coffee at McDonald's and I spilt it. . . .(laughing). . .

COUNCILMEMBER PALTIN: . . .(Inaudible). . . change her clothes (audio interference) --

COUNCILMEMBER SUGIMURA: I...I wish I could change my clothes. . . .(laughing). . . One was for you, too, Chair.

CHAIR KAMA: Oh. Thank you. Okay. So, we have, also, from the Department of Housing, Director Remi Mitchell. Aloha kakahiaka and saluut.

MR. MITCHELL: Aloha, Chair, and Councilmembers. And saluut.

CHAIR KAMA: And we have with us the Deputy Corporation Counsel Nahulu Nunokawa. Aloha kakahiaka and saluut.

MR. NUNOKAWA: Aloha and saluum [sic].

CHAIR KAMA: And so we have our Committee Staff with us this morning. We have Jennifer Yamashita, our Committee Secretary. Aloha kakahiaka and saluut.

MS. YAMASHITA: Good morning.

CHAIR KAMA: And we have our Senior Legislative Analyst, James Krueger. Aloha kakahiaka and saluut.

MR. KRUEGER: Good morning, Chair and Members.

CHAIR KAMA: And we have our Legislative Analyst, Ellen McKinley. Aloha kakahiaka and saluut.

MS. MCKINLEY: Aloha Chair and Members.

CHAIR KAMA: And then we have our Legislative Attorney, Carla Nakata. Good morning and

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

saluut to you too.

MS. NAKATA: Aloha Chair and Members.

CHAIR KAMA: I heard that voice. And we have, also, our Council Services Assistant Clerk Ms. Lei Dinneen out there registering testifiers for our morning meeting. Good morning, Lei, and saluut, and we hope that you have a good day today. So, please see the last page of the agenda for information on meeting connectivity. And thank you, Members, for attending HLU Committee meeting. We have two items on the agenda today. We have...our first item is Rule 7(B) from the Department Of Housing Updates. And then we have Bills 22, 12, and 74 all relating to Residential Workforce Housing Deed Restrictions. So, in accordance with the Sunshine Law, as Chair, I will be calling for testimony for each agenda item after we receive opening comments from our resources. So, Members, I ask that you hold all questions for the Administration until after testimony has been closed.

DEPARTMENT OF HOUSING UPDATES (HLU-3(1))

CHAIR KAMA: So, Members, for today we have asked our Housing Director to provide an update to us on the organization and operations of the Department of Housing. I thought it would be appropriate for us to learn more about how our new Department is doing as we prepare to head into our budget session. So, Director Mitchell, please proceed with your update.

MR. MITCHELL: Thank you, Chair. And thank you, Members. So, it's been a little under two weeks since we last spoke. Where during the BFED meeting, on February 4th, I gave a fairly comprehensive overview of what we have done to date. So, I'm...I'm going to, if it's okay with the Members, not repeat that presentation but talk about what's happened since. So, we are scheduled, either this week or next week, to interview for a Housing Choice Vouchers Supervisor position, which is in the Federal Programs Division. And we have seven or so applicants, so that appears to be promising. And once the panel has been impaneled, and they have done the interviews, and selected the top candidates, I will then have an opportunity to meet with those candidates. We are on...we're about to post for our research analyst position. It's...I keep getting the title wrong, which is in our County Housing Programs Division. It's a research analyst V position. And that is because, as I mentioned in our last discussion, due to a resignation. So, we're going to automatically...we've updated that description in the last week and we're going to post for applications. We recently had a...in the last two or three days, another resignation. The resignation was from the County Housing Programs Administrator. He will be transitioning into another position at the end of February. And I...although he has made it clear where he is going, I'll leave it to him and others to announce what his new position is. But we are now in the process of updating that position description and similarly the minimum quals. And I'll...I'll digress for a moment here and just point out that as we are looking at these positions, we're noticing that some of the minimum qualifications date back to the 1990s, which creates its own challenge for us. But we're going to update the position description and then proceed with posting that position.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

And we have four applications for the Housing and Community Development Division Administrator position, which was vacant. And we are just about to start interviewing for those...for that particular position. And then, last but not least, when we last spoke, I said that the Department still had to work on preparing its reorganization documents that it would then submit to the Administration. And then after that, it would go through the consultation process with HGEA. We've now finished that reorg document. It's on my desk to finalize and to submit. We will then go through the reorg process, which at a minimum, will be...the consultation process, rather, which at a minimum will be 30 days. And then it goes to DPS after we've gone through that process. And then we can post for the new position, so we still have a little ways to go. But that is a brief summary of what's changed in, essentially, a week and a half because it hasn't been that long since we last spoke, but we're continuing to move forward. As I say to the leadership team, and I say to Staff, my singular focus is the mission. And sometimes when you're mission-driven you have lots of challenges. But if you stay focused on the mission, you'll eventually get there and keep everyone focused on what we're trying to do for the community. So, with that I'll keep my initial presentation brief, since I've already discussed a lot of the details, and turn things back over to you, Chair.

CHAIR KAMA: Thank you very much for that update.

. . . BEGIN PUBLIC TESTIMONY FOR ITEM HLU-3(1) . . .

CHAIR KAMA: Staff, do we have any testifiers?

MR. KRUEGER: Chair...Chair, we currently don't have any individuals signed up to testify at this time. We'll do a brief last call just in case there is anybody who would like to testify on this item. If you would like to testify, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown; three, two, one. Chair, no one has identified themselves as wishing to testify.

CHAIR KAMA: Thank you. Appreciate that. So, Members, seeing as how there are no individuals wishing to testify, without objection, I will now close oral testimony for this item. And as a reminder, written testimony will continue to be accepted into the record.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM HLU-3(1) . . .

CHAIR KAMA: So, now, Members, we're going to proceed with discussion. I'm going to call upon you for the questions you might have for Director Mitchell. I'll also ask Staff to set a three-minute timer for each Member so that we can all get our questions asked and answered. And if we need a couple of rounds to do that, we can do that. So, let's begin with our Vice-Chair U'u-Hodgins, and then following with Chair Lee, and Vice-Chair Sugimura, and then going around in this order according to your seating. Member U'u-Hodgins.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

VICE-CHAIR U'U-HODGINS: Thank you, Chair. The mics are really soft. I wonder if this is, like, leftover from yesterday's executive session meeting. It's fine for me, because I'm...have unusually good hearing, blind as a bat but great hearing. I don't know if anybody else might have an issue with that but I just wanted to point that out.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: Thank you.

CHAIR KAMA: Thank you.

VICE-CHAIR U'U-HODGINS: Yeah, no worries. I can...I can tell.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: Thank you so much for being here. I hope all is well. I don't have too many questions, except maybe the last time we spoke, I guess I'll...so, generally, we were talking about compliance, maybe to like, you know, prevailing wage. Do we have a section in the Housing Department, as we develop our Homebuilding Section of your folks' Department, that is going to be focused on compliance?

MR. MITCHELL: So, it isn't a section. That would be in the --

VICE-CHAIR U'U-HODGINS: Or a person.

MR. MITCHELL: Oh. That would be in the County Housing Programs Division.

VICE-CHAIR U'U-HODGINS: Okay.

MR. MITCHELL: And that's the position I referred to --

VICE-CHAIR U'U-HODGINS: Okay.

MR. MITCHELL: -- earlier, both a week and a half ago and today. The Program Specialist, not Research Analyst. The Program Specialist --

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

MR. MITCHELL: -- V position --

VICE-CHAIR U'U-HODGINS: Okay.

MR. MITCHELL: -- I always mix the two -- that we are about to post. And it is that position that would, in part, be charged with monitoring prevailing wage issues.

VICE-CHAIR U'U-HODGINS: Okay. How long...I know you...you have to go through all of the

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

steps for these several different positions. I know it takes a little bit of time, but what timeline do you think we're looking at? For not just this program specialist, but all of the other ones as well.

MR. MITCHELL: That's a really hard answer to give with any precision.

VICE-CHAIR U'U-HODGINS: Sorry.

MR. MITCHELL: It...it's impossible because there's too many steps that are not within my control. And so I can only give you windows of time. But suffice it to say, we are going to post for the Program Specialist V position fairly quickly.

VICE-CHAIR U'U-HODGINS: Okay.

MR. MITCHELL: And then we'll decide on how long to keep the posting open. And then we'll have to go through the process of waiting for the applications to come in, DPS' screening, then the interview process, and then the potential appointment. So --

VICE-CHAIR U'U-HODGINS: Okay.

MR. MITCHELL: -- you know it could take several weeks before we get to that...that place.

VICE-CHAIR U'U-HODGINS: Okay. I ask because I'm sure, like many other Councilmembers, we had our meeting with OOR not too long ago, and your Department will become very crucial. So, I'm excited to see you get fully staffed and what you guys can do.

MR. MITCHELL: And we are excited too. And...and I neglected to mention in my opening, thank you for passing Bill 6. It's really important to have that flexibility so that we can grow and we appreciate the Council's support.

VICE-CHAIR U'U-HODGINS: Thank you. I think that's all I have for right now, Chair. Thanks.

CHAIR KAMA: Thank you. So, we're going to continue with Council Chair Lee.

COUNCILMEMBER LEE: Thank you, Chair. Morning, Director Mitchell. I was wondering...I know...I think Member Sugimura might be asking the same question, but I just need to know as soon as possible, have you all sent the update on all the housing projects in progress or are planned? I think we --

MR. MITCHELL: Thank --

COUNCILMEMBER LEE: -- requested that a couple of times.

MR. MITCHELL: Thank you for the question, Chair Lee. So, I've sent, in the past, a complete list of...a pdf document...I think it's an Excel spreadsheet of all the projects that we're tracking. And then --

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER LEE: Okay.

MR. MITCHELL: -- today I signed off on a letter to Member Sugimura that has 97 projects identified, with a flash drive that has all the residential workforce housing agreements. As it...as you can imagine, it takes a while to gather all this information. So, that is going to make its way to the Mayor's Office and then to --

COUNCILMEMBER LEE: Oh, okay.

MR. MITCHELL: -- Member Sugimura. But I want to make sure I understand when you say all projects. The --

COUNCILMEMBER LEE: Well, all the projects that are recent...I mean, you know, in progress and planned in the near future. But...okay. So, you...you've answered that question sufficiently --

MR. MITCHELL: Okay.

COUNCILMEMBER LEE: -- for me. The reason why I asked it is because, of course, we are very concerned about providing permanent housing in West Maui. So, that's one of the things I'll be looking at...looking for. And what can the Council do to expedite permanent housing in West Maui in the upcoming budget. That...that's key for me, and I'm sure for other Councilmembers. So, that's the reason why I bring up that. Also, have you been able to initiate any new plans to assist your current staff, which seems to be woefully under-resourced, unfortunately, --

MR. MITCHELL: I thank for the question.

COUNCILMEMBER LEE: -- with all the vacancies?

MR. MITCHELL: When you say institute new plans, what we're focused on right now is filling the current vacancies we have, so that really is the plan. Until we can get those vacancies filled, we're still working double and triple time to keep everything afloat. So, we really have to get those vacancies filled. Our Deputy Director and our Administrative Assistant is working closely with DPS to identify, what I consider a pinch point or a friction point. And that is when we post for positions and there are, let's say, a half dozen applications or more and we only see one of the candidates, i.e. only one of them is identified --

COUNCILMEMBER LEE: Okay. So, let me just . . . *(timer sounds)* . . . stop you there because I'm...my...my three minutes is running out. So...and you're familiar with that, so . . . *(laughing)* . . . anyway, I just wanted to...to check because I realize you have your challenges with the vacancies. And to bring your staff into full complement is, of course, a challenge. But you also provide new eyes to the Department. So, have you seen anything that, you know, you were thinking about making changes to help your staff to expedite, you know, processes or procedures? Have you...have you noticed anything that you...you readily can make changes to?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Oh, there's a slew of internal administrative changes I certainly have made to improve, not only the speed in which we do things, but the quality of what we produce. Probably far too many to discuss here, but certainly, those changes include process changes. But they also include a lot of training and working with staff to improve the work. So, there's...there's a lot of hands-on work that we're doing to move things along. And...and when I say we, I'm --

COUNCILMEMBER LEE: Okay.

MR. MITCHELL: -- speaking specifically about myself and Deputy Director Saumalu Mataafa.

CHAIR KAMA: Chair Lee, the bell --

COUNCILMEMBER LEE: Yeah, because --

CHAIR KAMA: -- rang. Did you hear it?

COUNCILMEMBER LEE: Oh, I'm sorry.

CHAIR KAMA: We...did you hear the bell?

COUNCILMEMBER LEE: No, I didn't.

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR KAMA: Yeah. You're right. So --

COUNCILMEMBER LEE: That's all right. Thank you.

CHAIR KAMA: -- let's make sure that --

COUNCILMEMBER LEE: Pau.

CHAIR KAMA: -- mic is on. Thank you.

COUNCILMEMBER LEE: Okay.

CHAIR KAMA: So, we're going to continue with --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Real quick.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: I'm sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Do --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- do you want to do a...do you want do a test?
Because I didn't hear the --

CHAIR KAMA: You didn't hear (*audio interference*) --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- the --

CHAIR KAMA: Yes. Okay. Thank you. Staff, can we do a test --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- the alarm sound.

CHAIR KAMA: -- so that all of our online Members are able to hear it? . . .(*timer sounds*). . .

COUNCILMEMBER LEE: Oh, yeah.

CHAIR KAMA: Okay. Okay. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, we can hear it now.

CHAIR KAMA: Okay, very good. Okay. So, we're going to continue with Council Vice-Chair Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Thank you, Chair. So, I'm so glad to hear that you have completed that Excel spreadsheet. And my request was that I wanted to know projects that the County has...housing projects, right? And 97 are...are then...did you go all the way back to whenever the Affordable Housing --

MR. MITCHELL: So --

COUNCILMEMBER SUGIMURA: -- Fund was started? Or...and every single project that the County says, you have entitlements, you got this, you got that, and then it's still hanging out there for...for that developer.

MR. MITCHELL: So, thank you for the question, Member Sugimura. So, in the letter request that you sent to me, it wasn't clear whether you are saying all County projects or projects the Department of Housing tracks because of the Residential Workforce Housing Agreement issues. So, what we have compiled...you asked for 20 years of information. What we've compiled are all the projects for which there was a Residential Workforce Housing Agreement that the County was required to track. And that was 96 projects and that's what --

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER SUGIMURA: *(Audio interference)* --

MR. MITCHELL: -- I signed off on today. You also asked for a summary of the project, and description of the project, and its status. And I've indicated that that's going to take us some time to develop and write all of that out, so that will come second...secondarily. But the initial trench of information is headed in your direction.

COUNCILMEMBER SUGIMURA: Thank you so much. A lot of work went into it, appreciate that. Thank you, Amanda, who's your . . . *(laughing)*. . . who's your right hand, right? So, on that, I'm sure that there'll be other people who are interested in this information. We did, in the past, through last Administration, get some updates of status of projects current and that were inactive, I guess. So, I hope that you put that kind of information on. Like, for example, in my neighborhood, the Kula Ridge, right, is...is the project that was coming up but they lost their land entitlements and the project has changed or, you know, that's gone away. So, I'll see you...you know what kind of information you put together but there's some that are absolutely dead. And I don't know if that mean...what does that mean legally? Do we...you know, do we still have any kind of obligations? Interested to see.

