

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

May 15, 2024

Online Only via Teams

CONVENE: 1:39 p.m.

PRESENT: Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Tasha Kama, Vice-Chair (in 3:04 p.m.)
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Nohelani U'u-Hodgins, Member (in 2:02 p.m.)

STAFF: James Krueger, Senior Committee Analyst
Kasie Apo Takayama, Senior Committee Analyst (back up)
Carla Nakata, Legislative Attorney
Yvette Bouthillier, Senior Committee Secretary
Jean Pokipala, Council Services Assistant Clerk

Residency Area Office (RAO):

Mavis Oliveira-Medeiros, Council Aide, East Maui Residency Area Office
Roxanne Morita, Council Aide, Lānaʻi Residency Area Office
Zhantell Lindo, Council Aide, Molokai Residency Area Office
Christian Balagso, Council Aide, West Maui
Bill Snipes, Council Aide, South Maui Residency Area Office
Jade Rojas-Letisi, Council Aide, Makawao-Haʻikū-Pāʻia Residency Area Office

ADMIN.: Lesley Milner, Acting Budget Director, Office of the Mayor (BFED-21(21) and -90)
Patience Kahula, Community Development and Block Grant Program Director, Office of the Mayor (BFED-92 and -93)
Chandee Kauhaʻahaʻa, Community Development and Block Grant Program Specialist, Office of the Mayor (BFED-92 and -93)
Maria Zielinski, Acting Director, Department of Finance (BFED-21(21), and -94)
Marcy Martin, County Real Property Tax Administrator, Department of Finance (BFED-94)

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Guy Hironaka, Real Property Management Specialist, Department of Finance (BFED-92 and -93)
Lori Tsuhako, Director, Department of Housing and Human Concerns (BFED-90)
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Others (15)

Resource Personnel

Danielle Guthrie, Hawai'i Housing Finance and Development Corporation (BFED-90)
Paul Kobayashi, Catholic Charities (BFED-90)

PRESS: Akakū: Maui Community Television, Inc.

CHAIR SUGIMURA: Good afternoon, everybody, nice to see you all. This is the Budget, Finance, Economic Development Committee. It is now 1:39, and today is May the 15th. I am Yuki Lei Sugimura, the Chair of this Committee, and I'd like to welcome everybody. It's nice to see Member Rawlins-Fernandez in the Chambers, yay, and Member Sinenci is on...off...online. Congratulations, Member Sinenci, on getting the...NACo to bring the conference here. So, thank you for working hard on that. We also have Member Johnson. You must be on Lāna'i?

COUNCILMEMBER JOHNSON: Aloha, Chair. I'm in my workspace alone, and there's no testifiers at the Lāna'i District Office. Mahalo.

CHAIR SUGIMURA: Okay. Good afternoon. And let's see. In the Chambers, we have Chair Lee. Good afternoon, Chair Lee.

COUNCILMEMBER LEE: Good afternoon.

CHAIR SUGIMURA: Oh, that's it? Okay. Good afternoon to you.

COUNCILMEMBER LEE: Yes. Well, I'm...I'm...I was trying to swallow something.

CHAIR SUGIMURA: . . .*(laughing)*. . . Member Paltin, good afternoon.

COUNCILMEMBER PALTIN: Konichiwa.

CHAIR SUGIMURA: Konichiwa. And Member Cook.

COUNCILMEMBER COOK: Good afternoon, Chair.

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CHAIR SUGIMURA: Good afternoon. So, let's see, who...and we have Member Rawlins-Fernandez here.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha 'auinalā, Chair. There are no testifiers in the Molokai District Office. Happy to be here in person.

CHAIR SUGIMURA: Very good. Okay. We like to see people here in person. Member U'u-Hodgins will be joining us, and Member Kama will be joining us later. From the Office of the Mayor, Acting Budget Director Ms. Milner, nice to see you here...nice to see you here outside of our Budget deliberations, so you don't have to stay with us the whole meeting, I think, if you don't want. Also, we have Patience Kahula, CDBG Program Director, for the last two items on the agenda. Department of Finance, we have Acting Director Maria Zielinski. Good afternoon, Director Zielinski. Marcy Martin, County Real Property Tax Administrator, will be joining us online. Guy Hironaka, for the last two items on the agenda, which is Real Property Tax Management Specialist for the two CDBG projects. Department of Housing and Human Concerns, Lori Tsuhako, the Director. And Department of Corporation Counsel, Kristina Toshikiyo. Would also like to thank the hard-working Staff. Yvette Bouthillier, congratulations, her daughter graduated from college, welcome back; and we have James Krueger and Kasie Apo Takayama, it was nice to see you outside of our regular grueling Budget meeting, so thank you for all your hard work; Carla Nakata, Legislative Attorney; and Jean Pokipala, Council Services Assistant Clerk. The last page of this agenda for information on meeting connectivity, members of the public. And thank you, Members, for attending today's BFED meeting. I'd like to echo Member Kama. When she opened up her meeting today, she thanked everybody for all your hard work, so I'd like to also say that too because we have seen too much of each other for the month of April. So, we're now back to our regular Committee schedules once every other week. On the agenda today, BFED-21(21) Fiscal Year 2025, General Budget Provisions. BFED-94 Bill 95...I'm sorry, Bill 85 (2024), amending Section 3.48.810, Maui County Code, relating to the Circuit Breaker Tax Credit. BFED-90 Bill 57 (2024), amending the Fiscal Year '24 Budget, Appendix A, Part I, Department of Housing and Human Concerns, American Rescue Plan Act, Homeowner Assistance Fund. And we also have BFED-92 Resolutions 24-67 [sic], Authorizing the Acquisition of a Condominium Unit at the Maui Lani Terraces Condominium Project, 3740 Lower Honoapi'ilani Road, Unit D-105, Lahaina, Maui, Hawai'i. And BFED-93, Resolutions 24-70 Authorizing the Acquisition of a Condominium Unit at the...at the Maui...and it didn't print the rest of...have to read what it said...at the Maui...probably says the same thing, Maui Lani Terraces Condominium Project, Lower Honoapi'ilani Road, Unit C-206, Lahaina, Maui, Hawai'i, BFED-93. Members, I'm going to take the last two items together, which is the CDBG purchases of those condominium units. So, we have a full agenda. Do we have any testifiers? We probably want to have

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presentation from the...Ms. Milner and...and...as well as Budget Acting...we have two Acting Budget and Finance Directors. Would you like to do a presentation regarding BFED-21. the Fiscal Year 2025 General Budget Provisions, before I take testimony?

ITEM 21(21): FISCAL YEAR 2025 GENERAL BUDGET PROVISIONS
(RULE 7(B))

MS. MILNER: Thank you, Chair, I think the largest change to the General Budget provisions this year is that instead of the \$55 million cap, it's changed to a 10 percent of the Operating Budget cap. And if there are questions about that or any of the other General Budget provisions, Director Zielinski and I are happy to answer those. Mahalo.

CHAIR SUGIMURA: Okay. So that's basically in your budget book, Members, the General Budget Provisions on...on page 28. And this one item that Budget...Acting Budget Director Milner mentions is on page 32, and it's A., where it mentions that this is where the...the Administration wants to give this a percentage versus a dollar amount. And so, that's going to be the discussion today. Is that all you want to say today about that? Yeah? Okay. Do we have any testifiers regarding this?

MR. KRUEGER: Chair, there's currently no individuals signed up to testify on BFED-21(21).

CHAIR SUGIMURA: Okay.

MR. KRUEGER: So, we'll do a last call at this time. If there is anybody who would like to testify on this item, if you're in the Chamber, please identify yourself now, or if you're joining on Teams, please raise your hand and identify yourself as wishing to testify. We'll do a last call...three, two, one. Chair, no one is indicating they wish to testify.

CHAIR SUGIMURA: All right. So, on this item, Members, this...oh, can I close...can I close testifiers for this item?

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: TK and NUH).

CHAIR SUGIMURA: Thank you. And then we'll receive written testimony as we go along.

. . .CLOSE PUBLIC TESTIMONY BFED-21(21). . .

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CHAIR SUGIMURA: So, for this item, I would like to hear what the Department has to say because instead of designating a percentage because of the uncertainties of what we've seen with our Budget, I want to set a dollar amount, is my preference. But I will leave it up to you. And on this item then, if we're doing a Rule 7(B), then if the Department could talk about how are you...how are you sure the interest rate...rates will be lower when the County is forced to float a bond, and what has convinced you that now is not the right time to float a bond, but the County should actually wait for the right time? And that's the impact of this change, right, the impact of the...yeah. Can you please talk about that?

MS. ZIELINSKI: Thank you, Chair. Based on discussions that we've had with our municipal advisors, Bond Counsel, and just in general and, you know, looking at how the interest rates are going, how the market is running, as you know, you can see even like with mortgage rates and that sort of thing, they're still very, very high. So, our concern is that...we were originally looking to issue a bond in around August or September of this year. Honestly, we would have to have started right now to do...to get to...to do that, but the timing, based on what we've spoken to our outside...you know, outside consultants, and just what we're seeing, it doesn't seem that it makes a lot of sense to do it at this point. So, when we looked and we spoke with our Municipal Advisor, we...they typically look at when there is...there's less money out there, less Governmental money that's out there...or when I say money, I'm sorry, Governmental paper out there. In other words, when other...if it's a County, a State, any kind of a Governmental entity has bonds that are out there. And it looks like January and February are times when there's not a lot out there. So, their recommendation is to consider doing a bond issuance in either January or February of 2025. So, as...and...and there's...as I say, it's a matter of the money, the dollars that are available, that more people be willing to purchase our bonds. And when you have more willingness, it's supply and demand, interest rates will be lower versus higher, obviously. So that was one piece of it. And...so, that's really the reason why we're looking at...at...at issuing bonds at...you know, later on in January or so. And with regard to right now, we have about, I believe, outstanding \$40.2 million of that...of dispersed funds that relate to CIP. So, right now, we're getting kind of close to the \$55 million cap. So, my concern, our concern, our collective concern is that we can get there pretty quickly, especially with a lot of the CIP that's coming down the pike, so, we'd really like to increase this amount. And quite frankly, we don't have a problem with if it's a percentage. We thought a percentage seems simpler, but understood that, you know, we saw how our...our Budget can really ratchet up when you have a lot of things that are happening. So, you know, I think if we had something like \$100 million versus the 55, that would be a good number to...to look to. And keep in mind, the 100 million is...is just with regard to what has been authorized by the Council, okay? What's already been approved. So, it's not like we can just...you know, just disperse monies that haven't been

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authorized. We can only do it to the extent that there's CIP that has been approved by the Council, so...so that's the thing. It's not like we're out of control or anything like that, there's...there's controls in place. So, if...if that's something that Council wants to consider, I think...because the 10 percent right now, I believe, would be \$105 million. So, I think 100 is not a bad number. I was looking back historically just to see, out of curiosity. And well, 2010, and up until now, has been 55 million. So, from 2010 to '24, for 14 years, we've been at the same amount, and our budget was only 462 million back then. Now we know what our budget is now. The year before it was 50. So, we actually increased it to 55 from 50 in 2009, and interestingly enough, the budget was...was just slightly less than that, 461. And in 2008, it was 30 million, and we increased it the following year to 50. So, you can see, there was quite a few increases over the years. And oh, in 2008, our budget was 436. So, you know, the budget now is over \$1 billion, almost \$2 billion, pretty close. So, you know, we don't feel that the 100 million is an unreasonable number. I think that's something that we could work with, and it would...it would save us some time, or I should...I should say it will buy us some time with regard to issuing bonds. We don't really know, Chair. We don't know what the...what the answer is going to be. Are interest rates going to go down? Nobody knows. But right now, they seem to be historically quite high, and based on what we feel, and what we've heard from our advisors, better to wait, and they feel January, February is a good time. It's certainly not a good time in New York City, I can tell you...because I lived in New York City. But as far as...you know, as far as having the money available, investors willing to buy Government paper, that would be our recommendation. Thank you.

CHAIR SUGIMURA: Okay. So, you're recommending...yeah, 100 million is what you're recommending?

MS. ZIELINSKI: Yes.

CHAIR SUGIMURA: And Bond Counsel?

MS. ZIELINSKI: They...they totally support. In fact, we...I believe we had a letter during the Budget hearing, where we had...from Bond Counsel, where they did opine on that. And while, of course, they're never going to say, oh, it's not going to change your bond rating, but they pretty much said it should have no impact. And it truly shouldn't because, as I say, it's all authorized CIP. It's nothing that we can just spend money without...you know, without any controls. The controls are there.

CHAIR SUGIMURA: Okay. Questions from the Members? Chair Lee, go...I'll just go down.

COUNCILMEMBER LEE: Okay. Can you just cite one major control?

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MS. ZIELINSKI: Well, the control being that we could not...if we only had CIP to the extent of...and I'm just making an extreme example, but if we only had \$75 million of CIP that we could...we could...that had been authorized by the Council and by, you know, Administration, and we spent 100 million, I mean, it just can't be. It would never go through. It could never be dispersed. That's...that's the control. It just wouldn't happen.

COUNCILMEMBER LEE: And how would we know? By reports or by requests? Or how?

MS. ZIELINSKI: It would first start...I mean, if we were making such...a department...let's just say in an extreme example, a department issue...issues a request to Finance for a certain amount, for \$20 million, and that's...that's not part of the ordinance, the first thing that's looked at, that's checked, is to see if that's in the ordinance, if that CIP was approved, you know, and it's in the ordinance. So, the first thing it goes...it goes to...it'll go to Finance, it'll go to Budget, there's a lot of...and then, ultimately, you know, it gets...it has to get approved. So, there's a lot of layers of approval. It...it just...it just could not happen. It would be highly unlikely. I mean --

COUNCILMEMBER LEE: So, essentially, you're asking for permission to move around an additional \$45 million?

MS. ZIELINSKI: That is correct.

COUNCILMEMBER LEE: With Corp. Counsel approval?

MS. ZIELINSKI: Upon...correct. And the thing is that to the extent there's authorized CIP, so it's only for anything...any CIP that's already been authorized, that's in ordinance, or anything for 2025 that we start to --

COUNCILMEMBER LEE: For the 55 million, what's the reporting requirement?

MS. ZIELINSKI: For?

COUNCILMEMBER LEE: The...the limit you have now.

MS. ZIELINSKI: Oh, well, it's quarterly. We send out something to the Council, and it's...and the most recent one, which I believe was sent out in April, is 40.2.

COUNCILMEMBER LEE: Um-hum.

MS. ZIELINSKI: So...and before that, I think it was 37 or something like that. Yeah.

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COUNCILMEMBER LEE: Okay. And one last point I just wanted to make is that you're...you're right. You're absolutely right that the...the overall budgets have climbed quite high since 15 years ago.

MS. ZIELINSKI: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: But our CIP is generally around 200 million. So, you're talking about 50 percent that you're asking for this kind of wide discretion, so... Okay, and I...I yield to the floor.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER LEE: I want to hear other questions.

CHAIR SUGIMURA: Okay, great. Thank you. Three minutes, Members. Member Paltin.

