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COUNTY COUNCIL

COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

January 7, 2022

Mr. Curt M. de Crinis, Managing Director
Columbia Capital Management, LLC
2292 Faraday Avenue, Suite 8
Carlsbad, California 92008

Dear Mr. de Crinis:

SUBJECT: COMMUNITY FACILITIES DISTRICTS (IT-38)

The Maui County Council's Infrastructure and Transportation Committee is continuing to discuss funding mechanisms for Community Facilities Districts ("CFD") projects in Maui County, specifically as it pertains to the Kahana Bay and Napili Bay beach restoration projects.

There are ongoing questions and concerns regarding maintenance and liability expenses that Chapter 3.75, Maui County Code, does not currently address.

Further, it is my understanding that these expenses will not be part of the special tax levied against property owners within a CFD.

Although these guidelines have not yet been adopted by the Council, the County's Planning Department has proposed procedural guidelines related to the maintenance and liability of CFDs. The guidelines propose that, "Generally, the County will require that Public Infrastructure financing through a CFD provide a general public benefit, that a source to fund maintenance costs is identifiable and affordable, and that, absent findings of special circumstances, the essential Public Infrastructure does not increase the County's public liability risks beyond levels normally acceptable for public improvements."

The guidelines further propose, "The Applicant will also be required to prepare and submit a plan for the Public Infrastructure financed by the CFD to address administrative, operational and maintenance expenses not funded by

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the proposed CFD special taxes, unless otherwise agreed, including the source of funds or deposits proposed to fund administrative, operational, and maintenance costs.”

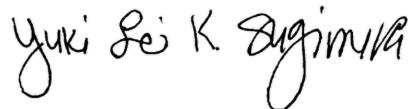
May I please request your response to the following questions:

1. Please comment on the guidelines above as proposed by the County’s Planning Department.
2. It is my understanding that if CFD property owners fail to pay the special tax levied against them for the construction of the CFD project, the remedy is foreclosure. If we assume that CFD property owners will be responsible for maintenance and liability costs in the future, how will these fees be paid?
3. And, if these fees are not paid, how do you anticipate the County will recoup these expenses from CFD property owners?

May I further request your written response no later than **January 21, 2022**. To ensure efficient processing, please transmit your response to it.committee@mauicounty.us and include the relevant Committee item number in your response’s subject line.

Should you have any questions, please contact me or the Committee staff (Laksmi Abraham at (808) 270-7659, or Clarita Balala at (808) 270-7668).

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Infrastructure and Transportation
Committee