MR. MITCHELL: If I could follow up with...with your observation, Member Sugimura. So, one of...and Chair Lee's question as well, one of the things I'm planning on doing and I'm scheduled next week to meet with IT to do this, is to place on our website a list of all the projects that we're tracking, either...whether they're pending, under construction, or they have been discussed but they're not yet at the point where there's some legal action, such as entitlements that have done, that...that make the project more real. Because what I'm seeing is there's several different sets of information floating around . . . *(timer sounds)*. . . but no one place where they've been properly aggregated. And I will quickly note that an example of aggregation, but not as comprehensive as...as...as I'd like to get it, can be found on the Governor's website, of all places, where they've listed by County housing projects that they are tracking. So, what I'd like to do is have one on the Department of Housing's website for all projects, and get away from these spreadsheets and pieces of paper that we're circulating so that we can track it and identify it as under construction, pending, completing...completed, or inactive.

COUNCILMEMBER SUGIMURA: Thank you. Oh, man. That's fabulous. Let's get there.

MR. MITCHELL: We'll get there.

COUNCILMEMBER SUGIMURA: Yeah.

CHAIR KAMA: Yeah.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR KAMA: Okay. Thank you. So, let's continue on with Councilmember Paltin, your questions, please.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER PALTIN: Thank you, Chair. I want to try make the most of my time. It seems like the questions up to this point is like kind of focused on projects, staffing, like that. But in the absence of projects moving forward, for whatever reason, water, whatever, prevailing wage, there's other things happening. And I wanted to know, like, philosophically how it works. Like, how do you balance safety and density? Because...and if the Administration is going to take the lead with Act 39, which passed at the State Legislature last year, that allows any size lot to have two accessory dwelling units. Like, we have until December 2026 to enact that, but if it's going to be a housing solution, why wait that long? And then the interaction of that Act with, like, say proposed from the Administration Bill 103 and 104. Which, you know, if...if 103 passes, it would allow one dwelling unit per 2,500 square feet and then the two accessory dwelling units. And then add onto that Bill 104, which would allow two kitchenettes. So, you figure you have a 10,000-square-foot lot that could potentially have four dwelling units, two ADUs, all of them a kitchen and three kitchenettes, which is, like, 18 households on a 10,000-square-foot lot and they could be single-family, duplex, or multifamily builds. As long as they comply with, like, setbacks, height restrictions, permeable to nonpermeable surfaces, and all the things, building code, whatnot. So, I...I was wondering how you reconcile because in the absence of projects moving forward it looks like that's the direction we're going. But correspondence from Fire is that's not safe. So...and then correspondence from Water is that, like, we'd rather do infill and density because it takes less water because now people don't have lawns to water. And...and so I was wondering...like looking at it all holistically, if we're not going to move forward with projects in entitled areas, and we need housing, how do you balance that out? Like...I mean, if you just look at Bill 104 *[sic]* by itself, oh, we're allowing one unit per 2,500 square feet. If you look at Bill 104 by itself, then you're at just...you're just allowing two kitchenettes to be added on. You know, and then if you just look at Act 39 by itself, you're just adding two ADUs. But then when you look at it holistically and then, like, all of that I feel like we're...we're doing something that we didn't intend to do because . . .*(timer sounds)*. . . we're only looking at them individually.

MR. MITCHELL: Thank you, Member Paltin, for that question.

COUNCILMEMBER PALTIN: You're welcome.

MR. MITCHELL: . . .*(laughing)*. . . The question asks what are we doing holistically about two bills and a State Act --

COUNCILMEMBER PALTIN: Holistically and philosophically.

MR. MITCHELL: -- and philosophically that allow for aggregating various aspects of redevelopment in such a way that it creates high density but might also create a safety issue. Having not prepared to answer that question by reviewing those bills and that Act prior to this meeting, and having not had a chance to chat to my colleagues in the Department of Fire or elsewhere, I'm not prepared to answer that question other than to say we need to look at the aggregate impacts of State legislation that we might take action on in the County Code if it both allows for greater density, but creates risk issues.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

And on the risk issue part, I would certainly take seriously the concerns of the Fire Department, but we haven't had that discussion yet.

COUNCILMEMBER PALTIN: Thank you, Director. You're welcome to come testify at 1:30 as well if you have more thoughts.

MR. MITCHELL: . . .*(laughing)*. . .

CHAIR KAMA: Thank you so much for that. So, let's continue with Councilmember Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Director, thank you for joining us today. Of course I have...I don't want my question to be a three-minute long question because I have a lot of questions. So, real quickly, Bill 111, the residential preference update for affordable housing, the portal...can you give us an update on that?

MR. MITCHELL: Thank you for the question. So, I earlier mentioned today that one of the things I'm trying to do is make sure we have on our website --

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: -- a list of all projects --

COUNCILMEMBER JOHNSON: Sounds like *(audio interference)* --

MR. MITCHELL: -- what would go along with that...correct. What would go along with that website addition would be the ability, through a list serve, to identify interest in particular projects. So, I'm trying to find ways to move this along incrementally, which I guess is the answer to the question.

COUNCILMEMBER JOHNSON: Who's working on it?

MR. MITCHELL: So, again, I'm meeting with IT, I think it's scheduled for next week, to figure out whether we can do it through IT or whether --

COUNCILMEMBER JOHNSON: Uh-huh.

MR. MITCHELL: -- we can pursue an outside vendor to start building it out for us.

COUNCILMEMBER JOHNSON: Do you need a letter from this Committee, or myself, to say...to say, hey, when you...can you give us this update when that happens after next week, or...

MR. MITCHELL: I don't need a letter, you can simply --

COUNCILMEMBER JOHNSON: Okay.

MR. MITCHELL: -- ask me to come back and say, give us...give us a...give us an update --

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER JOHNSON: All right.

MR. MITCHELL: -- because I think it's important that we...we, the Department of Housing, have in one place somewhere accessible for everyone --

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: -- to see projects that are on the books, that are under construction, that are pending --

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: -- so they understand what we're doing in the marketplace. Right now, it's just a little hard to do that. . . .*(inaudible)*. . .

COUNCILMEMBER JOHNSON: Okay. Right. That's the...I...I'm so surprised at how long it's taken, but we'll just leave it at that. Next question, I got to pivot real quick, Lānaʻi Affordable Housing Project, is it in your Department or is it with the Managing Director's Department?

MR. MITCHELL: I believe it's in...it's not in my Department. So, I would believe it's in the Managing Director's *(audio interference)* --

COUNCILMEMBER JOHNSON: Okay. Now, something very interesting happened yesterday in the Budget Committee *(audio interference)* --

MR. MITCHELL: And if I could clarify?

COUNCILMEMBER JOHNSON: Oh, go ahead.

MR. MITCHELL: So, I think there are agreements under way --

COUNCILMEMBER JOHNSON: Uh-huh.

MR. MITCHELL: -- that are being negotiated and those agreements are not being negotiated by the Department of Housing, that's what I mean.

COUNCILMEMBER JOHNSON: Okay. All right. That's...the...thanks for that clarification.

MR. MITCHELL: Yeah.

COUNCILMEMBER JOHNSON: So, yesterday, very interesting...we had in the Budget Committee, 121 million dollars in Carryover/Savings for...you know, just as a County. In your Department, I assume you have Carryover/Savings.

MR. MITCHELL: We do.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER JOHNSON: I asked Managing Director Josiah, can we use some of that monies to help incentivize new hires, such as signing bonuses, stipends, all these ways to...to get people to...to come and apply and work for us? Is your Department interested in using some of your Carryover/Savings to do that to kind of bring new people in? Because we often hear every department is understaffed. And I assume...like after...you...you are as well so our...is that something on your plate?

MR. MITCHELL: So, that hasn't been proposed or discussed within my leadership team yet. And assuming there are no legal impediments to us doing that, I would be open (*audio interference*) . . .(*timer sounds*) . . . in part because I know when we're recruiting, a lot of times we're recruiting individuals who are taking a pay cut, and --

COUNCILMEMBER JOHNSON: Exactly.

MR. MITCHELL: -- and that's the impediment.

COUNCILMEMBER JOHNSON: Exactly.

MR. MITCHELL: And so if there are ways to, at least temporarily mitigate that impact, that would be helpful. But I...I need to make sure that using Carryover/Savings that way is legally defensible.

COUNCILMEMBER JOHNSON: Well, we...we had that discussion yesterday. Director Managing [*sic*] Josiah was saying that he...he has a staff that he does that with, Maui Police Department has done that with...and I even asked Lesley Milner about it and she said, yeah, you know, they...they're on board with it. So, maybe you speak with them and then that can help you recruit. My time is up. Thank you, Chair.

MR. MITCHELL: Thank you.

CHAIR KAMA: You're welcome, Mr. Johnson. So, we're going to continue with Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. And aloha, Director Mitchell. Mahalo for being with us today and providing us updates. Really quickly, I just wanted to clarify that what was shared with us yesterday from Managing Director Nishita is that there are criteria in providing salary supplements, sign-on bonuses, retention bonuses, different ways of being more competitive with the private sector with pay. And so, it...not every position is...qualifies for this type of salary supplement or bonus. So, just...just to...for the public's benefit. Okay. So, my question for you, Director Mitchell, is how can the Council best help you?

MR. MITCHELL: Thank you for the question, Member Rawlins-Fernandez. That's a...that's a great question. I think what's within the Council's power so far, in terms of what we've requested the Council has done, which is approved our request for expansion positions. As I've indicated to at least one or two Members, at some later dates, I will take the time

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

to reflect on what I consider the friction points in the process in order to propose potential changes along the process that the Council might consider from a policy position. I'm just not in that space, as we speak now. I'm in the space of trying to stand up my Department. So, when I get to the place where we're comfortable and I feel like we're relatively fully staffed, I'll then reflect on the many numerous hurdles we've had to jump through and ways that we might be able to improve the process to make it easier for departments. So, that'll certainly be on my hit list of things to propose, at some point.

COUNCILMEMBER RAWLINS-FERNANDEZ: Great. I...I have, I guess, a few more questions, but they're not fully-baked questions right now. So, I...I...I think, you know, you're doing a great job. And any way that we can help, you know, we all want the team to be, you know, on board with the...the...the mission. You know, we're...we're supportive of the mission, so however we can be helpful. Mahalo, Chair.

MR. MITCHELL: Thank you. Thank you.

CHAIR KAMA: Thank you very much. We're going to continue with Councilmember Cook.

COUNCILMEMBER COOK: Welcome, Director Mitchell. It's good to talk with...good to have you here.

MR. MITCHELL: It's good to talk to you, too.

COUNCILMEMBER COOK: And you...you're working on, basically, to...to expand the Department. You're experiencing some of the challenges that we currently have within our Department of Personnel Services and the procedures. You've commented about some of the requirements date back to like 1990. Is...I'm glad that you're identifying systematic issues that are preventing us from rewording, retaining, and hiring employees. I'm hoping that you can kind of map that out. Since you have a new Department and you're experiencing this with fresh eyes for a new structuring, a new Department that's an extremely important Department for our housing. My question is, how do you find your IT resources in so far as hardware, software, and personnel to enable you to do your task, currently?

MR. MITCHELL: So, are you asking me, Member Cook, about how IT has been able to support us?

COUNCILMEMBER COOK: And, in general, whether you...yeah, whether they can support you. When...I met with them recently and I think that they're doing the best job they possibly can. I'm an advocate of, after having done research from 2013 and 2019, when studies were done, that Maui County is under funding significantly, by comparison...other municipalities, their IT Departments, both in personnel, and in hardware, and software. So, I'm...I'm trying to help...I want to help all the departments. And part of that, I think, is by improving the...our ability to use modern technology. Would that help you?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Thank you for the question, Member Cook. So, let me say really clear, IT has been very responsive with the Department of Housing. Each time I made a request or someone in the Department has made a request, I've actually been highly impressed at how quickly the turnaround has been. So much so, you know, I might have made a...I know I've made a request a couple of times in handing my laptop off to someone. I've taken it over myself to ask for assistance and it's been walked back the same day. That's very responsive. So, I...I don't have any complaints there. I know, as I move into building out the website now, I'm going to see a different side. And I have to...I might have to make some decisions on whether we stay internal or we seek an outside vendor. I haven't experienced that yet, so we'll see how that goes. I know there's probably a preference internally to not have pages built out in...in the code...in a way that's incompatible with the County's pages so that creates a challenge. . . .*(timer sounds)*. . . But I haven't had to experience that yet, but I'll get there.

COUNCILMEMBER COOK: Thank you. I...I also had a positive experience with IT, that they were doing their best.

CHAIR KAMA: Thank you, Mr. Cook. So, we're going to continue with Councilmember Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Chair. And aloha, Director Mitchell. And thank you for speaking with me earlier about rental assistance. And so at our last meeting, Deputy Mataafa mentioned that there were some un...unencumbered funding. And, excuse me, in light of the Mayor's...the Governor's eviction moratorium ban, again it's...I know it's specific and...and you mentioned that we wouldn't be able to use rental assistance specifically for those residents that are being evicted. If --

MR. MITCHELL: So, to clarify, Member Sinenci --

COUNCILMEMBER SINENCI: -- if I remember.

MR. MITCHELL: -- what...what I expressed concerns with is we have five programs. They have particular --

COUNCILMEMBER SINENCI: Yeah.

MR. MITCHELL: -- criteria for individuals to receive the rental assistance. And I recommended development of a program that had broader criteria so you could help more people and you weren't constrained to the criteria of each of our current five programs.

COUNCILMEMBER SINENCI: Got it. Okay. That was the discussion. Thank you for that. And then we're also considering, in our next WASSP meeting next Tuesday, an overnight parking bill. Would that...would the acquisition of areas for overnight parking fall under the Housing Department?

MR. MITCHELL: Overnight parking for those who are houseless?

COUNCILMEMBER SINENCI: Yes.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: That would likely...well, I...I hesitate to...to point to any one of my sister departments, but it would not, probably, be the Department of Housing.

UNIDENTIFIED SPEAKER: Yeah, it's not Housing.

COUNCILMEMBER SINENCI: And would...that wouldn't be the...the physical...acquiring the physical property for...for housing.

MR. MITCHELL: Most likely not.

COUNCILMEMBER SINENCI: For temporary...temporary housing.

MR. MITCHELL: That's correct.

COUNCILMEMBER SINENCI: Okay. All right. Thank you for that clarification. Thank you, Chair.

CHAIR KAMA: Thank you, Mr. Sinenci. So, Members, do we need to do another round of questions? Okay. So, I guess...so, we're going to go back from the beginning again because I saw everybody's hands raised. Okay. Thank you. Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I don't want to take any time from you, though, if you have questions. But tomorrow we are going to be, hopefully, finalizing your Housing Board. And some discussion that came up in our Committee last was what do you envision that Board to do. And so I'm wondering if you could share with us, now, maybe some of your thoughts. And I know you said earlier, when you do have the time, right now you're focused on setting up the Department...that you can perhaps identify some of the friction points. And I'm wondering if you are assuming the Board can help with this as well. But I would like to hear your perspective, please.

MR. MITCHELL: Great question. Thank you, Member U'u-Hodgins. It's a brand-new board for a new Department. And so I think we'll collectively bring ideas, both the Board Members and the Department's leadership team on how the Board should function. But I should say, having served on a number of advisory boards myself, I do have a predisposition with the way advisory boards should function. And that predisposition is that issues presented by the leadership team should be the issues that the advisory board responds to. And usually they are very high-level issues, not necessarily administrative issues, within the Department. And they might even be issues relating to where one develops, or why one develops in a certain area, or what the market might need, or how best to...if the members have, and I expect they will, the financing experience...deep experience, how best to structure certain projects in order to make them beneficial for the community. What I'm looking for, and I hope to see, is a combination of on-the-ground development experience, deep financial experience, and clear governance experience with County bureaucracy. I'm anticipating an aggregate, that members will bring that range of skills, no one person might have them. But that, then, allows the leadership team to present projects to the advisory board and get their

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

input on how to proceed. I would expect, since some of the members are in the industry, that we will need to talk about recusals so that they're not involved in discussions that implicate their projects or relate somehow. But I'm looking forward to having that additional sounding board. It...and I'm not...it's...it's not what I would call a working board. It's what I would call an advice board.