COUNCILMEMBER PALTIN: Can you tell me what the difference is between 10 percent and 100 million? It's 10 percent of what, 800 --

MS. ZIELINSKI: The 10 percent that we were looking at was Operating Budget. So, right now, I think the Operating Budget is...we've...105...I'm sorry, 100. I wish. 1 billion-53 *[sic]*, so...

COUNCILMEMBER PALTIN: That's our Operating Budget?

MS. ZIELINSKI: That's our Operating Budget. Budget Director is checking it now.

COUNCILMEMBER PALTIN: And then does this align...I forget what the acronym is, but it's like --

MS. ZIELINSKI: ACFR?

COUNCILMEMBER PALTIN: -- generally...no.

MS. ZIELINSKI: Oh.

COUNCILMEMBER PALTIN: Generally accepted --

MS. ZIELINSKI: Accounting Principles.

COUNCILMEMBER PALTIN: -- Accounting Principles.

MS. ZIELINSKI: Um-hum, yes.

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COUNCILMEMBER PALTIN: It does align with it?

MS. ZIELINSKI: Oh, yeah. Yeah. I mean, it...it --

COUNCILMEMBER PALTIN: The other number, I think, for the Generally Accepted Accounting Principles that they said was how much emergency fund balance that we carry over. And was that like 20 percent of our Operating Budget?

MS. ZIELINSKI: I believe it's 20 percent of --

COUNCILMEMBER PALTIN: So that would be like 200 --

MS. ZIELINSKI: -- of General Fund Revenues...is of General Fund Revenues.

COUNCILMEMBER PALTIN: Oh, General.

MS. ZIELINSKI: Yes.

COUNCILMEMBER PALTIN: So Operating Budget is not...General Fund Revenues is mostly like Real Property Tax, TAT-inclusive?

MS. ZIELINSKI: It's going to be all of our...yeah, it's all of our General Fund Revenue. So those, of course, are the largest amounts, yeah.

COUNCILMEMBER PALTIN: So, like --

MS. ZIELINSKI: So, on that one, I believe --

COUNCILMEMBER PALTIN: 160 mil or something?

MS. ZIELINSKI: I think it was 170.

MS. MILNER: Thanks, Chair, Councilmember Paltin. Just...the Operating Budget right now, for Fiscal Year '25 proposed, is 1.053 billion --

COUNCILMEMBER PALTIN: 1 billion?

MS. MILNER: 1 billion, sorry. Hoo. 1.053 billion, so it would be...1.05 billion would be 10 percent of that. No.

MS. ZIELINSKI: . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: 100.

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MS. MILNER: Sorry, 105 million. . .*(laughing)*. . . I apologize. And then the General Fund that we estimated for Fiscal Year '25 currently is 874,662,823. But a portion of that is GET, which, as we all know, is already restricted.

COUNCILMEMBER PALTIN: So that GET is counted as General Fund Revenue, even though it's restricted?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. That's how it's reflected in this year's budget. I am going to talk to the Department of Finance about next year reflecting it similar to other fines and fees that are directed directly into their Special Funds rather than doing the transfer in the budget bill. I think that will be accepted, but I want to confirm that with Department of Finance before we go down that road.

COUNCILMEMBER PALTIN: Because it can only be used for water, and sewer, and those types of things, and water and sewer is generally a self-funded thing? . . .*(timer sounds)*. . . So...

MS. MILNER: Yes.

COUNCILMEMBER PALTIN: But it's still part of the operating? . . .*(timer sounds)*. . .

MS. MILNER: Yes, right now, it's still part of the Operating Budget for Fiscal Year '25.

COUNCILMEMBER PALTIN: But if we reflected it differently, would it still be part of the Operating?

MS. MILNER: I don't believe so. I think if we reflected it as going straight into the Special Funds that we created, that it would not be considered part of the General Fund. It would just show up in Appendix A, Part II rather than in the body of the operating bill.

COUNCILMEMBER PALTIN: Then 10 percent makes more sense? Okay, thank you.

CHAIR SUGIMURA: Okay, thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Oh, okay. Sure, Chair. So, I guess, you know, when I...when I hear Director Zielinski speak on the idea that our interest rates are really high right now and is now not a good time, it reminds me of an expression that a realtor told me recently, is you marry the mortgage, you date the interest rates, and that way...because the interest rates are going all over. And do...are there any programs out there that would allow the interest rates to go down for...for our bonds? Even though the interest rates are presently high nationally, are there any programs that allows our interest rates to go down?

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MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Yeah. Not that I can really think of, Councilmember. I mean, there are other financing type of, you know, activities we could do, but we couldn't do them in...with the County relative to, you know, hedging and that sort of thing. So that wouldn't be something that we would...we'd want to consider. But I think at this point, you know, with our bond rating and, you know, with just the...the perception by...by the...by the market, we're probably...it's as good as it can get in my...my opinion, yeah. I think not just my opinion, in, you know, our municipal advisor's opinion as well. So, I don't really see that happening. I think just, you know, kind of waiting it out a little more. And that's another compelling reason to increase it to 100 or...or the 10 percent, whatever the Council prefers because it does buy us that time. We don't have to say, oh, we're getting close to 55, we'd better...we'd better issue bonds. And...and the...and it really, you know, hurts us from a standpoint of what the environment is. The good news is that from a cash flow standpoint, a cash flow management, our Treasury Department has really been able to very well maintain our...you know, our cash and our investments. So, you know, we're not seeing a whole lot of variation, so, I mean, that's a good thing, and --

COUNCILMEMBER JOHNSON: Okay. You know, it's...when I think of (*audio interference*). How's that, better? Okay. When I think of \$100 million in CIP funds, that...when we look at how expensive affordable housing is, it's so expensive. Like this...is this...basically my question is, is this going to be enough? Because when you look at the infrastructure costs, I know we have other pots of money to use. I mean, just for an example, Hōkūao on Lānaʻi was over 100, \$120 million just to build those 125 units, you know. So, it's just...and after...post-fire, we lost so much infrastructure, we lost so much housing. And to go and build...build it back, is this...is this enough, Director?

MS. ZIELINSKI: Chair? Thank you, Chair. Councilmember, yeah, I think, you know, the...the...it's...it's really not good news for, you know, if you're...we're trying to do housing, but everything takes time. And the payments that we're making that are part of that 100 or 55 million for right now is done in increments. So, you know, I...in fact, what Council gets is the listing of all the CIP. And you'll see they come in in small pieces. So, it's not like if you have a \$50 million project that we make a check for \$50 million. It's done in pieces in very small increments.

COUNCILMEMBER JOHNSON: Right.

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MS. ZIELINSKI: So, I think the 100 million is sufficient, especially if we're looking at, you know, January or February of next year. I...I don't have a concern there. I think based on what I'm seeing --

COUNCILMEMBER JOHNSON: Okay.

MS. ZIELINSKI: -- how it's increasing, I think we're good.

COUNCILMEMBER JOHNSON: Okay. Just a correction, it's \$110 million for 150 . . . *(timer sounds)*. . . homes...just clarifying that. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Next, we have Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Finance Director, and Deputy Director, and Budget...Budget Director. Mahalo for being with us today and answering our questions. Okay. So, my first question is regarding any...with this...with this change, did you consult with our bond counsel and...to see if that would like affect anything there?

MS. ZIELINSKI: Chair? Yes?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: Yes, we...we did. In fact, it was something that was requested by...during Budget session, whether we had consulting, and we did. And there was actually a letter, which we can share again, but had been provided. And he basically said he saw no problem with that whatsoever. And his whole point was...as...as Chair Lee had asked about, was that it's...we can only disperse to the extent that it's been...the CIP has been authorized. So, he saw no problem with that. And while, again, you know, they kind of do all their...you know, they...they...they don't want to exactly say, and he said, I don't see that your bond rating will be impacted in any way. But of course, you know, then he says, well, I can't promise, you know, that kind of thing. There's always those disclaimers, but he...he just simply couldn't see it. And it is in the letter. We can share it again with you folks.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo. And then, my second...second question is regarding the reports that come from Finance and come from the Administration. I think it was like last year or something, we made an adjustment to not have those reports transmitted as a Council...Council communication, County communication, on our full agenda. And I was hoping that I could call in Staff to explain where the public would be able to access these reports.

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MS. ZIELINSKI: Chair? Yeah, I'm not sure of that --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, no, no, sorry. Not...not...I was asking Staff. Yeah, yeah, yeah.

MS. APO TAKAYAMA: Yes, it's located on maucounty.us under Quick Links and on the Resources page. So, there's a link to the 2023 to 2025 communications log, resolutions log, and bill log. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Apo Takayama. Okay, mahalo, Chair.

CHAIR SUGIMURA: Okay. Member Cook.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, and then --

CHAIR SUGIMURA: Oh, sorry.

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

CHAIR SUGIMURA: Oh, yes. Member U'u-Hodgins, welcome.

COUNCILMEMBER U'U-HODGINS: Thank you. Sorry my sneeze announced my presence, but hello.

CHAIR SUGIMURA: . . .*(laughing)*. . . Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. Thank you both for being here. My question, Chair, is, the GET for infrastructure to pay for water and sewer, is that separate bonding, or is that linked into this --

CHAIR SUGIMURA: Director?

COUNCILMEMBER COOK: -- for those CIP projects?

MS. ZIELINSKI: Yes, that would be...anything that we would...any bonding is specifically for...would be...what we're talking about now is...is any...any kind of CIP. So, it would also include the water.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Cook. Yes, it would include water, but the bonds are issued under the Water Fund, so they would be responsible for them. And then any projects that could be considered CIP that are under GET would be paid solely with the GET fund and would not be bonded.

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COUNCILMEMBER COOK: So, it's under the same umbrella, but it's in separate categories?

MS. MILNER: Yes. Thank you, Chair. Thank you, Councilmember Cook. Yes, that's correct. And same for Sewer Fund and all of our other sort of enterprise funds.

COUNCILMEMBER COOK: Thank you.

CHAIR SUGIMURA: Okay. Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. I've been paying attention to the Committee while I was driving here, but I have no questions. Thank you.

CHAIR SUGIMURA: Oh, very good. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair, and mahalo, Acting Director Zielinski. Is this...my question is, is this in response to the Mayor's proposal to the State legislature and the increases because we...we've got a better bond rating than the State? So, it's just to kind of take those for our CIP projects?

CHAIR SUGIMURA: Director.

MS. ZIELINSKI: Chair, thank you. Thank you, Councilmember. Yeah, you know, I think it's...it's twofold. I think regardless, if...if the State had come through with...with real money for us or not, we would have...we would have recommended this change. I believe we were already talking about it. Because we were concerned the 55 was not necessarily sufficient, you know, given how...the...the vagaries of...of interest rates. However, you make a great point, Councilmember, because, you know, as you said, the State offered to issue bonds, but of course, their...the interest rate, because they're not...they're not rated as well as we are, would be a lot higher. So, it would make absolutely no...you know, no...it wouldn't be logical to accept that money, it would be at a higher interest rate. So, you know, I think that's a...definitely another piece of it because now we have, in fact, in the Budget, more items that have to be...you know, are...are funded through CIP that...than we initially anticipated because we thought we were going to get, you know, 195...\$190 million from the State. So, yes, absolutely. I think that's a great point. Thank you.

COUNCILMEMBER SINENCI: Okay. Thank you for that. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. So, I have a question. So, when the advances from the General Fund are made, where is it actually borrowed from? The Special Purpose Fund balances because they are funds that are sitting and available for other uses. Does the County have the capacity to loan the 10 percent or whatever is going to be recommended until the bond is floated?

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MS. ZIELINSKI: Chair. That wouldn't be something that we would necessarily want to do, and I'm not even sure--I'd have to check with Corp. Counsel or Budget Director at what her...what her feeling is on that, but that's not something we would want to entertain. You know, that's coming from the Bond Fund. It's a loan, basically, to the Bond Fund. So, we're just taking money...or the bond...the Bond Fund will ultimately reimburse the funds from the General Fund, wherever we've taken the monies from.

CHAIR SUGIMURA: So, the GET funds, which we just started receiving January 1 --

MS. ZIELINSKI: Um-hum.

CHAIR SUGIMURA: -- and I think it's in...it's in our budget for 60 million, is what we increased it to...

MS. ZIELINSKI: No...no, I think that's the TAT, right?

CHAIR SUGIMURA: No, GET.

MS. ZIELINSKI: Oh, they're all...both 60? Oh, okay.

CHAIR SUGIMURA: Oh, yeah. TAT, we should raise it, right?

MS. ZIELINSKI: Yeah. Okay.

CHAIR SUGIMURA: But anyway, the GET is in for 60, so, that's bondable. So, will you be looking at the projects that we put in there, the CIP projects in there, to bond also?

MS. ZIELINSKI: The CIP for GE...that would be used for GET tax, is that what you're saying?

CHAIR SUGIMURA: From the GET, yeah. Yeah.

MS. ZIELINSKI: From the GET. That...that can be, yeah. That...we can use it for any type of...it would be...it could be for water as we were talking about, or sewer, or whatever, I mean.

CHAIR SUGIMURA: Ah. Ah.

MS. ZIELINSKI: Yeah, we just have to --

CHAIR SUGIMURA: So, by increasing...what we're doing is increasing borrowing, right?

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MS. ZIELINSKI: Yes.

CHAIR SUGIMURA: So, how does...from the General Fund, how does that impact the County's liquidity?

MS. ZIELINSKI: Yes. Thank you for the question. Yeah, it...it really...the good news is, it doesn't really impact us very much. That's the good news. Our cash management, we have very good liquidity right now. In talking to Treasury, we've...I've asked for...we kind of looked at what it would be, the forecast would be, over the next period, over like six months, eight months, that sort of thing, and we are not really seeing much of a decrease. If anything, they believe there'll be somewhat of an increase. So, I think our cash...our cash management is very good, and our liquidity is excellent. So, I don't see any impact on increasing that...that amount to 100.

CHAIR SUGIMURA: Oh, yeah?

MS. ZIELINSKI: If we...if we had to actually get to that, and it's highly unlikely, but just in case it was, we can tolerate it from...from a liquidity standpoint.

CHAIR SUGIMURA: Okay, all right. Second round. Chair Lee, you have a question? You're done? Member Paltin.

COUNCILMEMBER PALTIN: Thank you. I was wondering if we count the GET as Enterprise Fund revenue that would...that would bring our General Fund revenue down by 60 million, but it wouldn't impact our Operating Fund?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Chair, I'm going to actually punt this one to Acting Budget Director.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. No, if we just recognize GET as going directly into Appendix A, Part II, we could still make the appropriations under there. I don't think it would impact our Operating Budget at all.

COUNCILMEMBER PALTIN: I guess...was that three minutes?

CHAIR SUGIMURA: No.

COUNCILMEMBER PALTIN: Oh, okay. My other question is, you know, if we set it at 100 million, and then our operating revenue goes up or down, is that going to be a problem? Have we ever hit our limit, like at 50 million or 55 million, in floating bonds? We've...or is the intent to hit the 100 million?

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MS. ZIELINSKI: Chair.

