

HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

MINUTES

September 24, 2025

Online Only via Teams

CONVENE: 9:04 a.m.

PRESENT: Councilmember Tasha Kama, Chair
Councilmember Nohelani U‘u-Hodgins, Vice-Chair (In 9:07 a.m.)
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member (Out 11:54 a.m.)
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

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

Residency Area Office (RAO):

Zhantell Lindo, Council Aide, Moloka‘i Residency Area Office
Roxanne Morita, Council Aide, Lāna‘i Residency Area Office
Mavis Oliveira, Council Aide, East Maui Residency Area Office
Bill Snipes, Council Aide, South Maui Residency Area Office
Clyde “Buddy” Almeida, Council Aide, Makawao-Ha‘ikū-Pā‘ia Residency Area Office

ADMIN.: Nāhulu Nunokawa, Deputy Corporation Counsel, Department of the Corporation Counsel
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel
Saumalu Mataafa, Deputy Director, Department of Housing

OTHERS: Testifier
Jasee Law

Others (38)

PRESS: Akakū: Maui Community Television, Inc.

CHAIR KAMA: . . .(gavel). . . Will the Housing and Land Use Committee meeting of September 24th, 2025, come to order. It is now 9:04 a.m. I am Tasha Kama, Chair of the Housing and Land Use Committee. This online meeting is being conducted in

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accordance with the Sunshine Law. Members, when your name is called, if you're not with me in the Council Chamber, please identify by name who, if anyone, is in your workspace with you today. Minors do not need to be identified. Any questions before we continue? This morning, I wanted to say aloha kakahiaka and hei to our Committee Vice-Chair Nohe U'u-Hodgins. I do not see her online, but I do see Member Keani Rawlins-Fernandez. Aloha kakahiaka and hei, that's our new word for the morning. We can't hear you, Member Rawlins-Fernandez. I can't...can't hear you. I can't hear you. Can you hear us? You can hear us, but we can't hear you. Okay. So we can't hear her.

MR. KRUEGER: Chair.

CHAIR KAMA: Yes.

MR. KRUEGER: Apologies. Could we ask Councilmember Sugimura if she could test her audio just to confirm we can hear her?

CHAIR KAMA: Okay. Member Sugimura, good morning. Aloha kakahiaka and hei --

COUNCILMEMBER SUGIMURA: Good morning.

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: Good morning. Can you hear me?

CHAIR KAMA: Yes. We can hear you.

COUNCILMEMBER SUGIMURA: Okay. Okay, hei. . . .*(laughing)*. . .

CHAIR KAMA: Hei.

COUNCILMEMBER SUGIMURA: I'm at my Kula office, and there's no one here in the room with me.

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR KAMA: Okay, Member Rawlins-Fernandez, are you with us or did you go? Oh, no you're coming back. Oh, she's going to restart. Okay. When you come back, flag us down, and we'll come back and say good morning to you all over again. So let's go back to say aloha kakahiaka and hei to Council Chair Lee.

COUNCILMEMBER LEE: Aloha, Chair, and hei from Finland.

CHAIR KAMA: Oh.

COUNCILMEMBER LEE: That's H-E-I, hei. And Finland, of course, is a neighbor to Sweden

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in Northern Europe and they have a few more people than we do. They have five and a half million. Good morning.

CHAIR KAMA: Thank you for that tidbit of information should we go to Finland. So...and we have...aloha kakahiaka and hei to Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: Hei, ho.

ALL: . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: Aloha kakahiaka, kākou.

CHAIR KAMA: . . .*(laughing)*. . . Okay. Then we'll go to our...our Lānaʻi poet, Mr. Gabe Johnson. Good morning and hei. . . .*(laughing)*. . .

COUNCILMEMBER JOHNSON: Hei, Chair, Councilmembers, community members. There's no testifiers at the Lānaʻi District office. I'm here and ready to work. And I visited Finland a few years ago.

CHAIR KAMA: Oh, right. Yes.

COUNCILMEMBER JOHNSON: And I ate reindeer; it was very delicious. And those guys do a lot of work for their unhoused, and it is a model for the...the world to follow. So thanks for bringing that international greeting to the floor.

CHAIR KAMA: Oh, thank you.

COUNCILMEMBER JOHNSON: And ready to work. Thank you, Chair.

CHAIR KAMA: Thank you. And we're going to say aloha kakahiaka and hei to Councilmember Tom Cook.