VICE-CHAIR U'U-HODGINS: Yeah.

MR. MITCHELL: So, we bring things to the board, they react to it.

VICE-CHAIR U'U-HODGINS: Yeah, I do believe they're advisory.

MR. MITCHELL: Yeah.

VICE-CHAIR U'U-HODGINS: So...I mean, yeah. I think another one of our concerns that we went back and forth with...not with you folks, but you and I did have this conversation a few weeks ago . . .*(timer sounds)*. . . oh, sorry. Can I just finish this real quick and then I'm done? But we had a few issue about...a few issues about, like, where are the housing...Affordable Housing Funds go and what projects get funded. I think Member Paltin brought it up a while ago. Is this...I'm not going to answer for you, but my question was, and I want you to answer it for everybody else, is this something the Board is going to do? Or how are you going to figure out where those funds go?

MR. MITCHELL: Thank you for the question. I would keep the...let me start again. The former housing section had not, for some time, issued an RFP to individuals who wanted to be included in Housing and Human Concerns budget for monies from the Affordable Housing Fund. And concurrent with that, the Council had been, for some time, earmarking that fund and so the process had not been working. What I did within our first five or six months, I said we need to develop a process where we, quite candidly, regain the Council's trust and they understand we're trying to develop a process where there aren't questions about how we've arrived at our recommendations. So, we, for the first time, issued an RFP in a...in a while. We put a group...scores together that were...weren't internal to the Department of Housing, diverse throughout the community, some people in County government, some not. We, then, had them score them around the criteria that I focused on with readiness being the primary focus. So, you got to own the land, you got to have your entitlements. You got to be ready to go and you're looking for a little bit of funding to fill your funding stack. And we scored them and showed the scoring, and then gave that scoring without making any more value judgements to the Mayor so that they could be held until such time that we are clear on what the revenues are that we're dealing with...projected revenues for the budget. And then decisions after that will be made about which projects would be funded. I would not be asking the Advisory Board to be in that process at all. That...to me, that creates a conflict.

VICE-CHAIR U'U-HODGINS: Thank you for that. I wanted the other Members to have an opportunity to hear your answer that we discussed the other week. I appreciate that. Thank you, Chair.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Hopefully I was consistent with your discussion.

VICE-CHAIR U'U-HODGINS: You were.

CHAIR KAMA: Yeah.

VICE-CHAIR U'U-HODGINS: You were. That's what we discussed. And I didn't want to say it for you in case I didn't say it as eloquently, so you did that for us. Thank you so much.

MR. MITCHELL: Okay. Thank you.

CHAIR KAMA: Very good. Chair Lee.

COUNCILMEMBER LEE: Thank you, Chair. And, yes, I agree with that process, Director Mitchell, because I was part of it. When I retired from the Housing...the Human Concerns and Housing, that's the process we followed. And it's...it's a good one because it's...it's much more objective and the...the people who score the projects do it independently of each other so we don't know how everybody else is scoring. So, it worked...it worked out really fine. Course, in those days, we didn't have \$60 million in an Affordable Housing Fund. But the...and that's the reason why, with such a limited amount of money, most of the projects that were approved were the very, very low-end projects. But moving on, Director, how are we doing with the 'Ohana Assistance Program?

MR. MITCHELL: So, it's been a week and a half since we last had this conversation. And we are, again, moving along with reviewing the agreements that Corporation Counsel gave to us a week and a half ago. So, we're continuing --

COUNCILMEMBER LEE: Okay.

MR. MITCHELL: -- to move forward.

COUNCILMEMBER LEE: Okay. Great. Great. You know, I'm...I'm hoping that it moves along well so that we can add more monies in the...in the up...upcoming budget. And speaking of personnel policies, I know that the Councilmembers are very supportive of being creative, as far as compensation and monetary incentives. But another area to look at is the...the current system. I think there...there's a disconnect with the current system because I believe that the Personnel...the Department of Personnel employees review and qualify all the candidates. And is this the best policy? Is this the best procedure? Because, oftentimes, those employees are not that familiar with the operations of specific departments. So, we might be losing out on some people who may be qualified maybe through experience and maybe not through formal education. So, that's something that you may want to talk to the Personnel Director about and...because I think the departments are more qualified to shift out and come up with lists of qualified candidates. So, do you have any comments on that, Director?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Thank you for the observation and I think I will just say I agree.

COUNCILMEMBER LEE: Okay. All right. Thank you. That's all I have.

CHAIR KAMA: Thank you, Chair Lee. So, let's continue with Council Vice-Chair Sugimura.

COUNCILMEMBER SUGIMURA: So, we knew that Chair Lee was going to ask you that question. . . .*(laughing)*. . . Well, about the 'Ohana Assistance Program, just a matter of when. So, when you said that Corp...you were looking at Corp Counsel, are you saying that it's done --

MR. MITCHELL: So --

COUNCILMEMBER SUGIMURA: -- and they have the applications processing? Or where --

MR. MITCHELL: -- when we last spoke, the challenge was we had not...I had just received the grant agreement, the lien agreements, there's two of them. And in the grant agreement, there are lots of policy decisions that we need to work through before we finalize that document.

COUNCILMEMBER SUGIMURA: Oh.

MR. MITCHELL: So, I was in --

COUNCILMEMBER SUGIMURA: Okay.

MR. MITCHELL: -- New York when it was sent --

COUNCILMEMBER SUGIMURA: Yeah.

MR. MITCHELL: -- to me and I was tracking the email, so I was able to say to you a week and a half ago, I just received it. So, we are going through that document.

COUNCILMEMBER SUGIMURA: Okay. So, the Legislature is doing a similar bill. And it would...it would be interesting for, probably Corp Counsel just to see the impact of that over what you're doing. I'm...I don't know what it is but I do know that I got emails regarding that. So, should be interesting. So, Chair Lee had a good idea. The one program that I wonder if we can have an update on maybe...and maybe we can send you a letter in writing but is the first-time homebuyers. So, for as long as I've been sitting in this seat, the First-Time Homebuyers Program has been \$30,000. And probably that was a good amount, you know, years ago but it might be something that, you know, you might want to have an opinion about, whether that amount should be increased and how it's handled. I did hear....and it may be wrong, that the first-time homebuyers list is being treated like, what I call, the Kula water meter list. So, once you get on the list you stay on there...I hope I'm wrong. But once you stay on...once you get picked and qualified, you stay on that list until you find a house, I guess. I'm not sure, so how does that work? I...I know. I know that. But anyway, just curious

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

how the --

MR. MITCHELL: Thank you for the question, Member Sugimura. So --

COUNCILMEMBER SUGIMURA: Two...two things, right, the amount as well as the process.

MR. MITCHELL: -- so, I'd like an opportunity to chat with our County Housing Program staff about their perspective on how the program is functioning and how it can be better improved. My initial observations...but I would like to follow up in more detail in writing. My initial observations are that the...the amount of the grant is not really the issue. It's once individuals have received the grant, it's whether or not they can qualify to buy a home. So...and find a home they can qualify to buy. So, it...it becomes really an issue about their financial wherewithal. But that probably isn't the full answer and so I'd like an opportunity to just ask a few more questions and then . . .(timer sounds). . .respond in writing.

COUNCILMEMBER SUGIMURA: Okay. So, you want us to send you something in writing?

MR. MITCHELL: That would be great. Thank you.

COUNCILMEMBER SUGIMURA: Okay, very good.

CHAIR KAMA: Wow, that time went by really quick. Okay. Well, let's continue on so we can continue on. Okay. Let's go to Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Mitchell. Full disclosure, I'm...I'm not a patient person for all the things that you got to do because we're desperate. But, I guess...you know, to me, before we create a whole bunch of affordable housing, we want to make sure that it goes to our local families to keep them from going away. We want to make sure that it remains affordable for as long as possible. But can we do this simultaneously? And...and as Chair Lee was asking about her ADU Ohana Assistance Program...like, to me, I'm thinking wouldn't it be great if we already had Act 39 in Maui County Code so as people are making decisions to build their ADU, which now they could possibly have two ADUs, they know where to position their stuff, you know. Instead of, like, having it take up this whole space because you want space around your ADU. But, like, I...I feel like nobody is looking at this kind of things comprehensively. You know, like, and how do we say, like, please don't turn this ADU into an illegal short rental, please use it to house our local essential workers. Like that's another kind of part of it as well, like...and...and nothing against yoga teachers, I love yoga you know but, like, what about all the people...like our kids need teachers at school. And how do we ensure that the housing that we're creating goes to support in our community with that essential workforce that we need. And then...and then also, like, you can't just create all this housing and then people are parking on the streets blocking emergency vehicles, blocking emergency evacuation. So, like if you're the Director of Housing, I'm not only asking you to look at housing, I'm asking you to look at, like, parking, society that the housing goes to the people that we need to make society function and...like that. So, I mean, how far are we away from that holistic thing again?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Thank you for the compound questions. . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: I think that's my forte.

MR. MITCHELL: I've looked at the Charter language carefully for the Director of the Department of Housing. And I'm actually surprised...there's a little bit of language in the Charter that seems to imply the Director of the Department of Housing has to coordinate more holistically and broadly.

COUNCILMEMBER PALTIN: Yay.

MR. MITCHELL: So we, as a County Government, are moving into unchartered territory. And I, quite candidly, am trying to figure out what the parameters of that scope beyond my Department really are. But I agree I have to think more . . .*(timer sounds)*. . . holistically, I..and I think that way. As much as I need to get the bandwidth to be able to act more holistically, which I don't have as we currently speak. So, I don't disagree with you. I can't look at housing from solely the perspective of units built. I do have to look at it broadly in terms of, say, parking issues, or land use issues, or safety --

COUNCILMEMBER PALTIN: Essential worker issues.

MR. MITCHELL: -- issues, or essential workers, or our community and making sure we retain them. I look at it broadly. But we will get there and we're just not there in month seven.

COUNCILMEMBER PALTIN: I mean, like, I know how it has that Good Neighbor Next Door where you could take 50 percent of...off the list price for, like, first responders. Is there a possibility that the County could mimic that program and not limit it only to first responders but also to like, you know, maybe Government employees, or teachers, or something like that? Because, like, there is national, I think, first-time homebuyer programs and then there's the County's own program. And so it's kind of mimicking what they do at the Federal level. If we find a Federal program, like that Good Neighbor Next Door, maybe we can mimic it and tailor it to suit our needs.

MR. MITCHELL: Certainly if you have an example you'd like to shoot my way to look at, I'll definitely take a look at it.

COUNCILMEMBER PALTIN: Okay. I'll do that.

CHAIR KAMA: Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Okay. So, for round two in your...in your budget...well, you have two million dollars, the Housing Policy Implementation Funds must be grant...must be for a grant or professional services to implement Ordinance 5315 and Ordinance 5441. Of course, that's the money for the bill...the portal for Bill 111. There's a line item in the budget for two million dollars for that. Now, in your previous comment, you said you're thinking about, maybe, doing it in-house. So, the

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

question goes is what about that two million dollars. Will you go before the County...or Council and ask for a budget amendment to maybe move it around for rental assistance? Because, as you know, the...the moratorium on rental...or evictions is...is going to be pau soon. And I...I...I'm afraid we're going to get a lot of folks who are going to be evicted. So, they're going to need some kind of assistance, right? I'm just curious, what...do you have a plan for that two million that's in...that's a line item in the budget because it sounded like you wanted to pivot from it and not give the grant. But I'd like to hear your...your stance.

MR. MITCHELL: Thank you for the question. And that, absolutely, is being contemplated. I'd like to first see whether we can propose an approach that's in house --

COUNCILMEMBER JOHNSON: Uh-huh.

MR. MITCHELL: -- which would reduce the cost or whether we need to actually go outside. As I may have mentioned, Member Johnson, in one of our earlier discussions I did, within months of joining the Department, take a look at the prior RFP process and determined that we could use that process and --

COUNCILMEMBER JOHNSON: I'm sorry, you...what process (*audio interference*) --

MR. MITCHELL: The RFP process --

COUNCILMEMBER JOHNSON: Oh, okay --

MR. MITCHELL: -- for the portal and determined that we could use that process with our procurement team. But, again, the cost to build externally was so high we paused.

COUNCILMEMBER JOHNSON: How about our RFQ process?

MR. MITCHELL: So, I'm pivoting and I'm looking internal and as I said, I'm going to schedule some time with IT and say, okay --

COUNCILMEMBER JOHNSON: Okay.

MR. MITCHELL: -- let's try this differently and see what we can do to, at least, incrementally piece together this internally and I'm hopeful that we can do it that way, so I'm...I'm moving forward on it. But to answer your question, yes, I'll discuss with Deputy Director Mataafa if we pursue the internal approach, what we do with those monies.

COUNCILMEMBER JOHNSON: Okay. So, scenarios...many scenarios out there but at the end of the day, are you concerned...is the Department concerned that we're going to have a huge amount of people being evicted now that the moratorium is up?

MR. MITCHELL: Yes, we are concerned. The...I mean, there's no other response except --

COUNCILMEMBER JOHNSON: So, what should we do?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: We need to find...as I've indicated to Member Sinenci, when we were speaking in New York, we need to find ways to make monies available in the short term to mitigate that potential impact.

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: And, again, my recommendation was to not shoehorn it in an existing program that has . . .*(timer sounds)*. . . very specific guidelines --

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: -- but make it broader so that you have flexibility.

COUNCILMEMBER JOHNSON: Okay. Well, we're here for you. Thank you. Thank you, Chair.

CHAIR KAMA: You're welcome. We're going to continue with Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So, I guess, my question for today is going to be on voluntary deed restrictions. And we've been talking about this...well, I've been talking about this for...for some time trying to put it as, you know, a condition for 2.96 or 2.97 projects to try to keep housing in affordability for as long as possible. So, there are four bills going through the Legislature. It's really two bills with companion bills, both are moving. One program would create a Voluntary Deed Restriction Revolving Fund under HHFDC in 201H, the...the statute that governs HHFDC. And so they...they would create a revolving fund to have the County administer this program, offering folks to put a deed restriction on their home to keep it affordable. It wouldn't be imposed. I would be voluntary as the name explains. And so one bill allows the...the person participating in this voluntary deed restriction program to use the funding unrestricted. The other bill creates...or restricts the funds to building an ADU. So, it's...it would almost be like the 'Ohana Assistance Fund in...where the homeowner would then use the...the funding received from the State, under HHFDC, to build an ADU on their property so it would increase, you know, more housing opportunities. If that bill, which looks like it's moving through the Legislature this session, makes it out, we know how long it takes for positions to be created in the Department. So, I'm...I'm hoping that this is on the radar of the Department so that, you know, if it...if it looks like it will become law, that Maui County will be able to take advantage of the...this State funding to provide, you know, this...this program to our County. And...and not sit on the eight million dollars of COVID relief that took years where the...where our County was the only county that never used that funds, and that was embarrassing. So, I just...I want us to not embarrass ourselves again and be prepared. So, I...I know that you're just standing up the Department now and not prepared to create new programs. However . . .*(timer sounds)*. . . if funding becomes available, I would really like us to be able to take advantage of it as quickly as possible. Any comments?