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Yeah. No, I don't...I don't believe that we...we...we intend that it will get to that level. As I say, right now we're at 40.2, and if we get to January, which means we'd start to set everything up very quickly, I just don't see it getting to that point. Because again, as I mentioned to Councilmember Sinenci, the...the--or I believe it was, I'm sorry, Councilmember Johnson--you know, when we have CIP --

COUNCILMEMBER PALTIN: We don't have the capacity to do that --

MS. ZIELINSKI: We don't...yeah, and...and the CIP, as we get the bills, we don't get a \$50 million bill, and...you know that we pay right off the bat. It's done in very small increments. So, I don't see that happening. I don't think that's a concern at all, quite frankly.

COUNCILMEMBER PALTIN: And so, then . . . *(sighing)*. . . if...if we're going to be float...or we are going to be floating a lot of bonds because of the infrastructure improvements, and we set it at 100 million versus 10 percent, and the Operating Budget fluctuates much lower, and we have that high of a cap, is that still in alignment with the Generally Accepted Accounting Principles?

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: Yeah, Councilmember, I think...let me just clarify. General Accounting Principles is really...not...really, to be frank with you, really part of this because Generally Accepted Accounting Principles is how you're reflected in...in your...in your financials. So, that's more of a...that's more of a cash management kind of thing, what we're looking at. So, yeah, GAAP doesn't care what you do...General Accepted Accounting Principles, they don't care what you do as long as you record it correctly so it could be poor cash management. But if you reflect it correctly, you know, you'll have the auditors saying hey, it's in accordance with Generally Accepted Accounting Principles. So, the bottom line, though, is that if, in fact, the Operating Budget--because let's face it, this is an anomaly, right, what we're going through right now. And hopefully --

COUNCILMEMBER PALTIN: Hopefully, anomaly.

MS. ZIELINSKI: -- let's knock on some wood, that it goes down significantly, there's no reason why we can't just come back and ask for a...a change in our...our...in

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Section 18 of the General Budget Provisions, right. We can just reduce it. There's no reason . . . *(timer sounds)*. . . that...that precludes us from doing that. That would be my...that would be my feeling. Because I agree, if you...if...if the Operating Budget goes down significantly, let's just reduce it. You know, it gives it all of us much more comfort, right?

COUNCILMEMBER PALTIN: Okay. I'll...I heard the buzzer; I'll wait until the next round. I'll write down my question so I don't forget it.

CHAIR SUGIMURA: Okay. Member Johnson, then Member Rawlins-Fernandez.

COUNCILMEMBER JOHNSON: Thank you. Chair, my questions have been answered.

CHAIR SUGIMURA: Thank you. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. So, if this doesn't pass today, and it is something that would be needed later, we could amend it later?

MS. ZIELINSKI: Yeah. I'm actually...Budget Director actually just whispered to me, so I'm going to let her answer that.

COUNCILMEMBER RAWLINS-FERNANDEZ: We haven't made the amendment yet.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Rawlins-Fernandez. This is already in the Fiscal Year 2025 budget. So, starting July 1st, the 10 percent is in the General Budget Provisions if you choose to leave it there. If the Council chooses to make an amendment on May 21st to change it from 10 percent to 100 million, or whatever you might consider, you know, that is at your discretion. But the 10 percent language is already in the General Budget Provisions effective July 1st.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. It's...it's in there, but we didn't pass it on two readings, so, yeah.

MS. MILNER: Thank you, Chair.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes. Mahalo. Okay. That's all.

CHAIR SUGIMURA: You're good? Okay. Member Cook.

COUNCILMEMBER COOK: I have no further questions, thank you.

CHAIR SUGIMURA: Okay. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: No questions.

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CHAIR SUGIMURA: Member Sinenci. Oh, do you have any more questions? Okay. So, I have a question. In all the media that we've been seeing, and...and discussions, we're expecting hopefully to get pretty hefty CDBG-DR funds. So, where would that be reflected in the budget, and how does that impact our Fiscal Year '25 budget?

MS. MILNER: Thank you, Chair. That would be reflected in Appendix A, Part I as Grant Funding, similar to how we recognize the regular CDBG funds. So, it wouldn't be recognized as part of the operating or CIP budgets, it would be under the Grant Funding.

CHAIR SUGIMURA: So, we wouldn't...it wouldn't impact this decision?

MS. MILNER: Thank you, Chair. No, it shouldn't. And so, even if we received a significant influx of CDBG-DR funds, it would not make a significant impact on the currently proposed 10 percent.

CHAIR SUGIMURA: But wouldn't it be for wildfire-related, and a lot of it would be CIP, we wouldn't bond it? We would just take the expense using the DR funds? You know, the...if the process has been determined, or if Administration has resolved those...these kind of questions?

MS. MILNER: Thank you, Chair. I know that the CDBG staff is traveling to meet with some folks who have managed CDBG-DR funds in the past, to learn some best practices. Because we're still waiting to see if we're going to be placed on the list, I don't believe policies or procedures have been developed to date. As we currently handle the CDBG funds, we appropriate the money underneath the fund in Appendix A, Part I. We do not bond those projects, but I think once we know whether or not we'll be receiving those funds, and the policies are developed, we could definitely come do a 7(B) presentation for the Committee or the Council to let them know how that will proceed.

CHAIR SUGIMURA: Okay, so, it's not something that...and we can...okay. I'm glad we're talking about the CDBG-DR funds because I think it's in all of our minds, and we will, you know, look at it and talk about it more in-depth. Members, so our Operating Budget for Fiscal Year '25 is 1.05 billion. And if you want to, I would rather recommend that we take a dollar amount and not a percentage, so we're not, you know, fluctuating this bond amount. So, Members, do you have any more questions about this for deliberation? Okay, Member Paltin.

COUNCILMEMBER PALTIN: I...I don't understand why you would prefer a set dollar amount. That means we have to come back every time it...the operating budget fluctuates and re-designate amount. That seems like a lot of busy work.

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CHAIR SUGIMURA: So, that's what we've been operating under all these years. So, percentage is something brand new, so I don't think it's busy work because we haven't reached that amount yet. But just out of caution because of where we are as a County with the wild...wildfire disasters and everything, and all of the work that we need to do for recovery, that I would rather see a...of course, it's up to you, Members, but I would rather see a dollar amount rather than a percentage.

COUNCILMEMBER PALTIN: Okay. I disagree. But my question for Finance would be if we plan to float in January or February of the following, I guess, 2025, when would this need to be done if...if it doesn't pass on May 21st? Any time before January, February?

CHAIR SUGIMURA: Director.

MS. ZIELINSKI: Chair. Thank you, Chair. No. I mean, the biggest concern would be if we have outlays that are close to exceeding the 55 million. So, right now, we're at 40.2. I think my only concern would be that if we get...start to get very close where we're making payments, disbursements, right, for CIP, and we're getting to that 55 million, it might hamper our ability to...you know, to make further payments on CIP that...because a bond issuance needs some...you know, you need about three months from what I understand of advance planning, you know, to...to get it, you know, working with the bond counsel and working with --

COUNCILMEMBER PALTIN: Is your plan to do competitive or negotiated?

MS. ZIELINSKI: I personally would like to do competitive. Yeah. I mean, competitive is a much better product, in my opinion. You're...everybody's...just my opinion. We'll see what the...you know, what the experts, the...our municipal people say. But in the past, the County has used competitive, and I think with better results. Just my opinion, for whatever it's worth.

COUNCILMEMBER PALTIN: So then we'd need to at least extend the cap by October at the latest?

MS. ZIELINSKI: And depending on what the number is. We just don't know. You know, it may not be...I...I don't know what the timing with which we'll be making payments, so I think we just have to see.

COUNCILMEMBER PALTIN: So, your preference is July 1st to have it?

MS. ZIELINSKI: Yeah, that would be my preference, only because it's one less thing that we have to be concerned about. And as far as --

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COUNCILMEMBER PALTIN: We want to deal with no deadlines, huh?

MS. ZIELINSKI: . . .*(laughing)*. . . No pressure.

COUNCILMEMBER PALTIN: Got it. Thank you.

CHAIR SUGIMURA: Okay. Any other questions, Members? Okay, I don't see...okay, Member Sinenci, Member Johnson, you're fine. So, this is...I'm going to defer this because we will take this up on first reading, second reading, and pass the percentage that we want. Right now it's in the Budget, as Director said...Directors said...for 10 percent, so if we want to change it, we have to change it under you. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. So, a question for you, Chair. So, your intention is to propose that amendment at first reading?

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

CHAIR SUGIMURA: Because we'll be then taking up the Budget Bill, yeah? Okay. So, I'm going to defer this item, Members, with your approval?

ACTION: DEFER pending further discussion.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: TK).

CHAIR SUGIMURA: Okay, thanks. Thank you. Okay, so that is part of the agenda. Going fast, very good. Next on the agenda is...we're taking up the tax credit. So, we'll hear a presentation from Marcy Martin, who is online, and the second item, which is about the circuit breaker, and it is Bill 85 (2024). So, at this time, whoever would like to make a presentation before we take public testimony. Is it Marcy Martin...oh, it would be you?

ITEM 94: BILL 85 (2024), AMENDING SECTION 3.48.810, MAUI COUNTY CODE, RELATING TO THE CIRCUIT BREAKER TAX CREDIT (BILL 85 (2024))

MS. ZIELINSKI: Yeah, Chair, I'll...I'll start it, but I believe Ms. Martin is on the...is on the call, she's standing by.

CHAIR SUGIMURA: Okay, Director.

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MS. ZIELINSKI: So, what we're looking at here was...this was in response to the concern that some people are actually getting bumped out of the Circuit Breaker Credit. And it's partly because of...or largely because of the assessed value of real estate has really gone up so much that people are...you know, are not qualifying any longer. And Ms. Martin will be the first to tell you that, I guess, the last change, the last update was 2020, and as we all know, assessed values have increased, you know, exponentially since then. So, basically what we're looking at in this ordinance is to increase the credit...the Circuit Breaker Credit from what is 6,500 right now, to 8,200; base the household income from 100,000 to 126,000; and then to increase the assessed value of the property from 750,000 to 1 million, where you get the full amount of the credit. So, that's what we're looking for. I'll...I'll pass this on now to Ms. Martin so she can...she can address anything else she'd like to add.

CHAIR SUGIMURA: Thank you, Ms. Martin, for being with us.

MS. MARTIN: Thank you, Chair. So, I...I looked at the program requirements this year after taking input from the public, people who...who called us, and kind of researching their situations. And then I looked at how much values have increased. So, these are...aren't arbitrary numbers, they're in line with the value increases that we've seen over the past four years. But I would say the most important qualification being introduced today would be E. the gross building assessed value. I feel that that really needs to be increased to keep people in the program. And as you know, the group of people really being impacted the most by this are the...the generational owners near the ocean. Thank you.

CHAIR SUGIMURA: Okay. Ms. Milner, you want to add to that? No?

MS. MILNER: Thank you, Chair. No, nothing to add.

CHAIR SUGIMURA: Okay. So, now I'm going to take public testimony. Do we have anybody here for this item?

MR. KRUEGER: Chair, no one has indicated that they'd like to testify on BFED-94. So, we'll do a last call now. If anyone would like to testify on this item, please identify yourself now. If you're in the Chamber, you can identify yourself, or if you're on Teams, please use the "raise your hand" function. Here's the countdown for last call...three, two, one. Chair, no one has identified as wishing...as wishing to testify.

CHAIR SUGIMURA: Thank you. With your permission, Members, I'd like to close public testimony and receive written testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: TK).

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. . .CLOSE PUBLIC TESTIMONY BFED-94 . . .

CHAIR SUGIMURA: Thank you very much. All right. So, let's...this came up during our Budget deliberations, and so, thank you very much for this bill, Finance. We were anticipating it. So, I'd like to start off with Chair Lee. Questions?

COUNCILMEMBER LEE: Thank you, Chair.

CHAIR SUGIMURA: Three minutes.

COUNCILMEMBER LEE: Of course, we want to know financial impacts?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: Yeah.

MS. MARTIN: Chair?

MS. ZIELINSKI: My understanding--and, you know, actually, I believe Ms. Martin probably can answer it better--but we...we really won't see any impact because it's...it's occurs after...after our fiscal year begins. But I'm going to pass this on to Ms. Martin.

CHAIR SUGIMURA: Okay. Ms. Martin?

MS. MARTIN: Thank you, Chair. So that is correct. It will not impact your revenues for Fiscal '24 and '25. It will impact revenues for the next year, but you will be able to budget that. We will have a calculation, and we will put it in Certification. But I'm looking at the Certification booklet handout from this year, on page 25, and in Fiscal Year 2021, Circuit Breaker was about 476,000 in tax relief, and this year it's projected to be below 300,000. So, it's...it's lower than it has been in the past. And to be more inclusive, I would anticipate it going back to where it was, you know, in Fiscal '21-'22.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER LEE: Thank you.

CHAIR SUGIMURA: Thank you very much. Member Paltin?

COUNCILMEMBER PALTIN: Can you remind me when the last time we monkeyed with the Circuit Breaker?

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MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: Yeah. I believe it was 2020. I'm getting that from Ms. Martin. She told me.

COUNCILMEMBER PALTIN: 2020?

MS. ZIELINSKI: Yeah.

COUNCILMEMBER PALTIN: Okay. And the reason now that less people qualify is because the assessed values have gone that much up?

CHAIR SUGIMURA: Director?

MS. ZIELINSKI: I'll punt that to Ms. Martin. She's more familiar with who's getting bumped out for what reasons.

MS. MARTIN: Yeah. Thank you, Chair. So, this is, you know, an opinion, but I think that, you know, housing has gone up, incomes have gone up. So, then hopefully it's because times are good also --

COUNCILMEMBER PALTIN: I guess for some people.

MS. MARTIN: -- but it is because we've had so much inflation, it's a good time to relook at it right now.

COUNCILMEMBER PALTIN: And when I look at the '19-'20 year, where it was like 426,000...or even the 2021, where it was 475,799, the average credit was in the 900s, and now it's in the 735s. I was wondering if you could explain how that happens? Is it because less people are...are qualifying, and that's the rates that they're...the credit rate that they're receiving?

MS. MARTIN: One reason could be because of the tax relief that this body has given people in the homeowner class. We have the home exemption, we have...and also have 'āina kūpuna. So, I'm guessing that's...that's why. Because we were able to kind of keep the homeowner taxes level, or have them decrease over the past few years. However, the people who qualify for the Circuit Breaker, while maybe \$700 doesn't seem like a lot, you know, some people are getting the much higher credits, and it's very important to them. This is the average, not the whole range.

COUNCILMEMBER PALTIN: And the only way that we can monkey with the Circuit Breaker Tax Credit is the year prior to it actually happening. So, we kind of

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have to anticipate where rates and whatnot are going. Is this the only way to predict it or prepare, is like we get complaints? Or we look at it annually, what the credit would be? Or...I mean, how do we get in front of it because it seems like we're a little bit behind . . . *(timer sounds)*. . . this year.

CHAIR SUGIMURA: Ms. Martin.

MS. MARTIN: Yes, thank you. I'm...I...I agree with what you said, that it...it kind of needs to be looked at every year. And I'm really pleased that it...you know, it was introduced during Budget time because I think this is the right time to look at it. And our minimum tax is in the budget, but then this is always...we take applications during this fiscal year, but it doesn't impact the next fiscal year. So, I think to get in front of it, it would require a more complicated Code change, but I don't think it's impossible.