COUNCILMEMBER COOK: Aloha. Good morning. Hei. There's currently no testifiers in the Kihei office, but we have our Staff on standby and looking forward to the meeting, Chair.

CHAIR KAMA: Okay. I'm going to say good morning, and aloha kakahiaka, and hei to Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka, Chair, and hei there. No testimony in Hāna, Chair.

CHAIR KAMA: Thank you for that. So I want to say good morning and hei to the Department of Corporation Counsel, Deputy Corp. Counsel Kristina Toshikiyo. Hei.

MS. TOSHIKIYO: Good...good morning, Chair and Committee Members. Hei.

CHAIR KAMA: . . .*(laughing)*. . . And we wanted to say good morning to our other Deputy Corp. Counsel, Nāhulu Nunokawa.

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MR. NUNOKAWA: Aloha kakahiaka and hei, Chair and Councilmembers.

CHAIR KAMA: And, of course, we have with us from the Department of Housing, Saumalu Mataafa, our Deputy Director, sitting in our galley. Good morning and hei to you. And we have with us our Committee Staff. We have Mr. James Krueger, our Senior Legislative Analyst. Good morning and hei to you.

MR. KRUEGER: Good morning, Chair and Members.

CHAIR KAMA: And we have with us, also, Ellen McKinley, our Legislative Analyst. Aloha and hei to you.

MS. MCKINLEY: Aloha, Chair and Members.

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

MS. YAMASHITA: Good morning, Chair and Members.

CHAIR KAMA: And we have our Legislative Attorney, Carla Nakata.

MS. NAKATA: Aloha, Chair and Members.

CHAIR KAMA: And we have our Assistant Clerk, Ms. Lei Dinneen, out there in our lobby. And we have in our Council Chambers our Council Ambassador, Ryan Martins. Good morning and hei.

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

CHAIR KAMA: So thank you, Members, for attending today's HLU Committee meeting.

UNIDENTIFIED SPEAKER: . . .*(Inaudible)*. . . --

CHAIR KAMA: We have a single item on the agenda today, HLU-6, Bill 40 (2025), amending Chapters 2.96, 2.97, and 3.44 of the [sic] Maui County Code, on residential workforce housing units. Members, Bill 40 (2025), relating to residential workforce housing units, has been before this Committee, previously on March 20th and May 14th of this year. For our discussion today, I have posted a CD1 version, which includes amendments that we previously discussed on March 20th. It also revises the selection priority for the units to instead be determined by ranking applicants selected by lottery, based on the total length of time each has been a resident of the County, similar to what was included in Ordinance 5315. Using my posted CD1 version as a base, I hope that you can conclude...we can conclude our discussion today and forward a recommendation on this bill to Council. Okay. And we're going to...I'm going to take a short break right there and say aloha kakahiaka and hei to Member U'u-Hodgins. Aloha kakahiaka to you.

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VICE-CHAIR U'U-HODGINS: Hei, everyone. Aloha. I'm at home today. I do have my minor son with me because Pā'ia school is closed today.

CHAIR KAMA: Yeah.

VICE-CHAIR U'U HODGINS: My adult son is somewhere. Not here but he may surface in, maybe, a few hours or something. But I don't think the Pā'ia office is open today because I think Baldwin Avenue still might be closed. So I'm not too sure what we're doing about testimony, but other than that I am here and good morning.

CHAIR KAMA: Good morning. And I want to say, also, good morning, aloha kakahiaka, and hei to Member Keani Rawlins-Fernandez.

MR. KRUEGER: Chair, she...she may still be trying to resolve --

CHAIR KAMA: She's still trying to --

MR. KRUEGER: -- some issues --

CHAIR KAMA: Okay.

MR. KRUEGER: -- but we'll be on the lookout for her.

CHAIR KAMA: Okay. Thank you. I don't want to miss her. Okay.

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

CHAIR KAMA: So with those brief remarks, I will now call for public testimony. Do we have any testifiers, Staff, before I read all of this?

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify on this item, but maybe we can do a call right now.

CHAIR KAMA: Yeah.

MR. KRUEGER: Oh, Chair, there is an individual indicating they'd like to testify.

CHAIR KAMA: Okay. Okay. I'm going to assume, Mr. Law, that you know you have three minutes and --

MR. LAW: Yeah, you did well. Thank you for stalling there so I could get my Hawaiian word of the day from --

CHAIR KAMA: Hei.