MR. MITCHELL: Thank you for the observations, Member Rawlins-Fernandez. And I'll simply

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

stay understood. I feel the urgency and trust me, I think all of my staff probably look at me as if I'm, you know, running around with a chicken without a head all the time because I'm constantly urging us to move forward on things. But I agree, I don't want us to lose an opportunity to move forward with a program, whether it's unrestricted funds or restricted funds. So, I'll make sure that this is a priority, within our Department, as we watch those bills moving forward.

COUNCILMEMBER RAWLINS-FERNANDEZ: Incredible. Mahalo, Director. Mahalo, Chair.

CHAIR KAMA: You're welcome. Let's continue on with Member Cook.

COUNCILMEMBER COOK: Thank you, Director Mitchell. Are there many new projects that people are coming to your Department with?

MR. MITCHELL: The...thank you for the question, Member Cook. We receive inquiries about projects all the time. And I receive more requests for meetings about projects than I can attend. And as a result, what I've had to do is ask that my private secretary screen out requests for meetings unless there are a couple of things that are clear; the land is under the control of the project proponents. If they don't control the land there's no need for a meeting yet. And then I'd like to know where they are with their entitlements. If there's still a lot of work to do with entitlements, there's no need for a meeting yet. And then, finally, where they are with their funding stack. If they have no money, I don't see the wisdom in the County having a discussion where we, essentially, are funding the entire project, and we get that all the time. So, there are lots of inquiries, the question is whether individuals understand what they need to do to move the projects forward. In addition, there are individuals who are constantly bringing the same project to us and we are...we, the Department, along with HHFDC, meeting with them and asking them to do certain things to make their performance look more reasonable, and we're not getting there. So, to answer your question, there are lots. The question is are they realizable any time soon.

COUNCILMEMBER COOK: Thank you for that. So, my...my kind of follow-up comment and answer...comment and question is are you working on a...sort of like a preliminary, this is what we...in order...in order to move forward we need the following, kind of like a checklist.

MR. MITCHELL: Oh, absolutely.

COUNCILMEMBER COOK: So, though...even...even with that they will, basically, be asking for preliminary meetings? Or that's something that's a work in progress?

MR. MITCHELL: Yes, in order to screen out folks who aren't really ready to meet, I...I have a list of things I need to see first.

COUNCILMEMBER COOK: . . .*(Inaudible)*. . . to list --

MR. MITCHELL: But...but that...that doesn't prevent other people from calling.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER COOK: Yeah. No, this...so, good. So, you publish that, let people know if you want a meeting. I guess that's a...that's a response. Do you want a meeting, answer this and then we'll schedule a meeting. Anyway, thank you for your work.

CHAIR KAMA: Thank you. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. For my second line of questioning, you know our East Maui communities are beginning to plan some of our DHHL projects as we, you know, have DHH [sic] properties -- L properties out here. So, I was wondering what's your...for your newly hired Liaison, Ms. Eaton, to help with any DHHL housing projects.

MR. MITCHELL: Member Sinenci, thank you for the question. And please do feel free to reach out to Ms. Eaton...Toni Eaton --

COUNCILMEMBER SINENCI: Okay.

MR. MITCHELL: -- and she will assist in...in making sure we're coordinating. And, you know, she's, as you know, new to the Department, but she's not without a lot of experience. So, I'm sure you'll find that she will hit the road running.

COUNCILMEMBER SINENCI: Yes, she will definitely start with our water issues. And then just curious, after hearing the discussion, Chair, and all the different factions and trying to be more comprehensive, have you...have you considered using any AI Technology to try and, you know, get everything on...because there's everything floating all over the place. I would just be curious to see what...what comes out of that. Thank you.

MR. MITCHELL: Thank you for the question, Member Sinenci. I mean, it's all I can do to make sure I've got my shirt, shoes, and pants on to get to the office in the morning. I haven't had the chance to think about AI yet. . . .(laughing). . .

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR KAMA: Members, do you feel a burning need to have your last...there's a burning need. Okay. I see one burning need. Two burning needs. Okay. Why don't we start with Member Sugimura, and then we go down --

COUNCILMEMBER SUGIMURA: Okay.

CHAIR KAMA: -- with Member Paltin.

COUNCILMEMBER SUGIMURA: Thank you. Will be pretty fast, I think. So, I attended...the Governor's Office has put on community outreach on the Eviction Moratorium and the impact. This Saturday was the third one that I attended and there were lots of people that showed up, more than in the past, maybe because it was Saturday, made a difference. One was Monday, another...another one was on another Saturday. But the Eviction Moratorium has been lifted as of February 5th. And the impact to the people

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

that are eligible to now evict their tenants are from four months unpaid rent or more. And then it gradually goes down with, you know, the mediation process. But as Member...as Member Sinenci mentioned, we had this discussion in our Committee and that was, you know, before the...the lifting of that. But there is a need for...people are saying, you know, what about...is there any kind of help for funding? And there was during COVID because there was, you know, a lot of...a lot of money that was presented from the Federal...you know for all the 50 states. It was a...just different environment. So, I hope that the Department is looking at doing a budget amendment to help the people that may need funding now for, you know, their rent that they weren't able to pay for. You did say that we...it...it needs to have some kind of parameters. I do hope that you help us write what you think that would be. We can ask the Governor's Office for some assistance, as I was talking to them this...this weekend about what Member Sinenci has been saying. So, do you have any ideas?

MR. MITCHELL: I...I do. And thank you for the question, Member Sugimura. So, when I spoke with Member Sinenci, maybe a week and a half ago, while I was out of State, I did recommend that it would be --

COUNCILMEMBER SUGIMURA: . . .*(Inaudible)*. . . --

MR. MITCHELL: -- quicker and more efficient if he were to request a PIF (*phonetic*) to propose the bill. Recommended looking at our existing programs and the ordinances that established the criteria so he can figure out how to make sure that the new criteria is broad enough for this program. And then we would definitely take a look at it and bring to bear our input from managing the five current rental assistance programs we have to make sure this achieves the objective that...that is desired. So, we'll gladly weigh in when we...we see something that...that begins to address creating a new program of some sort.

COUNCILMEMBER SUGIMURA: So, is that something, Member Sinenci, that you have...yeah? Okay, very good. I mean, it's...it's out there, you know, and we...we...well, I would like us to help and it sounds like, from that meeting that Member Sinenci had, you know, we would like to help too but there's no funding in the Rental Assistance Program which is...as you said is completely separate. So, good. . . .*(timer sounds)*. . .

CHAIR KAMA: Perfect timing. Member Paltin.

COUNCILMEMBER PALTIN: Chair, can you come back to me? I just lost my train of thought.

CHAIR KAMA: Okay. Sure. Member Johnson, any last-minute burning questions?

COUNCILMEMBER JOHNSON: Chair, my questions have been answered.

CHAIR KAMA: Okay. Thank you.

COUNCILMEMBER JOHNSON: I just wish you good luck.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: Thank you. Member Rawlins-Fernandez. Okay. Thank you. Member Cook.

COUNCILMEMBER COOK: I'm fine, Chair. Thank you very much.

CHAIR KAMA: Thank you. Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: I'm okay, Chair. Thank you so much. Thank you guys for your time.

CHAIR KAMA: Thank you. Member Sinenci. You good? Okay.

COUNCILMEMBER PALTIN: Okay. I'm ready.

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: Thank you, Chair. You know, one of the issues with the first-time homebuyer and, like, deed restrictions on multifamily units, and things like that, is a lot of times people want to go into homeownership as they're starting their families. And where they end up with their family and where they start out with the family can be two different things. But if somebody has it together to get, say, like a condo that fits a young couple and their child, and then they have triplets or, you know, their parents need to move in with them, that home doesn't fit them anymore. And they may have taken advantage of first-time homebuyer. They may have taken advantage of an affordable housing program. Have you seen or...or is it something that could be in the works of how a family could move across first-time homebuyer and affordable housing deed restrictions from a starter house to a forever home? Or even like, you know from a starter house, to a forever home, to a ADA, or a empty nester home. Because, you know, as people say, life happens, and I don't feel that our first-time homebuyer or deed restriction types of programs account for life happening and make it easy for people to, you know, like, oh shoot I just had triplets and I already had two kids, you know, like now what? And my condo unit only allows six people per unit and now I have seven people. What am I going to do, you know? And so I was wondering, like, you know, similarly, like, we need all the types of houses, all the ranges...income ranges, and like that. So, I mean, obviously it's very clear that no one size fits all, but that's been a long-standing issue to me, is that, you know, while we want to protect our inventory, it doesn't allow for life to happen. And just wondering your thoughts on that.

MR. MITCHELL: Thank you for the question, Member Paltin. So, you asked me have I seen programs like that and I haven't but as you were formulating the question it...it was very clear to me that that's a great novel idea of being able to port from one dwelling unit to another one's participation in some sort of affordability structure so you're not reupping every single time. You're bringing over what you've already done or the time period that you've already invested in a program and bringing it to another so it's not starting again, and that would be a novel thing to look at. Have I seen that? No, . . . *(timer sounds)*. . . but it's still interesting. And have we talked about it within the Department? No, we haven't, but we certainly can. It's just a novel idea that I...I hadn't considered before.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER PALTIN: You haven't considered life happening? . . .*(laughing)*. . .

MR. MITCHELL: Well, portability of the participation in the...a deed-restriction system of some sort. That's...that's the...the nuance that --

COUNCILMEMBER PALTIN: Portability.

MR. MITCHELL: Yeah. . . .*(Inaudible)*. . . life has happened to me.

COUNCILMEMBER PALTIN: Life happening portability. Okay. I mean, I...I think that's the missing component in all the things. You know that...like we...we set things up for like maybe two-dimensional people when we're living in a three-dimensional --

CHAIR KAMA: Three dimension.

COUNCILMEMBER PALTIN: -- world with the fourth dimension missing. . . .*(laughing)*. . .

CHAIR KAMA: Dimensional thinking. Okay. Chair Lee.

COUNCILMEMBER LEE: Yes, following up on Member Paltin's brilliant observation, Director Mitchell, would it be possible to incorporate some type of appeal provision within the housing agreement which allows for these types of exceptions, because they do happen, but not frequently, but they do happen. Is it something that you could look at? Because now it's more of a contractual thing. Hello?

MR. MITCHELL: Thank you for the question, Chair Lee. Yes, I was thinking about how one would appeal the rights --

COUNCILMEMBER LEE: To the Director. To the Director.

MR. MITCHELL: Well, see, Member Paltin's idea was based upon porting from one program to another, I presume, one's investment in a deed-restriction program. And so I would have to think through how one would contractually do that if, let's say the agreement a resident is operating under pertains to a particular program, a particular dwelling unit, how they would then appeal to the Director to allow them to use the time invested or the money invested in a separate program. That has a level of complexity that I'm not prepared to, sort of, address on the fly here but it's...it's an interesting idea.

COUNCILMEMBER LEE: Okay. The only reason why I mention that is because, you know, if it...this type of movement would require a Council action. God knows how long that's going to take because you...you're...you're looking at right now, in this moment in time, a more informed Council. Two, three, four, five, six, seven years from now it may...it might be totally different. There might be new people who have different ideas, and have no clue about history or past experience. So, that's why it...you know, assuming that every Housing Director is honest and has a great deal of integrity, let that be an option for the...the buyer to work with the Department in order to achieve the exception. So,

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

thank you.

MR. MITCHELL: Thank you.

COUNCILMEMBER LEE: That's just a suggestion.

CHAIR KAMA: Thank you, Chair Lee. Did you have any more comments you wanted to say, Mr. Mitchell?

MR. MITCHELL: Thank you, Chair Kama. I was just going to respond to Chair Lee --

CHAIR KAMA: Okay.

MR. MITCHELL: -- and say I...I think it's a...it's a great, you know, bill in the making where the Department...not necessarily an individual, the Department and the Director are given the ability to take the time spent in a deed-restricted program...one program from a dwelling unit owner and port it to another so that they...that time continues for them. I think that's an interesting idea that should be explored.

CHAIR KAMA: Okay. Okay. So, Members, I just have one question for Mr. Mitchell. Do you anticipate any impacts on your...on...on HUD layoffs for your Department?

MR. MITCHELL: So, we have had...I've had no fewer than three discussions with Jesse Wu in the last month or so, Regional Director for HUD based in Honolulu. And he has not yet...well, the first was communication that he and others in Federal Government issue to all HUD-fund recipients that the programs were on...the funding was on hold. Then a week later it was the funding is no longer on hold. And the most recent is, we're going through some internal changes and we're not prepared to release the information yet, staffing changes and funding changes. So, I'm anticipating something, Chair Kama. I just don't know what it is, but I'm certain that it's going to be disruptive. We just don't know what it is yet.

CHAIR KAMA: So, you're...you're anticipating hiring someone for your Housing Choice Vouchers, right? Because you just mentioned earlier in the very beginning that you were...you had seven people that had applied for it...for the position . . . *(inaudible)*. . . --

MR. MITCHELL: Correct.

CHAIR KAMA: Okay.

MR. MITCHELL: That was the Housing Choice Voucher Supervisor position.

CHAIR KAMA: Uh-huh.

MR. MITCHELL: So, that role is essential in helping the manager in the Federal Programs Division manage the workflow that we currently have.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: Uh-huh. Uh-huh. Uh-huh. So, how soon do you anticipate doing the entire interview and that process, and knowing that there are some things that are not in your control?

MR. MITCHELL: Those interviews are scheduled for next week, Chair Kama.

CHAIR KAMA: Okay. Okay. So, after the interviews, how long do you think before you actually get someone seated?

MR. MITCHELL: Well, once the interviews are done and the interview team makes a recommendation to me, my practice is try to react the same day.

CHAIR KAMA: Okay, good.

MR. MITCHELL: So, I generally like to already have an offer letter prepared and --

CHAIR KAMA: Yeah.

MR. MITCHELL: -- or done that same day and I try to schedule, after the Selection Committee has made a recommendation, a meeting with the person they have recommended as quickly as possible --

CHAIR KAMA: Okay, good.

MR. MITCHELL: -- so that they have a chance to sit down with me, so it's a matter of days.

CHAIR KAMA: Okay. Okay. I like to see them get hired and seated, but not to see them unseated in a few weeks. Thank you. Member Paltin, you look like you're anticipating something.

COUNCILMEMBER PALTIN: Thank you for the one-last-burning question. So, Member Kama...or Chair Kama's question sparked the reminder of the question I had that lost...or got lost. But...so, the CDBG-DR is under HUD, it's about 1.1 billion if we get it, all things considered. And the Office of Recovery is taking the lead on that, but there's five buckets it could go into and even the Office of Recovery has said that, you know, they plan to invest the most on housing. What is your level in...of involvement with the Office of Recovery and the housing portion of the CDBG-DR?

MR. MITCHELL: So, Director...Deputy Director Mataafa is our primary point of contact with the Office of Recovery that both predated my arrival because he was part of the RFS [*sic*] process, the Recovery Support Functions [*sic*], and determinations on how that money will be distributed and allocated, will percolate into the Department; that hasn't happened yet. So, at some point, I'll start getting input on where things will be funded, but I just haven't had that input yet.

COUNCILMEMBER PALTIN: And...and your list that you made for Member Sugimura, is it inclusive of burn zone projects that had been destroyed and are anticipated to be rebuilt,

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

like Weinberg Court Apartments, Front Street Apartments, Lāhainā Surf, Hale Mahaolu Eono, David Malo Housing, Komohana Hale, all these Government-assist-funded housing projects? Or is it not inclusive of the burn zone?