COUNCILMEMBER PALTIN: Are...are we examining this annually, or just when we get complaints from constituents?

MS. MARTIN: I look at it annually, and that's why I provide these statistics in here. And I...I also take complaints, and I, you know, interview people...and you all take complaints and can forward it to...to us, and --

COUNCILMEMBER PALTIN: Thank you, Ms. Martin.

CHAIR SUGIMURA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. This is for Ms. Martin. I guess it's a follow up to what Councilmember Paltin was saying. I was wondering if we are getting feedback from generational families. Is it only during tax time that this comes up, or throughout the year? Have you...just kind of getting some feedback from our community members?

MS. MARTIN: Chair?

CHAIR SUGIMURA: Yes.

MS. MARTIN: So, we send out our assessment notices in March, and that's the time when we receive feedback. The tax bills go out in July, and that's another time that we receive feedback.

COUNCILMEMBER JOHNSON: Is there any appetite in the Department to have community meetings, inviting those families to...together all at once? Because maybe as a collective, they might...you know, you might learn something that, you know, just as opposed to someone who's complaint-based, or has the energy to respond. You know, a lot of times folks are just, you know, up to here

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in their day...day in and day lives, and they just pay it, you know? Is there any appetite for having anything like that?

CHAIR SUGIMURA: Ms. Martin.

MS. MARTIN: Chair. Thank you. So, even in our budget performance measures, you'll see that we put public outreach in. So, we try to do public outreach. We are available to do meetings, and I think a good example was when we did the 'Āina Kūpuna, we had --

COUNCILMEMBER JOHNSON: Um-hum, yeah.

MS. MARTIN: -- groups on Zoom, even.

COUNCILMEMBER JOHNSON: Yeah.

MS. MARTIN: And we had pretty good turnout. And it's...it's important to kind of hear what people are going through with their property taxes in the owner-occupied class.

COUNCILMEMBER JOHNSON: Yeah, I totally agree with that, Ms. Martin. Thank you, Chair. No further questions.

CHAIR SUGIMURA: Thank you. Now, we have Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Aloha, Ms. Martin. Mahalo being with us and answering our questions. I...I always think that your suggestions and proposals are really helpful to the community because you see what goes on with the applications and with the valuations. I...I'm...I'm supportive of this direction, and...and perhaps it's...it's a good time to re-look at the 'Āina 'Ohana that we are working on. And maybe that's one way that we can, you know, continue to support our community and provide tax relief as the property values continue to skyrocket. Mahalo.

CHAIR SUGIMURA: Okay. You're done? Member Cook, then Member U'u-Hodgins. No questions, Member Cook? Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. I'll start off this conversa--...conversation by saying I'm...I'm really supportive of this. I know Member Johnson asked if they went out to the community, and as Ms. Martin said, this will affect generational landowners next to the ocean. I am one of them. But here's when it gets a little bit complicated in my own experience. As Ms. Martin said, they send out the value assessment in March. Everybody basically does their taxes in April. And then, this application is available August 1st through the end of December, and you need your tax transcript.

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And you take somebody like my grandma, who...this is a family land, and she owns her car outright. She doesn't believe in credit cards. And in order for you to get your tax transcript online without talking to somebody--and I'm sure the people of Lahaina know how difficult it is to get in touch with somebody in the Federal Government and talk to somebody as a person--you can't apply for that online, and it takes a long time. So, you call, and you call, and you call, and it...it's...you basically have to prove who you are, and it's very difficult when you have no debts, like my grandma. And we have lived on the same property since before, I don't know, everybody was here. This property has been in our family. We don't qualify for 'Āina Kūpuna. I'd love that, but we don't qualify. Our taxes are not enough, but it's basically too much for my grandma. And so, I totally support this. I would love, though, for us to use maybe the N11 as a way to show our income instead of the tax transcripts because that, I think, is a deterrent for people to apply. It's quite difficult to get it if you don't have any debts, like somebody like my grandma. And if you're kind of old and forgetful, like my grandma, this all sits on the side, and then, you know, first week, last week of December, she's like, oh, yeah, I forgot I was supposed to give you this paper, and now it's too late. So, if we could maybe make it a little bit easier for people to apply, I would love that. But nonetheless, I absolutely support this. Thank you, Chair.

CHAIR SUGIMURA: Okay, thank you. Department, you want to make a comment regarding that? Ms. Martin or Director Zielinski? Go ahead.

MS. MARTIN: I can make a comment on that. We are aware of this situation. We can also look into that, but we've applied other solutions in...in the past, where we had advocates help people apply. But I think it's a good comment, and it's worth looking into and seeing if we can find a...a solution.

COUNCILMEMBER U'U-HODGINS: Thank you, I appreciate that.

CHAIR SUGIMURA: Thank you. And we like to hear grandma stories. Thank you. Next, we have Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. And yeah, I'm generally supportive of the increased tax credit for homeowners. My question for Ms. Martins [sic] is, for those generational families that might have their properties and...and family trusts, does...does this apply to...to like family trusts?

CHAIR SUGIMURA: Ms. Martin.

MS. MARTIN: Yes. So, this is for those who are in the owner-occupied class, so it doesn't affect, say, vacant land, for example. If you own in an LLC, that LLC generally leases to the occupant, who then has to apply for the home exemption.

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

CHAIR SUGIMURA: Thank you. Thank you very much. So, I have no further questions. Anybody has second round? Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. For Ms. Martin, I'm on page 25 of the Certification, and I'm looking at the bar graph above the numbers where it says number qualified, but on either the right or left side, it has dollar amounts. So, I was wondering, is each of those lines...like how do you know the number qualified based on the graph?

MS. MARTIN: I think that's a typo.

COUNCILMEMBER PALTIN: Oh, on the --

MS. MARTIN: I'm not sure if -- . . . *(inaudible)*. . . --

COUNCILMEMBER PALTIN: -- right-hand side, it shouldn't be dollar amount?

MS. MARTIN: No. Yeah, yes, yeah. Yes.

COUNCILMEMBER PALTIN: Oh, okay, okay. So, if I just remove the dollar sign on the right-hand side, then it's just numbers?

MS. MARTIN: Right, because it's...for '24-'25, it's 400, and it's right at the \$400 sign. So, ignore that dollar sign.

COUNCILMEMBER PALTIN: Got it, thank you. Oh, that makes so much more sense.

CHAIR SUGIMURA: Are you done?

COUNCILMEMBER PALTIN: Yeah, I just...I was so confused. Thank you.

CHAIR SUGIMURA: Okay. Anybody else have questions on this item? Okay, I see none. So, at this time then, I would like to entertain a motion to recommend passage on first reading, Bill 85 (2024), entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.810, MAUI COUNTY CODE, RELATING TO THE CIRCUIT BREAKER...BREAK TAX CREDIT," incorporating any nonsubstantive revisions.

COUNCILMEMBER U'U-HODGINS: So moved.

COUNCILMEMBER JOHNSON: So moved.

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CHAIR SUGIMURA: Moved by Member U‘u-Hodgins, second by Member Johnson. Thank you. Any more discussion, Members? Seeing none. I think this is a...all in favor, say “aye.”

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: So, this is eight “ayes,” one excused, which is Member Kama. Motion passes. Very good.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Kama.

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 85 (2024) by
 C.R.

CHAIR SUGIMURA: We...we were anticipating this from budget deliberations.

**ITEM 90: BILL 57 (2024), AMENDING THE FISCAL YEAR 2024
 BUDGET: APPENDIX A, PART I, DEPARTMENT OF
 HOUSING AND HUMAN CONCERNS (AMERICAN
 RESCUE PLAN ACT, HOMEOWNER ASSISTANCE
 FUND) (BILL 57 (2024))**

CHAIR SUGIMURA: All right. The next item is...thank you very much, Ms. Martin, for all your hard work. You’re our expert in numbers, and tiers, and thanks for your help. I...next, we’re going to have...thank you very much, Director Zielinski. Next, we’re going to take up Bill 57 (2024), relating to Fiscal Year ’24 Budget, Appendix A, Part I, Department of Housing and Human Concerns, American Rescue Plan Act, Homeowners’ Assistant [sic] Fund. This is Tamara’s

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kuleana, or one of her kuleanas [sic]. This is the third item on our agenda, Members, and at this time, what this does is a budget for...'24 budget for Department of Housing and Human Concerns to add a new appropriation entitled AMERICAN RESCUE PLAN ACT OF 2021, HOMEOWNER ASSISTANT [sic] FUND, in the amount of \$16,425,000. And assisting us with this item today is Acting Budget Director Milner, as well as Director Tsuhako from the Department of Housing and Human Concerns. And so, at this time, Director Tsuhako, do you have any opening comments before we take testimony?

MS. TSUHAKO: Hi. Good afternoon --

CHAIR SUGIMURA: Good afternoon.

MS. TSUHAKO: -- Madam Chair. I think Budget...Acting Budget Director was going to make a few comments, and then I'll take over for her after.

CHAIR SUGIMURA: Okay. Ms. Milner.

MS. MILNER: Thank you, Chair. Thank you, Councilmembers. Just really briefly, these funds are a supplemental award from the State of Hawai'i. The State has elected to reprogram the remaining funds of the O'ahu allocation to the County of Maui. So, they worked to amend the State plan to allow the...these funds were initially for those impacted by the COVID-19 pandemic, but they worked to amend the State plan to allow for homeowners in Lahaina to be presumptively eligible because it was economically impacted by COVID. So, the Federal Government also relaxed eligibility to allow more people to be able to receive the funding. And I will let Director Tsuhako take over. Mahalo, Chair.

CHAIR SUGIMURA: Thank you very much, Ms. Milner. Ms. Tsuhako, you have a presentation?

MS. TSUHAKO: Thank you, Madam Chair. My colleague, Danielle Guthrie from the HHFDC, has a very brief presentation. I will be injecting myself into that if needed. And then afterwards, we have not only Ms. Guthrie, but also Paul Kobayashi, who's the Vice-President of Finance of Catholic Charities Hawai'i, our...our selected contractor who's implementing this program, here to answer any questions. The PowerPoint information is also, I think, available to you. May we ask Kasie and James to...to post that PowerPoint? And I will hand off the microphone to Dani. Dani, are you there?

CHAIR SUGIMURA: Do you have the presentation?

MS. GUTHRIE: Yes, I'm here.

CHAIR SUGIMURA: Okay. One second, Ms. Tsuhako.

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MS. TSUHAKE: Thank you, Madam Chair.

CHAIR SUGIMURA: Oh, you're presenting on your end; is that right? Or did you want --

MS. GUTHRIE: It looks like I have presenter options, so I can share my screen, if that's okay?

CHAIR SUGIMURA: Okay. Sure.

MS. TSUHAKE: Go ahead, Dani.

MS. GUTHRIE: Okay. So, my name is Danielle Guthrie. I work for the Hawai'i Housing Finance and Development Corporation in partnership with the County of Maui, the State of Hawai'i Department of Budget and Finance, and Catholic Charities Hawai'i. I'm going to present some information for you folks' convenience today. So, the Homeowner Assistance Fund Program is a one-time funding. It's a COVID-19 appropriation. It's administered by the U.S. Department of Treasury. This program is modeled after the Hardest Hit Fund program of 2010, of which only 18 states participated. The State of Hawai'i did not participate, so this is the first of its kind program being administered in the State of Hawai'i. So, HAF was established by Section 3206 of the American Rescue Plan Act of 2021. Its purpose is to mitigate financial hardships associated with the coronavirus pandemic for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners pursuant to the COVID-19 pandemic. The service provider is Catholic Charities Hawai'i. Catholic Charities Hawai'i is partnering with Hale Mahaolu to provide HUD-certified housing counseling services to interested homeowners. With an initial award of \$8 million, \$7 million is available for homeowner assistance. It is estimated that between 117 and 280 homeowners will be assisted with those funds. An additional \$16 million will provide just over \$14 million in assistance funds, allowing Catholic Charities Hawai'i to assist between 240 and 570 additional homeowners. In total, the revised award will be just over 24 million, with just over \$21 million available for homeowner assistance. CCH will be able to assist, in total, between 357 and 850 homeowners. The State plan for the HAF program itemizes several requirements, and these requirements are really what contribute to a cumbersome review process. So, first and foremost, only single-family homes or condominium units are eligible. This excludes dwellings that are intended for two- to four-family occupancy. The homes must be located in Maui County. This includes Lāna'i and most of Molokai. The homes must be owner-occupied as their primary residence. The home, or the household, cannot have interest in other real property suitable for living purposes. Eligible mortgages are only first and reverse mortgages, so not

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second mortgages. The household still must have experienced a COVID-19 hardship on or after January 21, 2020. This...the household income cannot be more than 150 percent of the area median income, and then the household liquid assets cannot exceed more than five months' worth of household expenses in total. So, number 3 and 8 have been adjusted to accommodate the Maui wildfire homeowners. So, multiple requirements of the HAF program were adapted to best address the unique needs in Maui County currently. So, for those displaced by the wildfires, they are unable to occupy their home right now, they can still receive assistance, and are considered to meet the owner-occupancy requirement. Those who received assistance pursuant to the wildfires, who otherwise meet program eligibility requirements, are assumed to meet the liquid asset limitation. We expanded the use of funds beyond arrears in mortgage payments to include loan deferrals and partial claims. Those are financing tools where homeowners put their arrears balance on the back end of their mortgage. Those amounts become due and payable at mortgage maturity, so could be considered balloon payments. We are offering forbearance assistance in addition to forward payment assistance. So, homeowners currently in a forbearance plan can receive assistance with those payments. In addition, when the plan payments are completed, they can receive up to 12 months of forward payment assistance. And then for those displaced by the wildfires within census tracts 314.02, .04, and .05, they're assumed to meet the COVID-19 impact requirement, and they just need to submit that statement of attestation at the time of applying. Regarding program outreach, the Catholic Charities Hawai'i and County of Maui Mayor's Office issued a press release on May 6th, 2024, announcing the program's opening. The program status will continue to be marketed through social media, the program website, and follow-up press releases. Interested homeowners may schedule in-person appointments to complete applications. Outreach...outreach visits may also be scheduled for persons unable to travel outside of their homes. Services are by appointment only, so want to remind everybody to schedule with Catholic Charities Hawai'i in advance. The application intake plan...so, because of the cumbersome eligibility requirements, it is best for the program to take in a certain volume of applications and temporarily pause so that they can thoroughly and timely process that first batch. So, they will be batching application intake in thresholds of up to 100, or at least 100, so it could be more than 100, depending on the number of clicks received. During temporary pauses for application intake, interested persons can still register for the waitlist. With the limited information available, and provided through the waitlist registration, Catholic Charities Hawai'i will attempt to pre-screen eligible...I'm sorry, eligibility based on that information. After they complete the review of eligibility, the waitlist registrants who do not meet the program eligibility requirements will be notified. If their eligibility requirements appear to be met, those interested persons will receive pre-screen links, and be able to initiate the application process officially. So, currently, there are 309 waitlist registrants as of just a few days ago, May 13th. Apologies if you cannot see the