MR. MITCHELL: Thank you for the question, Member Paltin. So, Member Sugimura's question was to provide a list of County projects approved by the County in the last 20 years. So, what you're asking is more prospective, what about projects going forward. So, we can supplement what we're already transmitting to give a list of things that are on the books...a plan going forward so you have a sense of the full scope. But there's two different things you're asking.

COUNCILMEMBER PALTIN: Mmm. So, you aren't focused on the repopulation of Lāhainā per se.

MR. MITCHELL: Absolutely. There's an overlap because the...all the projects . . . *(inaudible)*. . . they require Residential Workforce Housing Agreement are coming through the Department of Housing. All the projects that involve...let's say Lāhainā Crossroads redevelopment, it's a County...it's a County-owned project. That's coming through our office. So, yes, the...there's an overlap between projects we're tracking and projects being looked at by the Recovery Office. . . . *(timer sounds)*. . .

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR KAMA: Well, the good thing is that we're going to bring Mr. Mitchell back at some later time, but definitely after budget, and hopefully you'll have more updates, and it'll be more long and in between and you should have better information for us. So, Members, if you don't mind, I'd like to be able to defer this item, and take our morning break, and come back and discuss our next item which Mr. Mitchell will continue to be a resource for us at that next time.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR KAMA: So, it is 10:31 and I...we always say let's take a 10-minute break, but we always end up 15. So, let's see if we can take the 10, be back in 15. Does that make sense for you guys? Okay. Thank you. So, the HLU Committee is now in recess until 10:40. . . . *(gavel)*. . .

RECESS: 10:31 a.m.

RECONVENE: 10:55 a.m.

CHAIR KAMA: . . . *(gavel)*. . . The HLU Committee meeting of February 19, 2025, will now reconvene. It is now 10:55 a.m. Thank you, Members, for that extended break, appreciate it. So, we're going to continue with our second item today.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

**BILL 22 (2024), BILL 12 (2023), AND BILL 74 (2023) RELATING TO
RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTIONS
(HLU-24)**

CHAIR KAMA: So, Members, for the second item, I posted Bill 22, Bill 12, and Bill 74 Relating To Residential Workforce Housing Deed Restrictions. To streamline our discussion moving forward, I've combined the three bills into one item. As we discussed at our last meeting, I am planning to hold meetings on this item all day Monday, March 10th...you don't have to write it down. We'll make sure that we send the notice out to you...the morning of Thursday, March 13th, and on the regularly scheduled HLU meeting on the morning of Wednesday, March 19 to allow us to discuss deed restrictions with a variety of resources and also, hopefully, come to some decision about which one of these bills we want to move forward. So, in preparation for these meetings I want to use today for three things, to allow Director Mitchell to provide his comments on the subject, and allow you all to ask questions of him regarding these bills, allow you to submit questions you would like to ask...or to provide the resources with these questions before our meeting next month. And then, if you want, submit additional resources for our meetings next month. So, let me--oh, okay, Member Paltin, do you have a question?

COUNCILMEMBER PALTIN: Just a clarification question. I did prep my questions --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- in writing, but I didn't send them in because I didn't know the situation. But as I was writing the questions, I was thinking I'm not sure who I wanted to submit them to. And then I was thinking, I'd love to have all of our resources' perspective on the question because --

CHAIR KAMA: Absolutely.

COUNCILMEMBER PALTIN: -- I don't want to just like --

CHAIR KAMA: Yes.

COUNCILMEMBER PALTIN: -- focus my question to the person I know is going to give me the answer I want.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: Although, I mean, I --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- I could do that but...but the...the clarification I had is, like, what if we have so much questions...I don't want to give the resource, like, 200 questions to answer. You know what I mean?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: So, that was my clarification on how...how the thing would work.

CHAIR KAMA: Okay. So, my...my assumption is that when we ask a question, if you know the answer, as a resource, you're probably going to answer it. If you don't know what the answer is, you are probably going to say, no comment. That's what I assume. But, James, do you have any...any more comments to add to what Member Paltin is asking in that event that that might happen?

MR. KRUEGER: Chair, I...I guess to just say briefly, you know, we can receive all the...all the questions that the Members might have and provide them to the resources.

CHAIR KAMA: Uh-huh.

MR. KRUEGER: And, you know, we just make it clear that...you know that the expectation that they...they need to respond to all of them or to provide answers immediately. But just, like, these are the kinds of questions that...you know that if they have comments to provide at the...you know when the Committee meets that that's just to kind of help their mindset, I guess, as to --

CHAIR KAMA: Okay.

MR. KRUEGER: -- going into the meeting, you know.

CHAIR KAMA: Does that help?

COUNCILMEMBER PALTIN: Yes. Thank you, Chair.

CHAIR KAMA: Okay. Thank you. So...so, at our last meeting, we all mentioned a whole bunch of resources, so I wanted to read that back to you. So, listen up if your resource was not mentioned, tell us, because we may have missed it. I'm hoping we didn't. I know I got a list from my Staff and our HLU Staff here. Yes?

COUNCILMEMBER PALTIN: Sorry, one more clarification. When they read the list, will they let us know if they have the contact info or they still need the contact info --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- for the resource.

CHAIR KAMA: Okay. Okay. So, I'm going to read the list out loud. And then, if you need the contact info, make a note of it so that whoever has that contact info might be able to pass that on. Okay. Remi Mitchell, Housing Director, County of Maui --

COUNCILMEMBER SUGIMURA: Yay.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: -- Adam Roversi, County of Kaua'i, Housing Director...I think we have his contact, right? Cindy Christensen, Deputy Director of Housing Operations and Property Management, Aspen/Pitkin County Housing Authority, we have them; Kim Bell Williams, Executive Director, Eagle County Housing and Development Authority. Do we have them, James? We have them. Rachel Richards, former Aspen Mayor and Councilmember, do we have her? Yeah, we do. Okay. And then we have Joe Kent, Executive Director of Grassroots Institute [sic]; Justin Tyndall, Professor of Economics, UHERO; Tera Paleka, Lender, Hawaii Financial Services, a representative from HHFDC. We have their contact, yeah?

MR. KRUEGER: Yes, Chair, we...we haven't --

CHAIR KAMA: Yeah.

MR. KRUEGER: -- that's one of the ones we haven't reached out to yet but --

CHAIR KAMA: Yeah. You have contact.

MR. KRUEGER: -- you know we...we know who to reach out to.

CHAIR KAMA: Okay. A representative from Housing Hawai'i's Future, okay. Rusty Rasmussen, Senior VP, Division Manager of Central Pacific Bank; Misty Griffins [sic], Lender, The Money Store; Ray Phillips, who's a developer; Linda Schatz, the Principal of Schatz Collaborative LLC; Howard Kihune, Jr., President, Aina Lani Pacific LLC; Sandra Duvauchelle, Lehua Builders; Peter Fornell, Aspen Developer; and Andrew Pereira, Pacific Resources Partnership. So, is there anyone else that you would like to --

COUNCILMEMBER PALTIN: Chair?

CHAIR KAMA: Yes.

COUNCILMEMBER PALTIN: Peter Savio.

CHAIR KAMA: Oh, okay.

MR. KRUEGER: Chair?

CHAIR KAMA: Yeah.

MR. KRUEGER: Apologies. Before we discuss more resources --

CHAIR KAMA: Oh.

MR. KRUEGER: -- to add, perhaps we should --

CHAIR KAMA: We should --

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. KRUEGER: -- do opening comments and testimony.

CHAIR KAMA: Yeah. Sorry. Yeah, I know we're getting all excited about this. Okay. So...so we're going to ask Mr. Mitchell to please provide his comments to us regarding the three bills.

MR. MITCHELL: Thank you, Chair. I don't have extensive comments --

CHAIR KAMA: Okay.

MR. MITCHELL: -- at this time but I'll...I'll note that Bill 22 and...get the numbers correct here...Bill 12 are different only in that they change the deed-restriction periods.

CHAIR KAMA: Yes.

MR. MITCHELL: One is 12, 10, and 8. And the other is 20, 16, and 10.

CHAIR KAMA: Uh-huh.

MR. MITCHELL: And that Bill 74 restarts the restrictions. So, I wouldn't say the three bills are similar. Two are similar and one is different.

CHAIR KAMA: Okay.

MR. MITCHELL: And I read them in such a way that one would pick either 12...I mean, 22 --

CHAIR KAMA: Or 12.

MR. MITCHELL: -- or 12 --

CHAIR KAMA: Right.

MR. MITCHELL: -- and then consider adding 74 to one of those so you have a comprehensive bill. And then I would close by saying that the shorter the periods, the more the County is in the cycle of having to either buy or replenish affordable housing stock. And the purpose of the deed restriction is to mitigate the appreciation escalation in the real estate market. You're trying to make homes affordable for a longer period of time. So, the shorter the period, the less you're doing what you're trying to do with the deed restriction. And my position, generally, is that the Department of Housing's role is to focus on developing housing, but there's a whole slew of other policies the Council should be working on to reduce the commodification of the market and the escalation --

CHAIR KAMA: Uh-huh.

MR. MITCHELL: -- of pricing, control the market a bit more. And deed restrictions are one of those things. And so, you, ideally, in my opinion, would like it to be in existence a little

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

longer. I understand the economics of that. I understand the reluctance of homebuyers to buy property with long deed restrictions. But the objective is in making homeownership attainable, that's the first objective. The second objective is to, perhaps, focus on the shared appreciation side and the value...the economic value of home ownership. But we're comingling objectives. If you make it a short deed restriction, in my opinion, you're trying to have the benefit of reducing commodification, controlling escalation, making home ownership available. At the same time, you're trying to create the ability for equity wealth to be generated. The longer the deed restriction, the more, I think, it's benefiting the County. But that's, at its core, a policy issue for the Council to address.

CHAIR KAMA: Thank you very much for that opening comment. I think we're going to go to testimony, right? Okay.

. . . BEGIN PUBLIC TESTIMONY FOR ITEM HLU-24 . . .

CHAIR KAMA: Do we have any testifiers?

MS. MCKINLEY: Chair, there is one person indicating they would like to testify, but we need to enable them. One second.

CHAIR KAMA: Okay.

MS. MCKINLEY: The first testifier will be Leonard Nakoa.

CHAIR KAMA: Oh, well let me read the testimony instructions. Okay. So, for Microsoft Teams participants logged in via web or the Teams app, please indicate that you would like to testify by clicking the raise-your-hand icon in the top right of your window. Staff will add your name to the testifier list. If you are joined by telephone, star-five will raise your virtual hand, and Staff will put your name on the testifier 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. 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 also view the meeting on Akakū Channel 53, Facebook Live, or mauicounty.us/agendas. Thank you all for your cooperation. So, at this time, we're going to call on our testifier. And who is that, Mister--James?

MS. MCKINLEY: Leonard Nakoa is our first --

CHAIR KAMA: Okay.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MS. MCKINLEY: -- and only testifier right now. Thank you.

CHAIR KAMA: Okay. Thank you. Mr. Nakoa? Can you hear us?

MR. NAKOA: Hey. Yeah.

CHAIR KAMA: Okay, perfect.

MR. NAKOA: Howzit. Well...oh, can you hear me?

CHAIR KAMA: Yes, we can hear you loud and clear.

MR. NAKOA: Hello, can you hear me?

CHAIR KAMA: Yes.

MR. NAKOA: Okay. Making sure. Making sure. Okay. First thing, ah, hope you guys listening to that...to Remi (*audio interference*) commenting on why you guys' question. The buggah is bad ass, okay. He's somebody in the (*audio interference*) buggah. But I hope you guys when listen to what he just said (*audio interference*) the deed restrictions, okay, this is...this is to keep it longer in affordability. Okay. Especially here in Lāhainā, ah, we tired of housing being...you know get...they...they get the developers, and all these people get the...get the...the benefit of, you know, getting this workforce, affordable, or whatever the heck you guys want to call it, yeah. And then in ten...in ten years the buggah gone. Now, we right back to where we was. Ten year from now we going be right...right where we was, and is, and every time going be. Yeah. You know us Hawaiians, ah, we get short...we get...we...again we get...we get shafted every damn time too. Because in the DHHL program, yeah, it...the deed restriction is long time, Hawaiian, plenty . . .(*inaudible*). . . you know you...you get the Hawaiian home land you when start off with that buggah. You know so if us Hawaiians can...eh, if us Hawaiians can...can, yeah, put up with this kind deed restrictions, yeah, all everybody else should be able to do that damn same thing. And listen to Remi and hold everybody accountable liddat because (*audio interference*) . . .(*timer sounds*). . . been doing this for (*audio interference*) okay. I going finish up. I going finish up. Only get me anyway. Yeah. So, what I going tell you guys this is, no...just remember that big statement I just said, us Hawaiians got to deal with this deed restrictions. Why the F that somebody else...everybody else no...no have to deal with 'em. Yeah, we get the short end of the stick again. So, please listen to the...the recommended...recommendation of Remi because the buggah, he...he bad ass. And so...so, yeah. Yeah, that's all I get for say, I think. Yeah. Okay.

CHAIR KAMA: Thank you, Mr. Nakoa. Members, do we have any questions for Mr. Nakoa? Member Paltin has a question for you.

COUNCILMEMBER PALTIN: Thank you. I just wanted to clarify, you're saying you support longer deed restrictions?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. NAKOA: Oh, heck yeah, longer the better. Longer the better, especially here in Lāhainā. We tired get all the million-dollar homes keep popping up and the market...and then...you know if the buggah going market...yeah, if the...the market prices . . .*(inaudible)*. . . hold the developers the kine is...and, like, some of the Councilmembers when say, eh, get people...you get locals, residents who like...who...who...who like qualify for this market. They no can go to market and do not...no...you no more deed restrictions, yeah. You going...you going market...you going market the value, you no more the deed restriction but if he going go underneath the *(audio interference)* workforce housing, whatever the heck you guys like *(audio interference)* yeah, you guys got to deal with the longer deed restrictions. Yeah. Mahalo, that's a good clarification, whatever, question.

COUNCILMEMBER PALTIN: Thank you *(audio interference)* --

MR. NAKOA: Sorry, I stay small kine pumped up because I stay over here yelling at . . .*(inaudible)*. . . --

CHAIR KAMA: Thank you.

MR. NAKOA: Yes, sir.

CHAIR KAMA: Members, any other questions for Mr. Nakoa? Seeing none. Thank you so very much.

MS. MCKINLEY: Chair, the next testifier is Andrew Pereira.

MR. NAKOA: Okay. You guys better listen to Remi. Yes, sir.

CHAIR KAMA: Thank you.

MR. PEREIRA: Aloha, Chair. Aloha, Members. Andrew Pereira with Pacific Resource Partnership. We represent 6,000 union carpenters across Hawai'i and 250 contractors across the State. Appreciate the opportunity to testify. During the February 5th meeting, Councilmember Paltin, I believe, asked whether homebuilders track the resale of deed-restricted homes. I was able to speak to three large homebuilders here in Hawai'i and they said that they...they typically do not track the resale of deed-restricted units after the initial sale. And that's primarily because the deed restriction is recorded on the title, so it effectively serves as a de facto tracking mechanism since the...the restriction is recorded directly to the title. Also, I believe Maui's Housing Department tracks those...those deed restrictions as well. During the conversation with these homebuilders, again, these are the...the larger homebuilders in Hawai'i and I'm not naming them just so that they could speak freely to me. They mentioned in 2006 that the Maui County Council amended Chapter 2.96, which increased inclusionary housing conditions to 50 percent and added a 25 year shared appreciation encumbrance on the title. And the policy, unfortunately, unintentionally caused the housing market to stagnate, leading to a near halt to new development. And the market only began recovering years after the policy was reversed, nearly eight years later. Just wanted to

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

point out to you in the conversations with these homebuilders, one homebuilder currently has a project that's offering 140 AMI deed-restricted units, and the deed restriction is only five years, yet these units are struggling to be sold. So, the homebuilder is having to keep these units, not able to sell them and, obviously, there's carrying costs associated to...to that with the homebuilder. So, unfortunately, you know these deed restrictions do cause homebuyers . . . *(timer sounds)* . . . to kind of think twice, whether they want to get into such a unit. I'll wrap up here real quickly, but I'll continue these conversations with our homebuilders, but they also mentioned, especially with longer term deed restrictions, as Mr. Nakoa mentioned, that there's little incentive to reinvest in the...in the proper maintenance and improvements in the property. So, that's something that the...the County should also assess going forward and the unexpected costs that could come about and maybe maintaining these units. Thank you for the opportunity to testify, Chair.

CHAIR KAMA: Thank you, Mr. Pereira. We have a question from Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Pereira, for your testimony. I wanted to clarify; you said 140 percent AMI or 120 percent?

MR. PEREIRA: 140 percent, this one particular project on O'ahu.

COUNCILMEMBER PALTIN: Okay.

MR. PEREIRA: They're trying to sell deed-restricted units and --

COUNCILMEMBER PALTIN: And then --

MR. PEREIRA: -- five years of a deed restriction.

COUNCILMEMBER PALTIN: -- do you know if those are multifamily or single-family homes?

MR. PEREIRA: I believe they're multifamily and single-family. Let me double-check on that and when we have our next hearing on March 10th, or 13th, or both, then I can...I can find out the answer. But I believe this is, both, multifamily and single-family homes, Councilmember.

COUNCILMEMBER PALTIN: Because 140 percent is like so close to market value and...and that is similar --

MR. PEREIRA: Right.

COUNCILMEMBER PALTIN: -- to the research that we have, is multifamily in the highest category is so similar --

MR. PEREIRA: Uh-huh.

COUNCILMEMBER PALTIN: -- that people wouldn't have the deed restriction. They'd rather

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

just pay, like, you know, a slight bit more to have it outright, so that tracks. The other question I had, thank you for doing the research and getting back to me on that they don't track it. So, there's no data in the first buyer, how many households are able to take advantage of the deed restriction? Like if it ends in five, eight, or ten years, you don't have the data as to how many households were able to take advantage of that affordable housing unit. Like it could have been just the initial family that bought it, it could have sold two or three times, but you don't know.

MR. PEREIRA: Correct, Councilmember, our homebuilders that I spoke to, and I spoke to three as I said, in total, they don't track that. Maybe like the Bureau of Conveyance would have the number of times that the unit sold. I think UHERO has done a study on this. I think they call it filtering, right, when somebody moves into a unit. And then that family that moves out moves into a higher unit, so they call it, like, a filtering effect, I think, what you described, Councilmember Paltin.

COUNCILMEMBER PALTIN: Like...like portability of affordable homes kind of thing?

MR. PEREIRA: Yeah. Yeah.

COUNCILMEMBER PALTIN: Okay.

MR. PEREIRA: Exactly. So, the --

COUNCILMEMBER PALTIN: And --

MR. PEREIRA: -- homebuilders, themselves, don't track that, but I'm sure there's...there's somebody...probably UHERO would have the best information on that.

COUNCILMEMBER PALTIN: And then my last clarification question is, like, so the...the information that you gave about 140 percent multifamily, that...that is similar to what our previous Administration had said, multifamily on the high end, the deed restriction often doesn't make sense because the price is so high, and multifamily is often a starter home. Do you have any information from the homebuilders, like for the lower AMI single families, like 80 percent or 80 to 100 percent AMI?

MR. PEREIRA: That's a great follow-up, Councilmember. Let me...let me follow up with those same three homebuilders and see if they have anything in the lower AMI range that they could have some good input on.

COUNCILMEMBER PALTIN: And...and the --

MR. PEREIRA: But --

COUNCILMEMBER PALTIN: -- 140 percent that you talked about, is that considered affordable in Honolulu? Is that, like, the affordable class? Because I...I'm not sure if it's considered gap housing over here.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. PEREIRA: It's...on O'ahu I think it's...it's across all four counties. I think 140 percent AMI is more described as workforce housing. So, you're, you know, firefighter...so, a couple that's a firefighter, teacher, you know, maybe with a kid or two, I think those are the...the types of families that would be in the 140 percent AMI level.

COUNCILMEMBER PALTIN: And then I had another question, but it's not clarifying, so I...I would support if he becomes a resource this time.

MR. PEREIRA: And just, Councilmember Paltin, if I could add one thing?

CHAIR KAMA: Sure.

MR. PEREIRA: Just maybe the County would consider if...if it does go forward with a longer length on the deed restrictions, maybe providing some offsets to the homebuilders. For example, a higher density for multifamily units to make the projects pencil out better. Sometimes the issue is that the homebuilders, they depend on presales to underwrite their...their mortgages or the backing from the banks. And so if...if there's a lengthy deed restriction, those presales could...could not go forward as robustly as...as needed to underwrite the project. So, maybe consider some offsets for the homebuilders, like higher density, perhaps, you know some property tax breaks, things of that nature to help the project pencil out. Thank you.

COUNCILMEMBER PALTIN: If...if I may respond to the testifier? I guess, the direction I was thinking is the higher AMI multifamily, it doesn't really make sense for the deed restriction because of the portability of affordable situation. I wouldn't want to lock someone into a starter home for a long time until we have that portability of affordability. But, you know, single-family homes a lot of times are considered, like, you know, your forever home. And with the lower AMIs, a lot of times, the other ones offset the price, or the County's Affordable Housing Fund offsets the price. So, I mean, I...I would really drill down into...to that direction more so than the higher AMI...higher AMI multifamily just based on past data. But a big component of it is finding that balance, the sweet spot of where it works. So, I think I'm on the same page as you about the multifamily high end...higher end AMI until we get that portability of affordability going. That rhymes. But maybe if we continue the conversation, we can find common ground.

MR. PEREIRA: Thank you, Councilmember. And I'll definitely follow up and research some more with the homebuilders on the lower AMI levels and what that does.

CHAIR KAMA: Thank you. So, we have a question from Member Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Member Kama. And mahalo, Member Paltin, for that affordability...port...portability of affordability. I think that's going to stick. Okay. Mahalo, Mr. Pereira, for your testimony. Just to clarify, so that you're claiming that the 2008 Great Recession played no role in the delay of housing being built, continuing to push the already disproved propaganda against the 50 percent affordability housing requirement?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. PEREIRA: No, I think the Great Recession, you know, certainly played a role in...in...in people perhaps putting off large purchases like...like home ownership. You know, we saw unemployment spike, and so that could've had...had an effect. But I think housing policy, overall, it's...it's all-encompassing. So, you have to look at the economic side as well as, you know, the housing policy side for an individual county. I think it's all-encompassing. So, I don't think you could point to one factor, specifically, that caused --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Because that's what your testimony kind of...you said that it was because of the 2.96, 50 percent affordable housing requirement that housing wasn't being built. So, to clarify...then you're backtracking and clarifying what you said is not true, that it's not only because of 2.96 that the 2008 recession played a role. So, there were other factors involved in housing projects not being built.

MR. PEREIRA: Well, the...that came directly from one of our larger homebuilders. So, that's not me saying it. That's just me interviewing one of our larger homebuilders and that's what they told me.

COUNCILMEMBER RAWLINS-FERNANDEZ: Ah, I see.

MR. PEREIRA: So, that's...that's --

COUNCILMEMBER RAWLINS-FERNANDEZ: I got...I got it.

MR. PEREIRA: -- directly from the homebuilder. So, I certainly think that, you know, economics plays a role as well.

COUNCILMEMBER RAWLINS-FERNANDEZ: The...the information was...was kind of like interest conflicted because if they're building forms then, you know, the...the less affordable homes that they have to build the more money they can profit off the development. Okay. That makes sense. Mahalo, Mr. Pereira. Mahalo, Chair.

CHAIR KAMA: Thank you. Any other questions, Members, for our testifier? Seeing none. Thank you so much, Mr. Pereira. Staff?

MS. MCKINLEY: Chair, there's currently no one else signed up to testify. Would you like us to do a last call?

CHAIR KAMA: Yes, please.

MS. MCKINLEY: If you would like to testify, please raise your hand on Teams now. Chair, seeing no one.

CHAIR KAMA: So, Members, seeing as how there are no more individuals wishing to testify, I would like to be...without objections, I would like to close oral testimony. And as a reminder, written testimony will continue to be entered into the record.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR KAMA: Thank you. Thank you.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM HLU-24 . . .

CHAIR KAMA: Okay. So, now we're going to proceed with our discussion. So, Member [sic], I'm going to call upon you for the questions you might have for Director Mitchell. And I'm going to ask, again, for the Staff to put on a three-minute timer for each Member so that we can get our questions asked and answered. And know, also, that Mr. Mitchell is also going to be a resource for us at our upcoming meetings too.

COUNCILMEMBER PALTIN: Oh, Chair --

CHAIR KAMA: Yes.

COUNCILMEMBER PALTIN: -- sorry to interrupt.

CHAIR KAMA: No, no.

COUNCILMEMBER PALTIN: Before we start --

CHAIR KAMA: You wanted to finish up the list?

COUNCILMEMBER PALTIN: Yeah. Well --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- I have my questions written for the whole resources --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- and, kind of, we need to send those to you while we're in session, right?

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: So, I'm going to send it to hlu.committee@mauicounty.us.

CHAIR KAMA: Yup. Yup.

COUNCILMEMBER PALTIN: And then on the list --

CHAIR KAMA: Peter Savio.

COUNCILMEMBER PALTIN: -- besides Peter Savio...I...I may have missed it, but one was

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

someone within DHHL. Like how they deal with financing with the 99-year lease, how they deal with the refinancing, or home equity loans with the 99-year lease. And I'm not sure who the appropriate person is in DHHL, but maybe Ms. Eaton can direct us on who that may be or maybe it's her. I don't know. And then I didn't hear someone from Freddie Mac. But --

CHAIR KAMA: Hmm, okay.

COUNCILMEMBER PALTIN: -- I don't have...I mean, I could...I...I can easily find the Freddie Mac person's contact info. For the DHHL person, I would ask, maybe, that we consult with Toni Eaton on who may be a good person within DHHL to ask...answer questions regarding financing, refinancing, and home equity loans. And then Peter Savio, off the top of my head, I don't have his contact info. But he's a known guy, so it may be easy to find.

CHAIR KAMA: We must have a contact for him...somebody will. Peter Savio, contractor. Okay. Yeah. Okay. So, let's start with our Committee Vice-Chair U'u-Hodgins, if you have any questions for the Administration regarding deed restriction.

VICE-CHAIR U'U-HODGINS: I actually have a question for you because I --

CHAIR KAMA: Yes.

VICE-CHAIR U'U-HODGINS: -- walked in as you were explaining how --

CHAIR KAMA: Oh, yeah.

VICE-CHAIR U'U-HODGINS: -- it was going to work today.

CHAIR KAMA: Oh, yeah.

VICE-CHAIR U'U-HODGINS: And I'm...I'm sorry to ask you to repeat yourself, but can you please repeat yourself.

CHAIR KAMA: Okay. So, there are kind of, like, three things that I wanted us to be able to cover today. And one of the things was if you had questions for the resources --

VICE-CHAIR U'U-HODGINS: Yeah.

CHAIR KAMA: -- that is what Member Paltin was talking about. She has a whole bunch of questions and she's going to send them on to the...to the Committee. And then the Committee will go ahead and put it all together and send it to the resources --

VICE-CHAIR U'U-HODGINS: Uh-huh.

CHAIR KAMA: -- so that they have that ahead of time. That was one of the things. The other thing was to have Mr. Mitchell over here to be able to share with us his comments on

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

the deed restrictions --

VICE-CHAIR U'U-HODGINS: Okay.

CHAIR KAMA: -- and questions you might have for him.

VICE-CHAIR U'U-HODGINS: Okay.

CHAIR KAMA: And the third thing was if you had other resources that...after I read off the list that you thought I may have missed one of the resources you had mentioned. And I think what Member Paltin had mentioned was, yes, we missed DHHL --

VICE-CHAIR U'U-HODGINS: Mmm.

CHAIR KAMA: -- in that list, so I'm glad you brought that up. But I had put it...I had put it down on my notes because I realized, too, that with what Mr. Nakoa had said, that we needed to be able to have DHHL with us to be able to answer those questions. And it has to be somebody who does financing and refinancing of the...on the DHHL leases. So, that's what it was, those three things.

VICE-CHAIR U'U-HODGINS: Okay. Thank you so much.

COUNCILMEMBER PALTIN: And home equity loans.

CHAIR KAMA: And what?

COUNCILMEMBER PALTIN: Home equity loans.

CHAIR KAMA: And the home equity loans, right.

VICE-CHAIR U'U-HODGINS: Okay. Well, we're going to then send you questions. I can type up my questions and send them over to the HLU Committee. And we're assuming that we're going to send correspondence to all the resources --

CHAIR KAMA: Yes.

VICE-CHAIR U'U-HODGINS: -- and get written responses.

CHAIR KAMA: Yes.

VICE-CHAIR U'U-HODGINS: Okay. And, at this time, I then won't ask Director Mitchell for any super specifics, assuming you might need to do some research. I'll hold off on those questions. And then I guess I'll ask your opinion for certain things so I can maybe get your perspective. Member Paltin, I do have quite similar, I guess, bills. Obviously, they differ in the length of the deed restriction. However...and you gave us your opinion, I do appreciate that, I want to know...because we did this a little while ago and since then my perspective has changed some to the effect that, to Member's [sic] Paltin point, as

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

you don't assume somebody's starter home is going to be their forever home. And, therefore, should different types of homes have different deed restrictions? You know, like, let's say I buy a...right now if I didn't have children, which would be a lot cheaper, had just me and my husband and I bought a one-bedroom home and I was a little bit younger. And then...you know, obviously, I have children, and therefore, I need to expand. What would...maybe the difference of a deed restriction be for maybe a one-bedroom home, that's not necessarily single family, as we see all kinds of different versions of what a new home might look like, versus a three-bedroom home that might be more of a forever home. Also, I wonder if you could give me your opinion on having similar deed restrictions throughout all the AMI buckets so that we're not penalizing any one group of individuals for making more money or less money. And then, I wonder if you could give me your opinion on what Member Paltin said earlier, because I don't disagree that life really does happen. And sometimes it's not...it's not always on our side, you know, and what we do then. You know, how do we navigate when life really does happen? How much discretion do we have? Say, again, I'm a younger person and I was recently married, and then I get divorced, but my husband and I benefited from the 2.96 program or owned any property. In 2.96, I could not...I couldn't qualify to participate in this program if I owned property in the last three years. But maybe I'm in a situation where I can kind of afford to buy but may not in the open market and I would need something like this, and I'm a long-term resident. So, I know I just threw like a whole bunch of questions at you. I don't expect you to answer them right now. I will send them over but just in summary if you could, maybe, provide some other thoughts on what deed restrictions look like.