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top part of the screen. So, the application process is initiated when the homeowner submits a pre-screen questionnaire or registers for the waitlist. The pre-screen will help determine if homeowners meet program eligibility requirements. If they do, they will receive an application link. Through the application link, they will complete their request for assistance. They'll indicate what type of assistance they are requesting, and provide supporting documentation that they are the homeowner, and proof of identification. So, after the applications are completed, CCH will complete their review of the application, make sure everything is in good order, at which point they will begin to communicate with the homeowner's mortgage servicer. Payments will be arranged based on the mortgage servicer participation and responses to validate the mortgage loan. We ask everybody for their understanding, in that the payments must go directly to the servicer, not to the homeowner, and that mortgage servicer participation is voluntary. The HAF program cannot require anybody to participate, so word of mouth is the best to encourage that participation, particularly locally in Maui County. The total estimated time in between the pre-screen submission and assistance payout is 12 to 16 weeks, or three to four months. Homeowners will be able to check the status of their applications online while going through the process, and the next slide has the application flow. So, in very broad terms, we're looking at a total of six steps. The pre-screening questionnaire and initial eligibility review based on the pre-screen. The application and validation review, this is where the homeowner completes the application provides the documentation. Everything looks good, we begin to talk to the mortgage servicer. If the mortgage servicer confirms what the homeowner has stated in their application, and they agree to participate in our program, a decision is made regarding eligibility and the amount of assistance that will be provided, after which payment will be made to the mortgage servicer or other housing expense provider. So, right now, we are in a waitlist phase. Over 167 pre-screen questionnaires were received in just two days after the program opened on May 6th. So, homeowners interested in applying right now can begin to prepare for the application process by understanding the eligibility requirements and the documents needed, which is provided on the next screen in a checklist format. It's important to keep in mind that assistance is provided on a first-come, first-served basis, so the sooner the application is completed, or a pre-screen questionnaire is submitted, or even a waitlist registration is submitted, it's the...it's in the best interest of the homeowner to do that as soon as possible and begin to prepare the documentation needed. So, this is our eligibility requirements on the left-hand side, and documents needed to apply on the right-hand side. Anything marked with an asterisk--so the mortgage and other qualified housing expenses, or household income-type documentation--exceptions may apply, particularly to those displaced by the wildfires. And then for informational purposes, the maximum area median income limits are provided down below. So, for a household of one, they cannot have more than \$130,950 in annual income at the time of applying for assistance. Since opening on May 6th, 2024, as stated

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earlier, a total of 167 applicants submitted pre-screens. Of those, 49 homeowners have passed the eligibility requirements. Those homeowners...homeowners received application links as...at the time of putting this together, 15 had submitted their applications. And that...that is the presentation. Thank you very much.

CHAIR SUGIMURA: Thank you very much. Director Tsuhako?

MS. TSUHAKO: Thank you, Madam Chair. So, thank you, Dani, for providing that overview for us. I think the preliminary...preliminary data that we have shows that there's interest in...and, you know, one of the things I wanted to remind anyone who might be listening or any of the constituents that the Members serve is that Catholic Charities has really tried to make every effort to provide help and guidance to people who think they might be eligible and who just need to talk it over. I think going through the website, going through the process, and looking over the document list that was provided would be a big help in...in getting that done sooner. We have other resources in the community, which include Hale Mahaolu, through a regular County grant that are able to help with homeowner counseling and things of that nature. We have Mr. Kobayashi, who's the Vice-President of Finance at Catholic Charities, our chosen vendor, who's here to answer any questions about...about our program right now. Thank you, Madam Chair.

CHAIR SUGIMURA: Okay, thank you very much. Mr. Kobayashi from Catholic Charities, would you like to add to this discussion?

MR. KOBAYASHI: Good afternoon, Madam Chair, and Members of the Council. I appreciate the opportunity to meet with all of you and to speak to you. No, I think Dani and Lori really explained the program. It's a very complex program. We've...were involved, as you know, with the Maui Rental Assistance program with Maui. So, we're very familiar with Maui. We have teams on the ground there in Maui as well too, so we're very familiar. And so, we understand the complexity and, you know, the efforts in terms of processing this type of assistance. So, we're looking forward to this. It's been very positive working with...with Ms. Tsuhako and her team, as well as with HHFDC. So, we're really excited about this opportunity. Thank you.

CHAIR SUGIMURA: So, Members, I did...would like your permission to designate Ms. Guthrie and Mr. Kobayashi as resource on this item.

COUNCILMEMBER LEE: No objections.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: TK).

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CHAIR SUGIMURA: Yeah. Thank you very much. Any more discussion on this phase from the presenters? If not, I will do public testimony.

MR. KRUEGER: Chair --

MS. TSUHAKO: Nothing further, Madam Chair.

CHAIR SUGIMURA: Okay. Thank you, Ms. Tsuhako.

MR. KRUEGER: Chair, we do have one person approaching...approaching the podium to testify. Before they proceed, if we could just ask Ms. Guthrie to please end her screen share on her end?

CHAIR SUGIMURA: Oh, end your screen share. Yeah. Thank you very much. So, we have one testifier present. Do I have to read this testimony instructions? Okay.

MR. LAW: Don't have to. I'll be good.

CHAIR SUGIMURA: Okay, so we have one testifier present.

MR. LAW: Okay, forget it. I won't even say nothing then.

CHAIR SUGIMURA: No, no, no, no, no. Let me...let me go through what we need to.

MR. LAW: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Okay. Well, I guess he doesn't want to. Go ahead. Okay, so Members, with your permission, I'm going to close public testimony and receive written testimony.

COUNCILMEMBER LEE: No objections.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: TK).

CHAIR SUGIMURA: Okay, thank you.

. . .CLOSE PUBLIC TESTIMONY BFED-90 . . .

CHAIR SUGIMURA: All right. So...all right. I will therefore call Member Paltin first, then we'll go down the line...Member Paltin, Member Johnson, Member Rawlins-Fernandez.

COUNCILMEMBER PALTIN: Thank you. Thank you for that presentation, it was fabulous. Thank you for also moving up the application from May 17th to the

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6th or whatever, that was very helpful by the number of applications received right off the bat. I did get some complaint from folks. I guess they own more than one property, and I totally understand, you know, how it's like for one property. I just wanted to clarify. If all the properties that they owned were in the burn zone, and they don't have another habitable property, would they then apply...qualify, or no?

CHAIR SUGIMURA: Ms. Guthrie.

MS. GUTHRIE: No, I'm sorry, it's a...it's a State plan limitation.

COUNCILMEMBER PALTIN: So, if...if all the properties that they owned were in the burn zone, and they have no place to live, and they all have mortgages, they're S.O.L.?

MS. GUTHRIE: I'm sorry, if they own more than one property, they're ineligible for assistance under the Homeowner Assistance Fund.

COUNCILMEMBER PALTIN: Okay. And at the end of the whole thing, whether it's the 8 million, the 16 million, 21 million combined, or whatever that gets dispersed, will we be able to see how many people were helped, and at what amounts?

MS. GUTHRIE: Yes, absolutely.

COUNCILMEMBER PALTIN: Okay.

MR. KOBAYASHI: Yeah, absolutely.

COUNCILMEMBER PALTIN: And are...so at this rate that we're going at, we're on track? The deadline is still 2026?

MS. GUTHRIE: Yes.

COUNCILMEMBER PALTIN: And for the additional 16 million, it's beyond 2026?

MS. GUTHRIE: No. It's also at --

MR. KOBAYASHI: No.

MS. GUTHRIE: -- 2026. We...we projected application intake prior to acceptance of funds to ensure that the program could operate as quickly as it needs to, to expend the funds.

MR. KOBAYASHI: Yes.

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COUNCILMEMBER PALTIN: Okay. So, even --

MS. TSUHAKE: So --

COUNCILMEMBER PALTIN: -- with the additional amount, we're still projected to flow it out before the deadline?

MS. GUTHRIE: Yes.

COUNCILMEMBER PALTIN: Sorry, Ms. Tsuhako, go ahead.

MS. TSUHAKE: Madam Chair? Madam Chair? Councilmember Paltin, so the plan was that, you know, we receive that extra \$16 million from the State, and the plan is to work on an amendment to the existing contract with Catholic Charities to add that funding. And there's a couple of ministerial changes we needed to make in the contract. So, we would...the plan is that we would allow Catholic Charities to get started with the program and ramp it up as soon as possible, and then make those amendments to the contract, along with the addition of the additional money. So, that's how the...the timing of the additional money will be worked into the program as we know it today. Thank you.

COUNCILMEMBER PALTIN: Okay, thank you.

CHAIR SUGIMURA: Okay, very good. Before we go on to Member Johnson, I want to welcome Member Kama.

VICE-CHAIR KAMA: Good afternoon. Good afternoon, Chair, and pardon me for my tardiness. I just had to do some things before I came here. Thank you.

CHAIR SUGIMURA: Okay. Welcome. We have Member Johnson, then Member Rawlins-Fernandez, Member Cook.

COUNCILMEMBER JOHNSON: Thank you, Chair. Just...just...I don't mean to be rude, but I have a lot of questions, and if I get the answer, I don't mean to cut you off. So, Staff, if you could give me a little leeway on the time. First question is, does this affect the double-dipping that we often hear from FEMA?

MS. GUTHRIE: So, the program is requesting information from homeowners at the time of application to find out if they're receiving FEMA assistance because we cannot duplicate assistance in any one period for the same expense.

COUNCILMEMBER JOHNSON: Okay. Well, that...all right. That's...the other thing is, you know, the AMIs that you mentioned only had Maui, and yet you offer in

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Lānaʻi and some of Molokai. Now, just for an example, Lānaʻi's AMI is very different.

MS. GUTHRIE: So, the AMI table is provided by the U.S. Department of Housing and Urban Development. It breaks it down by each major county. And I understand Lānaʻi and Molokai to be under the jurisdiction of Maui County, and that is the information that is available from HUD for the program.

COUNCILMEMBER JOHNSON: Okay. So, the...you know, I saw that long list of...of things that the applicants need to fill out. You know, many of their...their forms have been burned up in the fire. Do we have...and I...and I understand it's...it's a State program, so there's very little we can do, but you know, low barrier, trauma-informed kind of services need to be stepped up a bit in this time when everybody lost everything. The fact that it's a first-come, first-serve, that kind of makes me a little nervous. Because a lot of folks--I mean, they're struggling. And the fact that...it just means you're good at paperwork and you can function in this system that we've created, then maybe...maybe you get a little bit of a different outcome because those folks are good at filling out paperwork, they have their ducks in a row. A lot of people lost everything, and they're very stressed. Is there any way we can help in those scenarios? I see Director Tsuhako's hand up.

CHAIR SUGIMURA: Director.

MS. TSUHAKE: Madam Chair, thank you. Thank you, Councilmember. You know, I think it's really important that Mr. Kobayashi here, that we've had, I think, two meetings this week already with some of the staff who are implementing the program for Catholic Charities. They have created as welcoming, and as compassionate a way of...of administering a really formal and heavy-burdened program. So, for example, I just found that out the other day that, you know, the agency has a means to actually go out to someone's home and help them with the...with the paperwork and the submission of these documents and things. They have a portable scanner that they can...they can scan the documents and everything. They also have...you know, they're using appointments, but they also have means to...to work with people in-person to get these things done. And I think, as Dani mentioned earlier, there's some...there's some exemptions, some...some room put in there for documents --

COUNCILMEMBER JOHNSON: Okay.

MS. TSUHAKE: -- that were lost.

COUNCILMEMBER JOHNSON: Yeah, that's what I'm hoping to hear.

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MS. TSUHAKO: There's...yeah. . . .*(timer sounds)*. . . to figure it out. So, I...I want to reassure folks that Catholic Charities has tried really hard, and will continue to try I think, to --

COUNCILMEMBER JOHNSON: Okay.

MS. TSUHAKO: -- not be so burdensome.

COUNCILMEMBER JOHNSON: Thank --

MR. KOBAYASHI: And...and...may...may I...may I --

COUNCILMEMBER JOHNSON: Go ahead, Mr. Kobayashi.

MR. KOBAYASHI: -- may I just add...thank you, Councilmember Johnson. And thank you, Lori. Yes, we're also...in addition to this program, we're actually...as you know, we are involved with the FEMA, the disaster case management, and our case managers are, you know, out there in the field meeting with the those who have suffered. And as Ms. Tsuchako mentioned, they are...we're training them, and they're trained to...when they come across those who qualify for this, to make this referral. So, they are out there being with the families and individuals. So, we're...you know, as you know, we're providing housing assistance, rental assistance, and this is just another tool in the toolbox that they have available.

COUNCILMEMBER JOHNSON: So, they could be --

MR. KOBAYASHI: So, we're happy about that.

COUNCILMEMBER JOHNSON: -- in the system...they could be in the system for one program, and then, this opens --

MR. KOBAYASHI: Yes.

COUNCILMEMBER JOHNSON: -- up for other programs. They don't have to fill out all the paperwork all over again. The...I --

MR. KOBAYASHI: Trying...trying to minimize that, yes.

COUNCILMEMBER JOHNSON: That's...please, do. I know I'm short on time here. So, Catholic Charities, how much is your admin fee for this program?

MR. KOBAYASHI: This...this --

CHAIR SUGIMURA: Can we do round two, Mr. Johnson?

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COUNCILMEMBER JOHNSON: Okay, sure.

CHAIR SUGIMURA: You have more questions, right?

COUNCILMEMBER JOHNSON: Okay.

MR. KOBAYASHI: Okay.

CHAIR SUGIMURA: So, you kind of changed subjects. So, at this time I'd like to go to Ms. Rawlins...Member Rawlins-Fernandez, and Member Cook, then Member U'u-Hodgins.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Aloha to all of our resource personnel. Mahalo for answering our questions today, and mahalo for finally getting this funding out to the community. I have some questions for clarification from the slides. So, 8 million was awarded, 7 million for assistance, 16 million was awarded, 14 million for assistance. I'm sorry, I...I missed it. What's the 1 million from the 8 million going toward, and the 2 million from the 16? Is that for admin fees?

MS. GUTHRIE: Administrative.

COUNCILMEMBER RAWLINS-FERNANDEZ: All right.

MS. GUTHRIE: Administrative costs for running the program.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, that's 3 million in admin costs?

MS. GUTHRIE: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: How many staff?

MR. KOBAYASHI: That's for '24.

COUNCILMEMBER RAWLINS-FERNANDEZ: How many...how many staff does that cover salaries for?

MR. KOBAYASHI: The number of staff on this is, I think, six total...six total, but then there's third-party resources that we use for the mortgage servicing, as well as the accounting, and the compliance testing...especially because it's a Federal program too.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. And speaking of the Federal program, when does the funding expire, again?

MS. GUTHRIE: September 2026...September 30.

MR. KOBAYASHI: And then it has to be fully expended, I think, 120 days after that, Dani?

MS. GUTHRIE: Yes. Yeah, for commitments prior to then, up until September 30. That's the total period of performance. And then, there's a liquidation period.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo. Okay. And then for the process, so you folks process 100 applications at a time. Since opening on May 6th, you received a total of 167 applications...or 167 submitted pre-screens. Okay, okay, okay. I guess that's making more sense now. Because you have 309 waitlisted, and now that 167 went through the process and received the pre-screen links?