MR. MITCHELL: Thank you, Member U'u-Hodgins. So, I counted four questions there. That was definitely a compound question. . . .*(laughing)*. . . So, if we all agree on the purpose of deed restrictions is to...to make housing affordable, it then follows that the type of housing is irrelevant. You're trying to make it affordable for the families as they present themselves at the time they're about to buy a home, so yes. In response to your first question, all . . .*(timer sounds)*. . . types of home should be...homes should be subject to deed restrictions because individuals and their families present themselves in different ways. Whether it's just two adults; or two adults with a child; two adults with three children; or two adults, two children, and grandparents; they present themselves in different ways. In terms of your second question, the length. I don't think that from a market impact...and I'm not an economist, but from a market impact perspective, making the time the same on all the AMIs makes much sense. As you get higher up in the AMIs you have less tolerance for encumbrances on your deed that limit your flexibility. And theoretically, if you're higher up in the AMIs, you have, what I consider a greater economic competitive ability than folks who are in the lower AMIs and, therefore, need more assistance. So, the time...the length of the restriction, and from my perspective, should differ in the AMIs, it shouldn't be the same. I could only remember two of your questions. What were the other two?

VICE-CHAIR U'U-HODGINS: Shoots, now I only remember two of my questions too because really I was just talking stories with you. . . .*(laughing)*. . . I don't know. Maybe I'll rewatch this and send it over to you.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Okay.

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

MR. MITCHELL: Yeah. But generally, it...I mean, I think we're...we're debating the issue of deed restrictions. We all agree we need them, but we need to find that sweet spot.

VICE-CHAIR U'U-HODGINS: Oh, one of my questions, if I...if I can finish it up, was the hypothetical situation that I own property, I get divorced. Under 2.96, I cannot qualify to buy anything with the County's help because I owned property less than three years ago. But I think it's an interest in 50 percent or more property.

MR. MITCHELL: That's a great question. Thank you for reminding me of the question and I did have an immediate response. And that immediate response was what was the reason...the policy reason for saying, initially, that if you'd owned a home in the last X years, you can no longer participate in a deed-restricted home. In answering the policy question, we then get to whether or not it makes sense to have an exception to that policy. So, if I imagine the reason you, as a body, included that limitation, I would imagine it could be because, theoretically, the owner of a home from three or four years ago now has equity from the sale of that home. They are in a financial position to be able to then buy into the market as opposed to buy a deed-restricted home, theoretically. Which then opens up the door for considering exceptions to that policy where the theory doesn't make sense anymore. Such as someone, yes, they did, they sold the home, but they sold it at a loss for some cognizable reason. Or they received de minimis equity wealth. Maybe they just sold it, you know, five, six years after owning it and they still really weren't into that phase of their mortgage where they're paying down the...the...the principle. They were still largely in the interest phase. Once you understand the reason for that policy, you might find opportunities for exceptions that allow the flexibility.

VICE-CHAIR U'U-HODGINS: Do we have those options for flexibility?

MR. MITCHELL: Currently, we don't, but I'm sort of throwing it out to the body as something to consider.

VICE-CHAIR U'U-HODGINS: Thank you. Thank you, Chair. Thanks for being flexible.

CHAIR KAMA: Well, you're welcome. So, let's continue with Chair Lee.

COUNCILMEMBER LEE: Thank you. Following along the same lines, Director Mitchell, I was with the Housing Department when those policies were formulated. And the reason why there was a restriction on homeownership is because the...the policy then was to give priority to new homebuyers.

MR. MITCHELL: Mmm.

COUNCILMEMBER LEE: New homebuyers. And so it...it didn't have anything to do with if they had money from the sale of their previous house, or anything like that because

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

there is an asset, an income restriction anyway. So, which leads me to the point that when we get information from DHHL, this is not apples and apples. Okay. Because we're talking about first-time homebuyers, which DHHL homeowners don't have to be first-time homebuyers. Secondly, there's no asset limitation. So there are...there are some similarities but there are a bunch of differences as well. I want everybody to keep that in mind. But getting back to the...the idea of the different kinds of deed restrictions, I...I think you're right, Director, in that there shouldn't be one shoe fits all because there are different circumstances. And I think that we need, as a policy-making body, try to help those who need that extra help. But there is no way we can help every situation. So we have to decide on what the priorities are to the exclusion of some things, and go from there. But always feel that there's room for change and as...as we experience going through the system...going through the program, if...if there seems to be what appears to be a mistake or an oversight on our part, I think that's when we have the opportunity to make changes. But as far as deed restrictions having different lengths of time, I think that's...that's very important because the lower end has the most...the most subsidy. But one thing I...that concerns me is the way, I believe, a lot of your contracts and exec...agreements are...are set up now. The people at the low end, yeah, have deed restrictions whereby they cannot use any equity that they have earned, okay, until that deed-restriction period expires. So, if I'm in my fifth year out of ten years, let's say, I cannot use my equity that I have earned so far, even if it's limited. Even if you guys restricted me I can't . . . *(timer sounds)*. . . use ten cents. The only thing I can do is refinance. So, the...I think we need to take a look at that. Okay. Thank you.

MR. MITCHELL: Thank you, Chair Lee.

CHAIR KAMA: Wonderful. Okay We're going to continue on with Vice-Chair Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: So interesting, this discussion, right? I wonder how...do you have Admin rules that play a big part? Maybe this is Nahulu Nunokawa, but do you have Admin rules that we don't see that plays a big part in your decision-making? Because I think it was part of --

MR. MITCHELL: Thank you, Member Sugimura.

COUNCILMEMBER SUGIMURA: -- discussion.

MR. MITCHELL: Yes, we do. I would need to review them to see how those rules touch on this particular topic and how it influences us. So, as we speak, I can't think of how it does so I...I'm cautious there. But I do welcome my colleague to my left fielding some questions. . . .*(laughing)*. . .

COUNCILMEMBER SUGIMURA: Mr. Nunokawa.

MR. NUNOKAWA: I can't speak to Housing's Admin rules.

MR. MITCHELL: Right.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. NUNOKAWA: I'm not the Deputy that--

MR. MITCHELL: Yeah, right.

MR. NUNOKAWA: -- oversees them but --

COUNCILMEMBER SUGIMURA: Oh.

MR. NUNOKAWA: -- I would defer to --

MR. MITCHELL: Right. Right. Conceptually, I...I understand the question. Okay. Ad rule...admin rules affect how we administer deed restrictions. We have admin rules on our programs and so I need to look at those admin rules and see...or the guidelines and see how they influence it to be able to answer your question directly.

COUNCILMEMBER SUGIMURA: So, that's public information. I guess, can we ask the Department for that as we --

MR. MITCHELL: Oh.

COUNCILMEMBER SUGIMURA: -- try to --

MR. MITCHELL: Of course.

COUNCILMEMBER SUGIMURA: -- make some...yeah. And in all of this, and what you said earlier, just to get to this point of, you know, having this...for the...for...to have financial literacy...the strength of financial literacy, do you see a need that we need to strengthen that within our society, as you were talking about the...the...the bigger vision so that we can even have more people to buy homes? This may be throwing in something . . . *(inaudible)* . . . --

MR. MITCHELL: The short answer is yes. But we do have financial literacy programs with...with...that are...that --

COUNCILMEMBER SUGIMURA: Hale Mahaolu and --

MR. MITCHELL: Yeah. So, it's a constant --

COUNCILMEMBER SUGIMURA: Okay.

MR. MITCHELL: -- challenge --

COUNCILMEMBER SUGIMURA: Yeah.

MR. MITCHELL: -- to make sure folks are financially literate and understand how to control their own finances. That's...it's sort of out of --

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER SUGIMURA: Yeah.

MR. MITCHELL: -- the Department's control. It's the individual's and the families' responsibility.

COUNCILMEMBER SUGIMURA: It's DOE.

MR. MITCHELL: But there are...there are training programs we ask them to go through.

COUNCILMEMBER SUGIMURA: Yeah.

MR. MITCHELL: Yes.

COUNCILMEMBER SUGIMURA: Okay. I think I threw that in. It's not quite...you know, whatever, but I have strong feelings about that. And earlier discussion, just questioning about when our housing dropped with that whole 50 percent because we heard that before. I wonder if we could get...I do know that in the past, we did have, and maybe the Department has, like a graph of how many houses were sold at different times. And if we could just get that to this discussion too because I think it's relevant.

MR. MITCHELL: Thank you for the question. So, you're asking for a graph of how many . . .(timer-sounds). . . deed-restricted --

COUNCILMEMBER SUGIMURA: *(Audio interference)*

MR. MITCHELL: -- homes were sold --

COUNCILMEMBER SUGIMURA: Yeah.

MR. MITCHELL: -- at what times.

COUNCILMEMBER SUGIMURA: And...and how many had the benefit of the using, you know, what we're trying to do here. . . .*(Inaudible)*. . . --

MR. MITCHELL: So, I...I seriously doubt that the Department has a graph made. And --

COUNCILMEMBER SUGIMURA: But do you have deed restrictions on it also? Do you have . . .*(inaudible)*. . . --

MR. MITCHELL: A graph of deed...units with deed restrictions.

COUNCILMEMBER SUGIMURA: Yeah. So, do you have the...the impact of housing...well, how many houses were sold and then using this deed-restriction discussion...well, how many housing were sold over a period of time, right? So...no, I don't need only at the time that it was 50 percent because the percentage changed to 25 percent. But do you have a graph showing when the deed restrictions were impacted or...or houses that were sold

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

based upon...and they were in...they were deed restricted and how that looked in terms of a graph? It looks like not...your Department doesn't look like --

MR. MITCHELL: We certainly don't have that readymade and we would need to take the time to track all the units, what the deed restriction period was, when it was sold, and figure out what information you're looking for in terms of it was sold in this time, resold in this time, and...and what is the graph actually showing. I don't understand yet, what the graph is showing.

COUNCILMEMBER SUGIMURA: So, that's what I want to know, the impact of deed restrictions, right?

MR. MITCHELL: Oh, the impact.

COUNCILMEMBER SUGIMURA: The impact. And...and I know I went over my time already so, Chair, sorry.

MR. MITCHELL: So, that would...it sounds like it would require --

COUNCILMEMBER SUGIMURA: Homework.

MR. MITCHELL: -- a graph that shows, over time, the sale of units that are not deed restricted and how those prices have escalated or the volume of those sales relative to deed-restricted homes, and their prices, and the trajectory of those sales. It looks like you're trying to compare deed-restricted sales to non deed-restricted sales.

COUNCILMEMBER SUGIMURA: The impact of it, yeah.

MR. MITCHELL: Is that what you're trying to compare?

COUNCILMEMBER SUGIMURA: Yeah.

MR. MITCHELL: Right. We certainly don't have that information readymade. And that would require --

COUNCILMEMBER SUGIMURA: More Amanda homework. . . .(laughing). . .

CHAIR KAMA: Another (audio interference) --

COUNCILMEMBER SUGIMURA: Sorry, Amanda.

CHAIR KAMA: Okay. We're going to continue with Member Paltin.

COUNCILMEMBER SUGIMURA: You can let me know if it doesn't...doesn't make sense to you.

CHAIR KAMA: Go ahead.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Okay. Thank you.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Mitchell. You know it's no secret. I'm a proponent for long-deed restrictions. But there are some cases that...you know whether you buy a house without deed restriction market home or a deed-restriction house, there are risks involved to homeownership. Kahoma Residential and Kahoma Villages in Lāhainā was built and mostly sold out just prior to COVID and affordable, so there were five, eight, and ten-year deed restrictions. So, like, during COVID if both of the workers in the house were in the tourism industry I think we...we purchased back a house in Kahoma Residential for Nā Hale [sic] because they decided to return to their homelands on the continent. So...so, that's a risk whether it's a market home or a deed-restricted home. But the sale is...they don't make out with, like, so much money if it was deed restricted. Same thing kind of happened in the fire, you know. Folks' homes in Kahoma Villages burnt down, they're still under the deed restriction. So, they still have to pay the mortgage. They have to pay their rent. They have to pay the HOA. And then with the rising insurance you have an affordable home that's kind of no longer affordable with all those factors kind of crushing in on you of mortgage, rent...mortgage for a home that doesn't exist, HOA for a home that doesn't exist, insurance for a home that doesn't exist, rising insurance, and then rent for a place to live in the meantime. Can you brainstorm any ways to mitigate those risks for deed-restricted affordable homes?

MR. MITCHELL: Thank you for the question, Member Paltin. These are challenging questions.

COUNCILMEMBER PALTIN: But are they compound?

MR. MITCHELL: You...you closed out nicely after a long narrative, so that actually was a good question. You...you're talking about financial risks. And in my mind that sounds like insurance risks. The...the insurance market, right now, is...is struggling.

COUNCILMEMBER PALTIN: And...and the risk would be the...I mean, you...you have that risk whether it's a deed-restricted home or a market home with no restriction, correct?

MR. MITCHELL: And the risk we're talking about is the loss of the home. Right, that's an insurance...insurance risk that would be handled through insurance.

COUNCILMEMBER PALTIN: Even if...like the COVID example where both the homeowner incomes are...are not viable anymore? Because COVID was a . . . (timer sounds). . . huge situ...global pandemic. It's not like you can say, oh, I lost my job in the tourism industry. I'm just going to go, like, into the restaurant industry, or whatever, you know...or it...it was mostly, like, essential workers that were still working. So, I mean, how could you mitigate the deed-restricted side so that the risk isn't greater than the market non-deed-restricted side?

MR. MITCHELL: The...thank you for the question. The risks are the same. I don't see how it's different. We're talking about a home that's deed restricted versus a home that's not deed restricted and there being some market impact that causes either the non-viability

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

of the home or the outright loss of the home, right, whether it's a fire or something else.

COUNCILMEMBER PALTIN: Oh, so the risk is the same.

MR. MITCHELL: The risk is you lose the viability of the home. So, how do you ensure against that risk. That's how I'm hearing the question if that's how you're proposing it.

COUNCILMEMBER PALTIN: But the impact is not the same because a pers....I guess a person with market value could try and sell it to somebody super wealthy and make millions of dollars profit. Whereas, somebody that bought a deed-restricted home wouldn't be doing that but the next buyer has an opportunity but they didn't pay the same amount as the market-value home, right? So I mean, how do you...how do you mitigate it to...so that the impact is similar? Is the impact...would you say the impact is similar too because they didn't invest as much money as the market buyer?

MR. MITCHELL: Thank you for the question. So, just so we're clear, the hypothetical is market-rate home, some catastrophe occurs; deed-restricted home a catastrophe occurs. It's the same catastrophe, but the two owners have a different impact. And you're saying how do you mitigate the difference of that impact. So, if the impact is greater for the person who has a deed-restricted home versus the person that has a market-rate home, they both have lost their home. Now they're trying to figure out how to recalibrate their financial situation, right? To me, they're both insurance risks. And, yes, the person who bought the deed-restricted home is not going to be able to cash out greater equity because of the encumbrance on their deed, but that was part of their transaction. So, I'm not entirely sure how to make them whole in the same way that someone who bought an un-deed-restricted home and lost the home to a catastrophe. That...that other home...the market-rate home has no encumbrance, right? So, it...you know the prob...the challenge with deed-restricted homes is they are a proverbial weight on the value of the house, they just are. Because you don't have that ability to cash in on the equity. But that's the --

COUNCILMEMBER PALTIN: But the upside is another family can have an opportunity at an affordable home rather than just the first, initial buyer.

MR. MITCHELL: Correct. The upside with the deed-restricted approach is that another family has an opportunity to get into an affordable home. But the goal here is trying to maintain enough housing...housing stock for the community. We're talking about mitigating the...the...the risk of someone losing that home, and now they're not in the same financial situation as someone who had a market-rate home. They never were in the first instance.