MS. GUTHRIE: So, the pre-screens are still being gone through. Not all 167 have been completed for review. Of those that did complete review, 49 passed the eligibility requirements and received application links to upload their documents so Catholic Charities Hawai'i can validate their County of Maui residency...that they're homeowners and have mortgages.

COUNCILMEMBER RAWLINS-FERNANDEZ: Got it, okay. And then, on Slide 12, at the bottom where it has the HUD AMI limits, how...what's...how do you folks determine the amount each person would receive? Like, what's the formula? . . .(timer sounds). . .

MS. GUTHRIE: So, the household limits are based on household size, so it will include all adults and any keiki in the dwelling.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, no --

MS. GUTHRIE: So say there are two adults and three children, they would be household size of five, and their household income could be up to \$202,050.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, yeah...yeah, I can read that.

MS. GUTHRIE: Oh, I'm sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: That...that wasn't my question. My question was like so how much would they qualify for? They would qualify for the 202,000, or how much would they receive?

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MS. GUTHRIE: Oh, I'm sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

MS. GUTHRIE: The program can provide up to \$60,000 in assistance for all types that are requested under the program. So, it could be 60,000 toward your mortgage, it could be 60,000 in total, split between your mortgage and like --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. It's up to --

MS. GUTHRIE: Yeah, up to.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- 60,000? And what's the formula for determining how much they would receive? Like, if they're not going to get --

MS. GUTHRIE: It...it's based on arrears. Oh, sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, yeah.

MS. GUTHRIE: Based on arrears.

COUNCILMEMBER RAWLINS-FERNANDEZ: Arrears.

MS. GUTHRIE: So, traditionally, this program was intended to address homeowners who are in delinquency at the time of application.

MR. KOBAYASHI: Yeah.

MS. GUTHRIE: It has since been amended to no longer require delinquency at the time of applying so long as you had a COVID hardship. We don't want homeowners to be in, you know, near foreclosure in order to receive assistance. So, as long as you have the COVID hardship requirement met, you can receive forward payment assistance --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. GUTHRIE: -- under the program.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. I will wait for round two for a little bit more clarification on that part. Okay. Mahalo, Chair.

CHAIR SUGIMURA: Okay, thank you. Member Cook, then Member U'u-Hodgins, then Sinenci.

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COUNCILMEMBER COOK: I don't have any questions. I just want to commend you for managing such a complicated Federal program, and I've heard a lot about all the Federal dollars that are available. And then the people that I've spoken with who have to meet the compliance standards have basically stated how burdensome and problematic it is to...to do...meet that standard. So, I'm impressed with what you're doing, and I'm encouraging you. Thank you.

CHAIR SUGIMURA: Thank you very much, Member Cook. Next --

MR. KOBAYASHI: Thank you.

CHAIR SUGIMURA: -- Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Maybe you guys discussed this before, but how do you determine who met a COVID hardship in order for people to qualify for the assistance? Is there a --

MS. GUTHRIE: Homeowners can --

COUNCILMEMBER U'U-HODGINS: -- threshold of we define as hardship?

MS. GUTHRIE: Oh, yes. So, the threshold for defining the qualifying hardship is a 10 percent reduction in household income, or a 10 percent increase in household expenses related to the COVID pandemic.

MR. KOBAYASHI: Yeah.

MS. GUTHRIE: Household expenses, that could be like personal protective equipment, increased health care costs, increased childcare costs due to the stay-at-home orders, and things like that.

COUNCILMEMBER U'U-HODGINS: Okay. Thank you very much. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. And thank you, Director, Mr. Kobayashi, and Mister...Ms. Guthrie for the presentation. So, most of the funds will just be used for applicants' mortgages?

MS. GUTHRIE: Yes.

COUNCILMEMBER SINENCI: Just...just for that? Okay. All right. And then...

MS. GUTHRIE: The funds --

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MR. KOBAYASHI: Well --

COUNCILMEMBER SINENCI: Go...go ahead.

MR. KOBAYASHI: . . .*(inaudible)*. . .

MS. GUTHRIE: The funds can also be used for other qualified housing expenses. So, this could be property taxes, homeowner insurance, utilities, water, sewer, electric, gas...HOA fees, which we understand are being charged to --

MR. KOBAYASHI: Yeah.

MS. GUTHRIE: -- displaced homeowners relentlessly. Things like that.

COUNCILMEMBER SINENCI: But not rent, it has to be homeowner, yeah?

MS. GUTHRIE: No, not rent.

MR. KOBAYASHI: Not rent.

MS. GUTHRIE: It has to be homeownership.

COUNCILMEMBER SINENCI: Oh, okay. And then for Ms. Acting Budget Director Milner, will this additional funds be shown in...in this...this year's budget?

CHAIR SUGIMURA: Go ahead.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. Yes, these would be reflected as grant funds in the FY '24 budget, but we would still be allowed to continue to expend them going forward once they've been recognized, even after July 1st.

COUNCILMEMBER SINENCI: Okay, great. All right. Thank you. I already shared information with my classmates who lost their homes, so --

CHAIR SUGIMURA: Oh.

COUNCILMEMBER SINENCI: -- thank you.

MR. KOBAYASHI: Good.

CHAIR SUGIMURA: Thank you. I think we're appreciating this project coming forward, so thank you very much, Director Tsuhako. And how many families are...are able to qualify for this?

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MS. GUTHRIE: If --

MS. TSUHAKE: Well --

MS. GUTHRIE: -- everybody receives the...oh, sorry, Lori.

MS. TSUHAKE: Oh, go ahead, Dani. Go ahead.

MS. GUTHRIE: If everybody receives the \$60,000, which is the State max, then it would be 357 families.

CHAIR SUGIMURA: And it sounds like it would be achievable goal, based upon your initial responses?

MS. GUTHRIE: Yes.

MR. KOBAYASHI: Yes.

MS. TSUHAKE: And Madam Chair, I think it's also important to note that maybe not every applicant needs the full 60,000. And so, you know, when you administer these programs, you kind of expect that some people will get the max and some people won't. And so, my expectation is many more people will...will receive assistance more than what was projected for the full 60,000 apiece because you can often cobble together assistance for people who need just, you know, like a nominal amount versus somebody who needs a full amount. So, I expect that the...the aggregate number of people served will be higher than that.

CHAIR SUGIMURA: Okay. And I noticed that when you discussed this that forbearance will be taken into consideration. So, are you...are you networking with banks, or do you think you don't need to find out if there are residents that need help that are in forbearance? What kind of outreach do you --

MS. GUTHRIE: We receive...oh, we received preliminary data through UHERO, which they had procured some Black Knight mortgage data and did an analysis for us to indicate the number of homeowners in an active forbearance plan, pre-wildfire and after the wildfires, and we do see that there is a significant portion of homeowners in those types of plans. Separate from that, the partial claims and loan deferrals are kind of like forbearances, only what they've done instead of put the...the lump of mortgage that they're behind on...temporarily on the side is they put it on the back end of their mortgage. So, the Maui HAF program is distinguish...distinguished from the other County programs in that it provides that forbearance payment assistance in addition to partial claim pay down or pay off, and loan deferral pay...pay down or pay off, which is intended to promote long-term housing stability for the homeowner, knowing they don't have that future balloon payment obligation.

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CHAIR SUGIMURA: Okay. Thank you very much. I think I forgot Chair Lee. Sorry about that. I did forget you?

COUNCILMEMBER LEE: Yeah, you did. Thank you.

CHAIR SUGIMURA: . . .*(laughing)*. . .

MR. KOBAYASHI: . . .*(laughing)*. . .

COUNCILMEMBER LEE: Ms. Guthrie, don't mind us, we get tired and grumpy after a while. So, if we seem --

MS. GUTHRIE: No problem.

COUNCILMEMBER LEE: I had a question on arrears. So how far back can a person be in order to qualify?

MS. GUTHRIE: You may have been in arrears pre-COVID, and your arrears circumstances may have been exacerbated by COVID. So, there really is not a time limit for how back --

MR. KOBAYASHI: Yeah.

MS. GUTHRIE: -- the arrears can go. The arrears is more subject to the \$60,000 maximum assistance amount.

COUNCILMEMBER LEE: Okay. And so, the \$60,000 amount could cover principle, it could cover interest, it could cover penalties, and so forth?

MS. GUTHRIE: Yes.

COUNCILMEMBER LEE: Okay. And how badly can a person be financially? I mean, you mentioned liquidation. Why did...why do you have a liquidation period?

MS. GUTHRIE: Oh, a liquidation period, post the end of the grant life. So, the end of the period of performance has a liquidation period for the program to continue to pay out assistance it has approved through September 30, 2026. But the liquidation period does not directly affect any of the applicants or the application process.

COUNCILMEMBER LEE: If an applicant is on the verge of...of losing the property, could they still qualify for the funding?

MS. GUTHRIE: Yes.

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MR. KOBAYASHI: Um-hum.

COUNCILMEMBER LEE: Okay.

MS. GUTHRIE: If they're in foreclosure --

MR. KOBAYASHI: Absolute...absolutely.

MS. GUTHRIE: -- or even filed for bankruptcy, they're still eligible to apply to the program.

COUNCILMEMBER LEE: So, your...part of your program in...provides the service of financial counseling so that going forward, they're able to...to deal with their situation better?

MS. GUTHRIE: Yes.

COUNCILMEMBER LEE: Okay.

MR. KOBAYASHI: Yes.

MS. GUTHRIE: And the counsel...the counseling component, though, is optional. So, the homeowner is not required to go to counseling to receive the financial assistance.

COUNCILMEMBER LEE: Well, I would make it mandatory, all right? I mean, you know, they wouldn't --

MS. GUTHRIE: We did --

COUNCILMEMBER LEE: -- be in trouble --

MS. GUTHRIE: -- we did have it --

COUNCILMEMBER LEE: . . .*(inaudible)*. . .

MS. GUTHRIE: -- manda--...we had it mandatory for some of our other programs, and it caused bottlenecks in processing. So, to free up --

MR. KOBAYASHI: Yep.

MS. GUTHRIE: -- that bottleneck, we made it optional. And I believe that our HUD-certified counseling partner is going to also prepare some media --

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COUNCILMEMBER LEE: Okay. I have one last question.

MS. GUTHRIE: -- flyer-type information.

COUNCILMEMBER LEE: Sorry, I have to cut you off. The last question is...following up on a previous question by, I think it was Member Johnson, having to do with the...the different HUD requirements, like for instance, we--I know HUD in general does not recognize Hāna as a different...having a different standard . . .(timer sounds). . . payment standard, or the other, so they don't get to...their...their qualifications is based on Maui County, but not Hāna's income, right? You're nodding. Does that mean yes?

MS. GUTHRIE: Yeah. So...sorry, I couldn't actually tell you how they collect that information. I would hope that they're looking at all of the County jurisdiction area, so including Lānaʻi and Molokai, to make their determination. So, when it's averaged, it's obviously unfair to those in the higher cost-of-living regions of the County. But statutorily, we have to follow the HUD-established income, and that's what we're doing.

COUNCILMEMBER LEE: Okay. Thank you very much.

CHAIR SUGIMURA: Okay, very good. Member...Member Kama.

VICE-CHAIR KAMA: Thank you, Chair. So, thank you very much for being here, Director Tsuhako, and Ms. Guthrie, and Mr. Kobayashi. This is very exciting to hear the program finally rolling out. I will tell you, like Member Paltin, we've been waiting for this for quite some time. And, you know, I have known some families who have been waiting and have been on the Nā Hale list, and...and, you know, the Hale...Nā Hale list is long, but it takes so long just for them to get one or two houses, and they just go from program, to program, to program, to program. So...so, families who have actually gone through all of this and are at midpoint right now of closing, you know, on this home that they have finally figured out how to get and when to get, can they still participate in the program as it continues on, in terms of the other parts of the program that are available for them?

MS. TSUHAKE: So, Councilmember, this is Lori Tsuhako.

VICE-CHAIR KAMA: Yes.

MS. TSUHAKE: So, this is not a homebuyer's program, so it's not for homebuyers. This...this is to address mortgage issues, people who are in arrears with their mortgages, or with property taxes, and HOA --

VICE-CHAIR KAMA: Yeah.

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MS. TSUHAKE: -- those housing-related costs. So, I'm...I'm expecting that if somebody is in the process of buying a home, they wouldn't be eligible for applying for this --

VICE-CHAIR KAMA: Okay.

MS. TSUHAKE: -- because you have the homeowner to apply for this program.

VICE-CHAIR KAMA: Okay. That was my question. Thank you. Thank you, Chair.

CHAIR SUGIMURA: Okay, very good. Member Sinenci, did I miss you also?

COUNCILMEMBER SINENCI: . . .*(inaudible)*. . .

CHAIR SUGIMURA: You did? Okay. So, Member Sinenci's fine. Anybody else has any more questions? Ms. Paltin, you're done? Oh, okay, you're coming back. So, if there are no more questions...oh, Member Johnson, is your hand up? Okay, sorry about that...and Member Rawlins-Fernandez.

COUNCILMEMBER JOHNSON: Thank you, Chair. Just to follow up from my last question. How much is Catholic Charities charging for ad...admin fee?

CHAIR SUGIMURA: Ms. Guthrie or Mr. Kobayashi?

MS. GUTHRIE: It's not necessarily a charge as much as an allocation from the Federal funding source itself. So, in total, with the additional 16 million, they will receive administrative funds in the amount of \$3,259,498.14 to cover the program through September 30, 2026.

COUNCILMEMBER JOHNSON: Um-hum. Okay, 3 million out of the total of what, 20? I'm sorry. Out of the total what?

MS. GUTHRIE: \$24,485,550.

COUNCILMEMBER JOHNSON: 3 million out of 24 million will be...okay. Okay, that's --

MS. GUTHRIE: Right. HAF comes with a 15 percent administrative cap, so it's...it's pretty close to 15 percent.

COUNCILMEMBER JOHNSON: 15 percent?

MS. GUTHRIE: Um-hum.

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COUNCILMEMBER JOHNSON: Thank you so much. Thank you, Chair.

CHAIR SUGIMURA: Okay, thank you. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. And just to add on to that, because I asked that question in my first round, the cost goes to pay for six staff, a third-party that helps with the...the software processing and accounting, yeah? Did I get that right? You can correct me --

CHAIR SUGIMURA: Catholic Charities.

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

MS. GUTHRIE: Oh. Audit...audits and software fees --

MR. KOBAYASHI: Software.

MS. GUTHRIE: Data storage, and --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, so --

MS. GUTHRIE: -- all those other things that --

MR. KOBAYASHI: Along with cellular communication, phones, computers, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo.

MR. KOBAYASHI: And some rent.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, my questions was regarding...okay. So, you said all of Lānaʻi and only some of Molokai. What parts of Molokai would not qualify?

MS. GUTHRIE: That's...that's not officially part of the County area, I --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, you talking about Kalaupapa?

MS. GUTHRIE: -- I think . . .(inaudible). . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay, okay. The part that is Maui County, got it. Okay. And then...okay. So, I was talking about the formula for the award for each person if they qualify. And so, you would take whatever...if they are 150 percent or less AMI, and then the chart is at the bottom of the checklist. And so, if they were like...like 15 months delinquent, and their

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mortgage was like 4,000, then that would equal the 60,000? Okay. I got a nodding head. And then...so, it would cover 100 percent of the delinquency?

MS. GUTHRIE: In this specific example, yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: In my...in my scenario. Okay. And so, then for those that were affected by the fire, and assumed to also have been affected by COVID-19 because it's a high...high...has a...an area with a high reliance of tourism. So, if...if they have been delinquent from August, September--and so, this a new scenario...okay--and then...so, like would they be able to continue to request for financial assistance for up to...so, if their mortgage was 4,000 per month, up to 15 months after the fire? If there's --

MS. GUTHRIE: We would pay for the delinquency currently, and up to 12 months of mortgage payment assistance. The only --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. GUTHRIE: -- assistance that has a time limitation is forward payments. So, any arrears, plus up to 12 months in the future, up to a total of \$60,000 for delinquent and forward payments.

COUNCILMEMBER RAWLINS-FERNANDEZ: Got it. Mahalo for that clarification. Okay. Mahalo, Chair. That concludes my questions.

CHAIR SUGIMURA: Okay, thank you. Anybody else have questions? If not, Member Paltin has a question.

COUNCILMEMBER PALTIN: Sorry, I just wanted to clarify. I forget which of our resources said it was capped, but I think Director Tsuhako recalls that we...or I put more money into the contract because we weren't getting any takers. So, is that...that is above the 12.5 percent that the Federal Government or the State capped it at? Because remember, in this Budget year, we...that was a priority, to put more money in case we couldn't get any takers to disperse the funds at the cap to value?

CHAIR SUGIMURA: Director.

MS. TSUHAKO: Thank you, Madam Chair. Thank you, Councilmember Paltin. Absolutely correct. So, the Department supplemented the administrative fees to Catholic Charities utilizing those funds that you added to the budget last year. And the reason the...and the way that we're using that is, for example, Catholic Charities was selected through a procurement process that was first done through RFP. No respondents. And then we (*audio interference*) various interested parties. But by the time we selected Catholic Charities, and before

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we could implement the program, Catholic Charities had to pay certain fees for their...their data...you know, their data platform and things like that, and the potential hiring of staff, and recruitment, and all those things. And so, that County funding was...was set aside to allow to reimburse them prior to the actual execution. And so, when we do that contract amendment that I spoke about earlier, the language will be amended a little bit to allow Catholic Charities to recoup the costs that they outlaid for all those administrative responsibilities that they carried prior to the formal contract execution. But thank you for that because it...it really did help --

MR. KOBAYASHI: Yeah.

MS. TSUHAKE: -- get them started.

COUNCILMEMBER PALTIN: Oh, yay. That's good info. But...so, we didn't give it to them yet, it has to be included in the contract language, or we gave it to them and they couldn't use it yet?

MS. TSUHAKE: No, we gave...we added it to the contract, but the...the specific clause that needs to be added will be done by amendment --

MR. KOBAYASHI: Yep.

MS. TSUHAKE: -- which is pre-contract costs --

COUNCILMEMBER PALTIN: Oh, okay. Okay.

MS. TSUHAKE: -- approved. Approved, yeah.

COUNCILMEMBER PALTIN: So, lucky thing we did that?

MS. TSUHAKE: Yes.

MR. KOBAYASHI: Oh, yes.

MS. TSUHAKE: Mr. Kobayashi's very happy.

MR. KOBAYASHI: . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: Okay.

MR. KOBAYASHI: Because, I mean, we didn't get the notice to proceed, I think, like April 17th, and getting the contract on the 12th before, I'm looking at the calendar, and we're launching less than a month, you know, with the program. And we knew this was really important, so...yeah, we...we were already

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spending resources and...and...and...and spinning up the system because we know we only have until September of, you know, 2026, and that's the...you know, that's not much time...or '25, sorry. And so, we really gotta...gotta get going. We gotta be ready to just, you know, I use the term rock and roll, as soon as we launch. So, I...I...based on what I've seen so far, I think we're...we're...we...we've done that. So, we appreciate the Maui County and Council to recognize that, and to you know, partner with us on this, so...to make it really successful.

COUNCILMEMBER PALTIN: Thank you. And I posted --

MR. KOBAYASHI: Thank you.

COUNCILMEMBER PALTIN: -- your slideshow to all my social media and direct messengered to all my friends that lost their homes.

CHAIR SUGIMURA: Thank you.

MS. GUTHRIE: Thank you.

CHAIR SUGIMURA: Member Rawlins-Fernandez has questions for you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Sorry. Last...last question. Follow up after Member Paltin asked...okay. So, I...I know, Mr. Kobayashi, you indicated some sense of urgency with the September 2026 deadline to distribute all the funds. Since the funds can be paid forward 12 months in advance, do you anticipate that that...because you would be able to pay out ahead of time, or like how would the 12 months in advance work, I guess?

MR. KOBAYASHI: I can answer, but I'll let Dani --

COUNCILMEMBER RAWLINS-FERNANDEZ: Ms. Guthrie? Okay.

MR. KOBAYASHI: -- answer as well, too.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. GUTHRIE: I can...if it's okay, I can take this one. So, the...the assistance has to be provided within the period of performance. So, the 12 months is like also up to September 30, 2026. The closer we get to September 30, 2026, the less forward assistance we can provide --

MR. KOBAYASHI: That's right.

MS. GUTHRIE: -- on a...in a forward-focused time frame.

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MR. KOBAYASHI: Yep.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So --

MR. KOBAYASHI: And...and the other --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- if you can commit to the --

MR. KOBAYASHI: -- so the --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- 12 months, you can commit the person, so that you're reserving the 60 mil...60,000 for that applicant, but the --

MR. KOBAYASHI: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- payments cannot be issued until that 12 months has occurred. So, if...with the 49, if they are awarded up to 60,000, so that would be this June...June, 2024, and then...so, that would be 10 months of payments if they claim from September, and then 12 months in advance, which would bring them to May 2025?

MS. GUTHRIE: I'm not really sure that I'm following the scenario. So --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, I...I'm saying that ten months...so ten months since the fire, so September of last month...last year, yeah? If they were...if they were --

MR. KOBAYASHI: Yes.

MS. GUTHRIE: But...but if...but if...if since the fire...if since the fire...if since the fire they're in arrears, then --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

MS. GUTHRIE: -- then...then, those arrears payments are not counted toward the 12 months of forward payment assistance --

COUNCILMEMBER RAWLINS-FERNANDEZ: No, I'm not --

MS. GUTHRIE: -- and that's just the distinction I want to make.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, yeah.

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MS. GUTHRIE: That arrears is not limited --

COUNCILMEMBER RAWLINS-FERNANDEZ: My scenario is not --

MS. GUTHRIE: -- to a certain time period.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- it's from September, 2023 to May, 2024, right? They applied this month, the 49 applicants?

MS. GUTHRIE: So they...so they would be in arrears, and --

COUNCILMEMBER RAWLINS-FERNANDEZ: Right, so that's ten --

MS. GUTHRIE: -- that would be okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- months in arrears.

MR. KOBAYASHI: Yeah, okay, um-hum.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right? And then, 12 months --

MR. KOBAYASHI: Yep.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- in advance. So next year, 2025, May or June, right --

MR. KOBAYASHI: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- that they would qualify for --

MR. KOBAYASHI: Um-hum. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- right?

MS. GUTHRIE: Yes.

MR. KOBAYASHI: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: And so, they would be receiving assistance all the way until next June, 2025? Up to --

MR. KOBAYASHI: Yes.

MS. GUTHRIE: Yes.

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COUNCILMEMBER RAWLINS-FERNANDEZ: -- 60,000.

MS. GUTHRIE: Potentially, yes.

MR. KOBAYASHI: Whatever they qualify for.

MS. GUTHRIE: Yes, exactly.

MR. KOBAYASHI: Yeah. Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo. Mahalo.

MR. KOBAYASHI: The hard part about this too, by the way, is you can't advance pay. So, this is why it's administratively really kind of challenging because if they qualify for 12 in advance, the max is 3 months we can advance, but we have to pay every month their mortgage payment on a going-forward basis. We can't...*timer sounds*... just advance lump sum to the...to the mortgage servicer, here's...here's 12 months of...of mortgage payments. We can't do that, we got to do it every month. So, we have a process in place to make sure we...whatever they're approved for on a monthly basis, we advance that to the individual mortgage servicers each month for all the applicants. So, that's a really kind of interesting administrative burden to do this correctly, and have it apply to their mortgage correctly with each of the banks. It's quite...it's quite a challenge, so I'm looking forward to that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, perhaps...because the word "advance" is probably not the appropriate word to use in...in this context then because you're actually paying on the month that it's due.

MR. KOBAYASHI: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: And so, really --

MR. KOBAYASHI: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- what it is, is you're --

MR. KOBAYASHI: That's right.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- pre-qualifying them for this funding that you'll set aside and hold for their payments --

MR. KOBAYASHI: That's correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- up to 12 months, looking forward.

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MR. KOBAYASHI: That's correct. That's correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, mahalo.

CHAIR SUGIMURA: Very good.

MR. KOBAYASHI: Mahalo.

CHAIR SUGIMURA: Okay, Members, anybody else have any questions? If not, then I'm going to ask for the motion, then take a break, and then we'll do the...do the two CDBG resos after. So, Members, I'd like to entertain a motion to recommend passage on first reading, Bill 57 --

UNIDENTIFIED SPEAKER: Yes.

CHAIR SUGIMURA: -- (2024), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI, APPENDIX A, PART I, DEPARTMENT OF HOUSING AND HUMAN CONCERNS, AMERICAN RESCUE PLAN ACT, HOMEOWNER ASSISTANT FUND...ASSISTANCE FUND," incorporating any nonsubstantive revisions.

COUNCILMEMBER PALTIN: So move.

VICE-CHAIR KAMA: So moved.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR SUGIMURA: Great. So moved by Member Paltin, second by Member Kama. Any discussion? Seeing none. All in favor raise your hand and say "aye."

COUNCILMEMBER RAWLINS-FERNANDEZ: Aye.

CHAIR SUGIMURA: This is --

VICE-CHAIR KAMA: Aye.

CHAIR SUGIMURA: -- this is a nine "ayes," motion carries.

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 57 (2024) by C.R.

CHAIR SUGIMURA: Thank you very much, Director, and everybody for working on this.

MS. TSUHAKE: Thank you.

CHAIR SUGIMURA: It is...well, we've been all waiting for it, so, thank you very much. Thank you, Catholic Charities, for taking this on, and we'll be hearing from you.

MR. KOBAYASHI: Thank you.

CHAIR SUGIMURA: You'll let us know all the people you have helped. So --

MR. KOBAYASHI: Yes.

COUNCILMEMBER LEE: Chair?

CHAIR SUGIMURA: -- appreciate this very much.

COUNCILMEMBER RAWLINS-FERNANDEZ: Thank you so much.

CHAIR SUGIMURA: Okay, Members --

COUNCILMEMBER LEE: Chair, I have a question.

CHAIR SUGIMURA: Oh, yes, Chair?

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COUNCILMEMBER LEE: Yes. I just wondered who was the person who did all...who did the agenda and put all the times down for each item?

CHAIR SUGIMURA: Oh, we normally do that. Why, are we on track?

COUNCILMEMBER LEE: Oh, no. You're about an hour and a half behind.

CHAIR SUGIMURA: . . .*(laughing)*. . .

COUNCILMEMBER LEE: Just wondering.

MR. KOBAYASHI: . . .*(laughing)*. . .

CHAIR SUGIMURA: Happens. You know, must be all these people talking too much. I don't know who, but happens all the time. So, at this time, Members, I'm going to take a recess. It's 3:40, and...is it okay if we come back at 3:50...ten minutes? Okay. We are now in recess. . . .*(gavel)*. . .

RECESS: 3:41 p.m.

RECONVENE: 3:59 p.m.

CHAIR SUGIMURA: . . .*(gavel)*. . . Oh, wow, that's beautiful. Welcome to the BFED...Budget, Finance, Economic Development Committee. It is now 3:59 p.m. We have two resolutions, and that's the end of our agenda today, which is authorizing acquisition of condominium...condominium units at Maui Lani Terraces, and both units are in Lahaina. And Members, this is the fourth and fifth items on our resolutions...on our agenda, and I'm going to take up both of them at once. And we have with us Ms. Kahulu...Kahula, sorry, Program Director for CDBG, and thank you very much. You can present, and then we'll do...we'll take up any testifiers, and then have questions. Okay, thanks. . . .*(laughing)*. . . She was joking. That's not how we think about you. . . .*(laughing)*. . . Okay, go ahead.

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ITEM 92: RESOLUTION 24-69, AUTHORIZING ACQUISITION OF A CONDOMINIUM UNIT AT THE MAUI LANI TERRACES CONDOMINIUM PROJECT, 3740 LOWER HONOAPI'ILANI ROAD, UNIT D-105, LAHAINA, MAUI, HAWAI'I (RESOLUTION 24-69)

ITEM 93: RESOLUTION 24-69, AUTHORIZING ACQUISITION OF A CONDOMINIUM UNIT AT THE MAUI LANI TERRACES CONDOMINIUM PROJECT, 3740 LOWER HONOAPI'ILANI ROAD, UNIT C-206, LAHAINA, MAUI, HAWAI'I (RESOLUTION 24-69)

MS. KAHULA: Okay. Aloha, Budget...excuse me, BFED Chair Sugimura and Committee Members. I am Patience Kahula, CDBG Program Director. Here with me today is Chandee Kauha'aha'a, CDBG Specialist. Today, we are presenting BFED-92, which is Reso 24-69, and BFED-93, which is Reso 24-70. Both the resos speak to the authorization of acquisition of real property located at 3740 Lower Honoapi'ilani Road. The units are owned by the same owners, and I just want to share that the...the sellers actually learned and heard about the Mayor's and County's intent of an in...excuse me, acquiring units to be offered to income-eligible displaced kūpuna, and provided the County an exclusive opportunity to acquire both units back in...ending January, beginning February of this year. The sellers support the County and our intent, and have been very patient with us in completing this acquisition. At this time, I want to thank the Maui County Council for...for supporting Bill 5, which actually allowed CDBG to reprogram funds and ultimately complete the acquisition of five units to date, two additional units that I'm proposing for your support today. And I also wanted to thank the County because through your support, we, the County CDBG Program Office, was able to meet the timeliness ratio requirement of 1.50 on May 2, 2024. So, thank you. I'm going to close. Thank you for allowing us to present and appear before you today. I humbly ask you, the Committee Members of BFED, for your support, and I welcome any questions or comments you may have at this time.

CHAIR SUGIMURA: Thank you very much. And we also have Guy Hironaka on the line. So, if Mr. Hironaka wants to say anything regarding this project?

COUNCILMEMBER LEE: Is he on?

CHAIR SUGIMURA: Oh, he is. Okay. Mr. Hironaka?

MR. HIRONAKA: Can...can you hear me?

CHAIR SUGIMURA: Oh, now we can hear you. Okay.

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MR. HIRONAKA: Okay. So, Committee Chair, this is Guy Hironaka, Finance Department, Real Property Management Specialist. If you have any questions, I'm here as a resource.

CHAIR SUGIMURA: Okay, very good. So, at this time, then I'll have...we'll take any testimony. Do we have anybody signed up for testimony?