COUNCILMEMBER PALTIN: Okay. So, I guess the bottom line is a catastrophe is a catastrophe regardless.

CHAIR KAMA: Yeah. And your time is up. That's a big catastrophe. Member Johnson.
...*(laughing)*...

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

COUNCILMEMBER JOHNSON: Well, okay, thank you for allowing me this opportunity to speak my...my first round. I'm going to say this until I'm blue in the face but I start off, right off the bat, I support deed restrictions. One of the most...I...one of the most quotes that I remember a lot is from the Aspen folks when they said, we're creating islands of affordability in a sea of changing market prices. And that's really what I feel deed restrictions do; it's a island of affordability. The market is going to go up and down all around them, but at least you have those deed-restricted units that will protect our family, and kūpuna, and everybody else who stay in there. So, I kind of want to talk a little bit about some of the talking points that are kind of countering the deed restriction, I...policy and it's...one of them is that, well, we don't make as much money when we sell one, right? And I want you to kind of, if you can, Director, speak on what the County does for manage appreciation, the model we have that we use now for managed appreciation. Because it...many people feel like, oh, if I have to sell then I don't make any money, right, I don't have any money. But actually manage appreciation does give them a certain amount of money back when they sell. So, you know, the...that's kind of the thing that I hear a lot. And I asked your Deputy Director the same question before, but again I get community members, people who are talking about they don't understand the manage appreciation model, so can you speak on that?

MR. MITCHELL: Thank you, Member Johnson. I think the issue of the amount of money made is...is actually two issues. It's made on the initial sale, so developer is looking at the...what price they can sell the units and how that affects their overall development, right? And then the initial and subsequent buyers and what price they can sell at and that's where the managed appreciation, the shared appreciation issue comes in. So, the...the challenge on the front end is that if you have long deed restrictions it makes it...and you don't have the incentives that help the projects pencil out, you're not going to have a lot of private developers building the units, they can't get them to pencil out. So, they need --

COUNCILMEMBER JOHNSON: So, thank goodness for the Affordable Housing Fund, right? That --

MR. MITCHELL: There needs to be --

COUNCILMEMBER JOHNSON: We can help with that.

MR. MITCHELL: -- in addition to things like the Affordable Housing Fund --

COUNCILMEMBER JOHNSON: Okay.

MR. MITCHELL: -- other ways to reduce the cost to developers so that the projects pencil out. And they might be tax incentives, they might be the...the County assisting with the entitlement process and covering those costs, there might be the County looking at the infrastructure cost . . . *(timer sounds)*. . . and participating on --

COUNCILMEMBER JOHNSON: Right.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: -- that end.

COUNCILMEMBER JOHNSON: Yeah.

MR. MITCHELL: The front end is to assist in reducing the cost to the developer so that the projects, ultimately, can pencil out. After they're sold, you're correct There is shared appreciation. And the whole idea with limiting the ability for each seller to maximize their retention of the equity is so that that stock stays available for a subsequent family.

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: But...but that's the...the deal that is being made in order to make the housing affordable.

COUNCILMEMBER JOHNSON: Right.

MR. MITCHELL: So --

COUNCILMEMBER JOHNSON: So, they don't walk away with nothing.

MR. MITCHELL: Correct.

COUNCILMEMBER JOHNSON: That's what...really I...I hear that people say over and over again, I live in the house, and I sell it, and then I walk with nothing. That's not true.

MR. MITCHELL: Correct.

COUNCILMEMBER JOHNSON: And then --

MR. MITCHELL: Right.

COUNCILMEMBER JOHNSON: -- I think we really have to pound that in...in this discussion, that we really have to emphasize, you're not walking away with nothing in the deed-restricted parcel. But I heard my time, I heard you say I was correct, and I'll leave it at that. Thank you, Chair.

CHAIR KAMA: As...as...as long as that's written in, right, the manage appreciation...shared appreciation has to be part of the deed restriction. Okay. Let's go to Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. I have two questions. I don't think they're compound questions. And my first question is, do you have an...a recommendation on the length of time for the deed restrictions? And the second question is, are there any questions...or is there any information that you would be most interested in hearing from the resources that we have listed for our next HLU meeting on this?

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

MR. MITCHELL: Thank you, Member Rawlins-Fernandez for those two clear questions separately so they weren't compound. I knew you were going to ask...or someone was going to ask the first question. And because it's a pure policy question I need to be cautious because that's a decision you, as a body, need to make. But your second question, if I were not in this role, is information that I would want to have to answer that first question. And I would want to have it from an economist who explain to me what the impact is in the market with longer deed restrictions from the local economy's perspective because ultimately that's what you need to know. And if there is no impact then there's no problem with them being longer. I'll answer another question you didn't ask and I'll say that I am biased, having lived in systems where there are supremely long deed restrictions. And that those restrictions, that are long, enable those individuals and families to make themselves competitive to then enter the private market. So, there's...there's a value to that. It doesn't necessarily happen in five or ten years, but it certainly happens in the lifetime of the family, and that's the goal. Make them long enough so the family stabilizes, the community stabilizes, and they can position themselves to be economically competitive. But if you continually make them short you're cycling out the units and you're not giving the families the opportunity. You're actually creating more work, in my opinion, for the County but I'm not an economist. I can't speak solely from experience, what I can say is you need to hear it from someone who can say what the impacts are on the economy.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that response. And since I still have time I wanted to ask one more question, your thoughts on the...so, Kua'i County does leaseholds, Maui County does not. Leaseholds versus deed restrictions in...in the, you know, private market.

MR. MITCHELL: Thank you for the question. Leaseholds have to be long enough so that you can get a mortgage and refinance. And so they have to be 30, 40, 50 years or more. And they are a system that is valuable but they are a system that over time has...has been disfavored. Folks like to own the land. It's just that simple. But if you're going to do a leasehold you have to have a nice long leasehold because of . . . *(timer sounds)* . . . financing reasons.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh. Mahalo for your response to that question. I...I think one of the things that I'd also like to hear from our resources would be how much housing should be insulated for a population Maui size? Insulated from the private equity market that's either leasehold, or that have deed restrictions in perpetuity, or that is part of a community land trust...a housing land trust so that it's...it's protected from the...well, I...I don't even say fluctuation of the market, it's just like the ever-increasing cost of the market that is pricing out our people. So, that...that's....that's one of the questions. And I heard the timer.

COUNCILMEMBER PALTIN: I didn't --

CHAIR KAMA: Okay. We --

COUNCILMEMBER PALTIN: -- I didn't hear what he said on the last answer to Member --

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- Rawlins-Fernandez. Can he repeat that last part?

CHAIR KAMA: Go ahead.

MR. MITCHELL: Thank you, Chair. The question was asking me my opinion on leaseholds. And in short, the answer was while leaseholds have over time been disfavored because people prefer to own the land, the more important thing to focus on is that if you have a leasehold program or system, it has to be a long period of time because of financing reasons. You can't get a mortgage on a short leasehold. No one's going to lend you that. So, if the product is a 30-year product, they're going to want to see, probably at least a 30-year leasehold right, if not more, so they can accommodate refinancing. So, it just has to be a longer period.

COUNCILMEMBER PALTIN: Thank you. That financing reason was the part I didn't hear.

CHAIR KAMA: Yeah. Okay. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Director Mitchell. So, like 30 years is what Kaua'i County does. And then 99 years is what DHHL does for leaseholds --

MR. MITCHELL: Exactly.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- to clarify.

MR. MITCHELL: Exactly.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Director. And, Chair, I...I'll have to --

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- leave for another --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- meeting at 12.

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: I'll continue to stay on --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and listen, but I...I'm going to also have another meeting that I'll be on.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: Okay. And --

COUNCILMEMBER RAWLINS-FERNANDEZ: I'll clone myself.

CHAIR KAMA: -- we did get your last question written down for the resources. So, just so that --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: And...and Staff can contact me if they need any clarification on --

CHAIR KAMA: Okay. Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- what I was trying --

CHAIR KAMA: Okay. Okay. He got that. Okay. Let's continue on with Tom Cook, Councilmember.

COUNCILMEMBER COOK: Thank you, Chair. I want to share with all my colleagues that I feel like, today...I feel like oxygen got pumped into the room. I really appreciate Tamara's...life happens, portability with affordability. I...no, so I'm just...and also, Member Rawlins-Fernandez comment on the leasehold. And I've looked...I look at leasehold as a mechanism to mitigate the speculative desirability of a piece of property. And I've always looked at it like it's an insurance company or some...you know it's 99 years plus 99 years. So, it's kind of like...it's a...it isn't going to be part of the value...the vertical is part of the value so it has to be structured in such a way. But I've always been opposed to raw real estate speculation on the Island and felt that that is parasitic and destructive to our community. Having said that I haven't been in agreement with some of the mechanisms in the past that have been proposed because my...my...it seems like it has not encouraged or stimulated building housing stock. So, I understood...I understand the restriction...restrictive aspects of it. But we haven't had the encouragement or the enabling aspect of it. So, that's why today...I mean, portability with affordability, and acknowledging life happens, and transitioning and not block...boxing people into one paradigm that doesn't fit...I'm really enjoying today's meeting. And I know that's not a question but I just, basically, feel like it's enabling me to participate with my colleagues in this conversation because...so, this is my question, from your experience where you grew up, being an architect, and the different things, focusing on the aspect of how to stimulate...encourage and stimulate construction is part of this equation. The other part of the equation in our island home is to be preferential without prejudicial, to keep it being for our local residents, generational homes, for our community to grow roots, to maintain roots, to thrive, to be able to come and go, go away to college, come back and still have a family here. So, do you have any comments on some of the things that the Housing Department, that the County could

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

do policy-wise to encourage . . .(timer sounds). . . and enable construction?

MR. MITCHELL: Thank you, Member Cook, for the question. Yes. As you know, being in the construction field for some time, projects that are front-loaded with an enormous amount of infrastructure costs compel developers to need to price their units to absorb those costs and share them and be able...compel them to be able to sell market units so they can have the cash flow to continue the development. Those upfront costs are an enormous opportunity for any jurisdiction to reduce the cost of overall development. Whether it's infrastructure related to road expanding to mitigate traffic issues, whether it's water or sewer infrastructure costs. And I see those...whether it's looking at ways to assist with the entitlement, holding time and permitting time to just reduce the...the cost on the front end. You've heard from, I think Mr. Pereira, some other suggestions to mitigate the cost upfront to developers, those are all opportunities for the County. You know, I...I...I do understand that there is a method that has been employed for some time to distribute the responsibility of doing a lot of that work to each developer as they build a project. But if one were to look at the net effect and one were to look at what you actually get as a cohesive community . . .(inaudible). . . cohesive sidewalks, and a fully integrated water system, or a fully developed expanded sewer system, you...you begin to see where there are opportunities to, perhaps, reevaluate the approach. So, that's a long way of saying, yes, there are opportunities and I see them all on the front end, not necessarily just that...it's not the Department of Housing, I see that as something the County, as a whole, can look at.

COUNCILMEMBER COOK: Thank you, Director. And thank you, Chair.

CHAIR KAMA: You're welcome. And now we're going to continue with Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. I don't have any other questions but I did appreciate the discussion on leaseholds. It sounds like...I mean, that could be a way...an option to...to not pay for the land cost but just pay for the house cost. So, in our discussions next week, I would want to see how...how the...the mortgages, as Director Mitchell said, and...and maybe the DHHL representative, as suggested by Member Paltin. Just a question for you, Chair, next week's...or the following weeks...week, what two...are those days solidified yet...the March?

CHAIR KAMA: Yes. We have...what was the two dates, March 10th and...okay. So, it's all day March 10th. Then it's --

COUNCILMEMBER SINENCI: March 10th.

CHAIR KAMA: Then it's in the morning, March 13th. And then the following week is the regular HLU meeting in the morning as we normally would. And I'm hoping that --

COUNCILMEMBER SINENCI: Okay.

CHAIR KAMA: -- by the time we get to that date that we would...already decided upon the three bills...which one of the two bills we're going to go with or either the 20-year deed

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

restriction or the 10-year, or maybe something else in between, I don't know. And whether we want to support the reset of the deed restrictions. So, hopefully, by the 19th of March we would have had enough information to be able to make those decisions. But if not we can always --

COUNCILMEMBER SINENCI: Okay.

CHAIR KAMA: -- go...probably the week before we get Budget, if we needed to but I think...I feel like you're right, Member Cook, that there is oxygen in the room. That many of us have learned so much about deed restrictions and the questions that we have. By the way, if you have questions please send it to the HLU Committee, right, so that we can send these to the resources to ask these questions of. So, I don't want...I want to make sure that we get that out too. But I think that we're going to have a really good, robust discussion about these things and come to a really sweet spot, you know, for all of us, including our people so... Member Paltin.

COUNCILMEMBER PALTIN: Shoot, I just thought one more question. Can I type it and send it...if you guys can --

CHAIR KAMA: Sure.

COUNCILMEMBER PALTIN: The question is...I guess, you know, like if ultimately there might be a formula like there's affordable housing with the income--or can I just dictate it to the Staff and not --

CHAIR KAMA: Sure.

COUNCILMEMBER PALTIN: Okay. The question would be like...like how we said, we need all ranges, and whatnot, so there's affordable by the guidelines of AMI. Like 120 percent AMI, 140, 80 percent, 60 percent, or whatever. And you know depending on how much assistance the developer gets or the buyer gets, that a formula could be made for the length of deed restriction.

CHAIR KAMA: Mmm.

COUNCILMEMBER PALTIN: You know if...if...I know that's already kind of what we have is, like, the below moderate, moderate, above moderate. But in terms of how much assistance additional that the...either the developer or the homebuyer gets, would correlate to a longer deed restriction than that base. If...if any of our resources could answer with a possible formula that would allow for a longer deed restriction if we kept 2.96 as a base, whatever we ultimately decide that to be. But in my ASF for affordability --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER PALTIN: -- I think for the multifamily, I capped it across the board at ten.

HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: I don't know if that's it, but I think we definitely need to make a distinction between multifamily and single-family homes, at least until we can address that portability of affordability.

CHAIR KAMA: Absolutely. Yeah.

COUNCILMEMBER PALTIN: New catchphrase.

CHAIR KAMA: Okay. So, any last comments, Mr. Mitchell?

MR. MITCHELL: It's always a pleasure being before you, Chair Kama, and the Councilmembers.

CHAIR KAMA: Thank you.

MR. MITCHELL: It's kind of weird I've been...I've missed being in the Chamber, so it's nice to be here.

CHAIR KAMA: Thank you. We miss you too, so... Yeah. Okay. Members, there is nothing further on today's agenda. And it is now 12:09. You have a 1:30...we have a 1:30 this afternoon. So, I would like to be able to adjourn this meeting.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR KAMA: The HLU Committee is now adjourned at 12:09 p.m. . . .(gavel). . .

ADJOURN: 12:09 p.m.

hlu:min:250219

Transcribed by: Tricia Higa

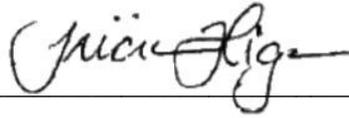
HOUSING AND LAND USE COMMITTEE MINUTES
Council of the County of Maui

February 19, 2025

CERTIFICATION

I, Tricia Higa, hereby certify that pages 1 through 63 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 2nd day of March 2025, in Mililani, Hawaii

A handwritten signature in cursive script, appearing to read "Tricia Higa", is written above a horizontal line.

Tricia Higa