MR. KRUEGER: Chair, we do not have any individuals who have indicated they'd like to testify on either BFED-92 or BFED-93. So, now is last call for testimony on either of these items. If anyone would like to testify on either of these items, please identify yourself now. If you're joining on Teams, you can do that by using the raise-hand function. I repeat, this is last call. We'll do a countdown...three, two, one. Chair, no one has indicated that they like to testify on either of these items.

CHAIR SUGIMURA: Thank you very much. So, at this time, I'm going to close public testimony and receive written testimony, Members.

COUNCILMEMBERS VOICED NO OBJECTIONS.

. . .CLOSE PUBLIC TESTIMONY BFED-92 and -93 . . .

CHAIR SUGIMURA: Thank you. Okay. So, we're in deliberations, and so, I will ask Chair Lee, then we'll go to Member Paltin, and we'll end up with Member Kama. Go ahead.

COUNCILMEMBER LEE: I have no questions.

CHAIR SUGIMURA: No questions? Member Paltin.

COUNCILMEMBER PALTIN: It's my understanding that the original SMA approval for this was that it was meant to be housing for our workers. There are a few units that challenged that and do short-term rental. Will we want...upon acquisition, be recording on the deed that these should not ever be for short-term rental?

CHAIR SUGIMURA: Ms. Kahula?

MS. KAHULA: Thank you, Chair. And mahalo for that question, Member Paltin. There is discussions through...between us and Corp. Counsel on the best way to implement the deed restriction. And the intent is absolutely to keep it affordable in perpetuity for the residents, and I imagine that would include that...I guess it would prevent, as long as we stay in the perpetuity...affordable in perpetuity lane, that would prohibit a short-term rental. And affordable in perpetuity, meaning that the property should be probably occupied as a

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primary residence as well, so that would eliminate the short-term vacation rental concerns.

COUNCILMEMBER PALTIN: And what floors are these on?

MS. KAHULA: Mahalo, Chair. D-105 is on the first floor, and C-206 is on the second floor.

COUNCILMEMBER PALTIN: Okay, yeah. Yeah, super grateful to the Scott's. Mahalo.

MS. KAHULA: Yeah, we here too. Thank you.

CHAIR SUGIMURA: Okay, thank you. Member Johnson, then Member Rawlins-Fernandez, and Member Cook.

COUNCILMEMBER JOHNSON: Thank you, Chair. Are the units ADA-compliant?

CHAIR SUGIMURA: Go ahead.

MS. KAHULA: Thank you, Chair. Thank you, Member Johnson. The D-105 is on the first floor --

COUNCILMEMBER JOHNSON: Um-hum.

MS. KAHULA: -- and C-206 is actually on the second floor, and would require a walk-up.

COUNCILMEMBER JOHNSON: Okay. But inside the unit like...so, you know, handlebar...or, I think they're called handlebars, in the restrooms, and wider door...I mean, will...will we have to put some money in to make them ADA-compliant, so that someone in a wheelchair could walk through the doorways, those kind of things?

CHAIR SUGIMURA: Ms. Kahula?

MS. KAHULA: Thank you, Chair. And thank you, Member Johnson. We would have to potentially make some adjustments to --

COUNCILMEMBER JOHNSON: Um-hum.

MS. KAHULA: -- provide housing for someone that was in a wheelchair, or --

COUNCILMEMBER JOHNSON: Um-hum.

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MS. KAHULA: -- had other disabilities that may needed some modifications. We have identified some units that we have completed the acquisitions on that would accommodate a person that was --

COUNCILMEMBER JOHNSON: Oh, wonderful.

MS. KAHULA: -- in a wheelchair, maybe wider doorways, and I will add that we are within the legal limits of providing ADA units.

COUNCILMEMBER JOHNSON: Okay, thank you. You know, the CDBG funds, to me, are a particular interest because, you know, Federal money, it's really important that it comes to our...our communities. I know there's a lot of strings attached to them, but can we use CDBG funds more of the way most people buy homes, where you put down a down payment on a...on a condo, and then you pay a mortgage? In that way, thereby spreading the money...as opposed to just buying it outright in cash, done with it? You know, you get more bang for your buck, as they say, if you do it the...the other way.

CHAIR SUGIMURA: So, Ms. Kahula, you can answer that question, and then his buzzer already went off, and I'm going to --

COUNCILMEMBER JOHNSON: Oh, I'm sorry. I didn't hear the buzzer, Chair. I beg your pardon.

CHAIR SUGIMURA: -- *(audio interference)* so you can answer that question.

MS. KAHULA: Thank you, Chair. And thank you, Member Johnson, for that questions. CDBG funds are very flexible, and...however, must serve already-identified or pre-identified activities. And one of...you know, in the past, one of the activities was to provide mortgage assistance and/or rental payments. I do believe that homeownership assistance in the form of a down payment assistance is possible, providing we had a subrecipient that could manage the program. So it's something that we could look into in the future.

COUNCILMEMBER JOHNSON: Oh, I see. You need a manager for those units as to the...the...okay, my time's up. Thank you so much, Ms. Kahula. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Member Rawlins-Fernandez, then Member Cook, then Member U'u-Hodgins.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. And I'm oftentimes remote, so I don't hear the buzzer ring because of the...the noise cancellation/suppressant thing, so if they're saying...just to let you know, the buzzer rang, and then that --

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COUNCILMEMBER JOHNSON: My apologies.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, not...not to you, Member Johnson, I was telling everyone as Chairs. So, when we're participating remotely, sometimes it...if it's a little more gentle, you could just like let us know that the buzzer rang nicely because we can't hear it. We're not trying to ignore it. Okay. So...and it's CDBG, and I know --

CHAIR SUGIMURA: Start the clock.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- it's confusing with CB...CBDs. . . *(laughing)*. . . I think...I think that's what maybe some people might be thinking about, you know, that pain killer. So, my question is about HOAs, another acronym. So, I remember asking you folks about this before. There...there's...there is an HOA fee monthly? What...what...how much is it for each unit?

MS. KAHULA: Thank you, Chair. And thank you, Member Rawlins-Fernandez. Each unit's a little different. I'm trying to find it in my notes here. The two units we're presenting on today is at 630 per month, and you know, Parkview Terrace, I think, was like 219, and that's speaking of the prior acquired, yeah, that was really inexpensive. Keonekai had a pretty affordable maintenance fee as well, so they...they kind of vary. I will say, though, that the units that we acquired with elevator access was more costly, yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then have...have you noticed with the units that you've acquired in the different areas...or not areas, but the complexes, if there are more amenities? So, like an elevator, or like a swimming pool, or exercise room, or beautiful landscaping, that there's a higher HOA fee?

MS. KAHULA: Thank you, Chair. And thank you for that question again. We have noticed it, but I will also speak to Parkview, where it does have an elevator, and still, the maintenance fee is \$219. And then we have other units located in the more resort areas that have higher maintenance fees.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair Lee noted that that one complex, the elevator likely only goes one way, and then maybe there's a slide that comes down. . . *(laughing)*. . . So, that concludes my questions. Mahalo, Chair.

CHAIR SUGIMURA: Good fun at the end of the day, yeah? Member Cook, then Member U'u-Hodgins.

COUNCILMEMBER COOK: I have no questions.

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CHAIR SUGIMURA: Great. Member U‘u-Hodgins, then Member Sinenci.

COUNCILMEMBER U‘U-HODGINS: Thank you, Chair. I have no questions right now.

CHAIR SUGIMURA: Oh, okay. Member Sinenci, then Member Kama.

COUNCILMEMBER SINENCI: Thank you, Chair. Should we go ahead and approve, how soon can we get some kūpuna in the units?

CHAIR SUGIMURA: Good question. Go ahead.

MS. KAHULA: Thank you, Chair. And thank you, Member Sinenci, for that question. We are working as quick as we can to get the contract drafted and then executed, and our plan is to have kūpuna in the units no later than July 1st, which is the beginning of the fiscal year and the actual start date of the contract that we’re trying to execute. But with that, I will add that we’re going to announce the availability of the units within the next 30 days at...on the long side, and we’re going to, you know, launch it out...put the applications out for community members to submit applications for. Internally, at CDBG, we will determine eligibility and be prepared to start on July 1st.

COUNCILMEMBER SINENCI: Okay, sounds good. Thank you for that, Ms. Kahula. Thank you, Chair.

MS. KAHULA: Thank you.

CHAIR SUGIMURA: Thank you. Member Kama.

VICE-CHAIR KAMA: Thank you, Chair. So, thank you for being here, Ms. Kahula. So, you know, when...when the kūpuna are going to move in, are you going to have some kind of a delicate...dedication ceremony for them when they move in?

CHAIR SUGIMURA: Go ahead.

MS. KAHULA: Thank you, Chair. And thank you, Member Kama, for that suggest...comment. Absolutely, yes.

VICE-CHAIR KAMA: Okay. I’m going to be waiting for my invite. Thank you. Thank you, Chair.

MS. KAHULA: You’ll all get invites. Thank you.

CHAIR SUGIMURA: Oh, that’s nice. All right. Any other questions? None. All right.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, Member Johnson.

CHAIR SUGIMURA: Oh, Member Johnson, proceed.

COUNCILMEMBER JOHNSON: Thank you, Chair. Really quick question. First off, this is wonderful. I think this is a great way to go, where we actually are buying up units. Is there any...first off, is there anyone in the department who is in contact with relators, or anybody who's got an eye on the market? Because you know as well as anybody that a good unit is going to be snatched up in this market. And if we had a realtor or anybody who's just watching the market to inform us, hey, there's a...there's an opportunity for us to continue this...do another thing like that?

CHAIR SUGIMURA: Go ahead.

MS. KAHULA: Thank you, Chair. Thank you, Member Johnson, for that question. I'm going to defer to Guy Hironaka to respond to that, if you're okay with that?

CHAIR SUGIMURA: Okay, please? Mr. Hironaka?

MR. HIRONAKA: Oh, Committee Chair, can you hear me?

CHAIR SUGIMURA: Yes, we can hear you now.

MR. HIRONAKA: Okay, yeah. So, because I am licensed, as you folks know, and so, I do check, every day, the listings. And I have reached out to a lot of the realtors that I know, and that's how we got these two units because the realtor is one...is one of the people that we initially bought a unit from. So, I asked him if he could talk to other people who live in the building, you know, because he knew what our requirements were, so he wasn't going to find...find one. And, you know, although you see some priced reasonably, but if you look at their maintenance fees, their HOA fees are \$1,500 because they have a lot of --

COUNCILMEMBER JOHNSON: Right.

MR. HIRONAKA: -- amenities. If they're on the ocean side, the maintenance costs for the buildings are very high because of the salt air. So, you know, we're very careful. And, you know, I talk to them, and I tell them that, you know, we don't want to displace anyone because, wildly, they're selling them with tenants. Or if they're in short-term rentals, they have reservations that they have to honor for months, and those are not things that we want. So, you know, people are aware. You know, I've...I've talked to quite a few realtors, just people that I know in the community. You know, we...we got the word out --

COUNCILMEMBER JOHNSON: Great.

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MR. HIRONAKA: -- but we're very selective. You know, we don't want to displace anyone and make them homeless because we're trying to put kūpuna in. You know, that's another requirement.

COUNCILMEMBER JOHNSON: Right.

MR. HIRONAKA: So, Patience and I, you know, as we vet through some of these units, you know, we look to see if they need repairs, you know. And some of these, because the owners have been really nice and giving them to us, basically, turnkey, you know, we don't have to furnish it...we don't even have to put in forks, plates, or anything.

COUNCILMEMBER JOHNSON: Wonderful.

MR. HIRONAKA: Yeah, they've been very generous because, you know, we explained to them...I explain to the realtors up front what the purpose is, and what we're trying to do.

COUNCILMEMBER JOHNSON: You know, Mr. Hironaka, I want to thank you. That's exactly the type of activity we need to do. Mucho mahalos for that. Is...if there's something else Councilmembers can do? You know, I...I...give us a flyer and . . .*(timer sounds)*. . I'll spread it all...you know, we'll use the bully pulpit. We'll try to get the word out as well. Or anything you think that the Councilmembers can do to help, I'm sure this body was...will always try to help to house our kūpuna. So, thank you so much. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. So, I have a question. So, the units that we already purchased, which was from December of last year, are we paying the HOA fees...maintenance fees, or how is that happening?

MS. KAHULA: Thank you, Chair. Yes, we are paying maintenance fees on those units. I...I think we've paid on two units so far, the first two acquisitions, and the last three were just completed, so I don't believe we've received the bill as of yet.

CHAIR SUGIMURA: And we have enough money with CDBG?

MS. KAHULA: At the current moment, the County is advancing funds to pay for those. And as soon as we begin the rental collection, and then we provide the allocation, the annual obligation of \$100,000, we will be able to reimburse the County, one, and then fund ongoing thereafter.

CHAIR SUGIMURA: Okay. Any other questions, Members? Seeing none, I think we're ready. Okay. So, I will entertain a motion to recommend adoption of

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE MINUTES
Council of the County of Maui

May 15, 2024

Resolution 24-69, entitled “AUTHORIZING THE ACQUISITION OF A CONDOMINIUM UNIT IDENTIFIED AS TAX MAP KEY NO. (2) 4-3-006:004:0065 LOCATED IN LAHAINA, MAUI, HAWAI‘I, FOR AN AMOUNT NOT TO EXCEED \$430,000.00,” and Resolution 24-70, “AUTHORIZING THE ACQUISITION OF A CONDOMINIUM UNIT IDENTIFIED AS TAX MAP KEY NO. (2) 4-3-006:004:0050 LOCATED IN LANAI...LAHAINA, MAUI, HAWAI‘I, FOR AN AMOUNT NOT TO EXCEED \$460,000.00,” incorporating any nonsubstantive revisions.

VICE-CHAIR KAMA: So moved.

COUNCILMEMBER COOK: Second.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR SUGIMURA: Thank you. So, motion made by Member Kama, second by Member Cook. Any discussions? No? No, no. Okay, let’s vote. All in favor, raise your hand say “aye.”

COUNCILMEMBER RAWLINS-FERNANDEZ: Aye.

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: Aye. I think this is nine “ayes,” and motion carries.

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: Recommending **ADOPTION** of Resolutions 24-69 and 24-70 by C.R.

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE MINUTES
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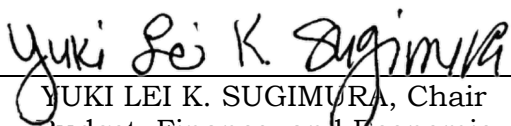
CHAIR SUGIMURA: Yay. We are done with our agenda, and thank you very much, everybody.

MS. KAHULA: Thank you.

CHAIR SUGIMURA: So, at this time, we are done for the day, and it is now 4:19, so we're ending a little bit early. And thank you, Members. So, this meeting is now adjourned. . .*(gavel)*. . .

ADJOURN: 4:19 p.m.

APPROVED:



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:min:240515:kr

Transcribed by: Kaliko Reed

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE MINUTES
Council of the County of Maui

May 15, 2024

CERTIFICATION

I, Kaliko Reed, hereby certify that pages 1 through 69 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 12th day of June 2024, in Wailuku, Hawai'i



Kaliko Reed