MR. LAW: -- Pukui, that white-covered dictionary with the red binder. Elbert, yeah, that's the

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guy's name. Jacee Law from Kula Uka. The Hawaiian 'Ōlelo word of the day, lokomaika'i, which mean beneficent or benevolent. I see the agenda, the...and thank you very much for putting that in 'Ōlelo Hawaiian because I'm...I'm reading it. Ka Papa Kumumana'o. Pila 40 is Maui County Code on residential workforce housing units. And Luna Ho'omalua Kama, if you could find an address for me up there in 96790, and I would like to be part of this residential workforce housing unit thing, too. Aloha.

CHAIR KAMA: Thank you. Questions for our testifier? Seeing none. Thank you very much. Staff?

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

CHAIR KAMA: Yeah.

MS. MCKINLEY: Proceeding with last call. If anyone in the audience or on Teams would like to testify, please come up to the mic and begin your testimony. Or use the raise-your-hand function on Teams, and Staff will unmute you. I'll provide a brief countdown; three, two, one. Chair, no one has indicated that they wish to testify.

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

COUNCILMEMBERS: No objections.

CHAIR KAMA: Oh, thank you.

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

CHAIR KAMA: Members, we'll now begin deliberations. We can use this time to ask questions of the Department of Housing and discuss further adjustments to Bill 40, including aspects of the bill. Members may wish to remove and address separately through another bill. For our discussion, I'll ask Staff to set a three-minute timer for each Member's time to speak. And if we need several rounds of discussion, we can actually do that.

COUNCILMEMBER LEE: Chair.

CHAIR KAMA: Yes.

COUNCILMEMBER LEE: Can you remind us why the matter was deferred? Was it to work on any particular thing?

CHAIR KAMA: Why this matter was deferred?

COUNCILMEMBER LEE: Yeah.

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CHAIR KAMA: I think we ended up getting Bill 9, yeah? Because...yeah, because this came, Bill 9 came, and Wailea 670. So we ended up --

COUNCILMEMBER LEE: Oh, it's just for that reason?

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: Oh, I thought maybe there was something in particular that we didn't agree on at the time, and then since then --

CHAIR KAMA: I thought we had a really lively discussion. And I don't...I'm not...I...I thought that we were getting close to some resolution. But I also knew that we weren't exactly there.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR KAMA: But closer than we were before.

COUNCILMEMBER LEE: Thank you.

CHAIR KAMA: Okay. I got a note that Keani is on. Are you...are you with us, Keani?

COUNCILMEMBER RAWLINS-FERNANDEZ: I don't know. Can you hear me?

CHAIR KAMA: Yes, yes. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Wow, hallelujah.

CHAIR KAMA: Hallelujah. . . .*(laughing)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka. I could hear you the whole time, you couldn't hear me. I'm at my private residence. I'm currently alone in my room, but my daughter is...is home. So if you see me talking to someone, that's who it is. There are currently no testifiers at the Molokai District office, but I heard you close public testimony, so --

CHAIR KAMA: Oh, sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- I guess you knew that.

CHAIR KAMA: Thank you.

COUNCILMEMBER SUGIMURA: Chair?

CHAIR KAMA: Yes. Yes, Member Sugimura.

COUNCILMEMBER SUGIMURA: So I...I do not see Tom Cook. I think he's in the Chambers.

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CHAIR KAMA: He is.

COUNCILMEMBER SUGIMURA: Gabe Johnson.

CHAIR KAMA: Yes, Mr. Johnson is here.

COUNCILMEMBER SUGIMURA: Yeah. I can't see their videos.

CHAIR KAMA: Yeah, they're in the Chamber, and you can't see them?

COUNCILMEMBER SUGIMURA: Their videos are not on.

CHAIR KAMA: Are your videos on --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh --

CHAIR KAMA: -- guys?

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Chair.

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair. Member --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Member Cook's video is on. Maybe what Member Sugimura needs to do is go to large...go to view, and then large gallery, and then you can see everybody.

CHAIR KAMA: Oh, I'm going to go do that right now.

COUNCILMEMBER SUGIMURA: I am in...I am in large gallery.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, because I can see Member Cook.

COUNCILMEMBER SUGIMURA: How about Gabe Johnson?

CHAIR KAMA: Well, Gabe's --

COUNCILMEMBER SUGIMURA: Because they're in the gallery, right? They're in the gallery?

CHAIR KAMA: Oh.

COUNCILMEMBER SUGIMURA: No?

CHAIR KAMA: He stepped out for a moment.

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COUNCILMEMBER SUGIMURA: I mean, they're in the Chambers.

CHAIR KAMA: Gabe stepped out for a moment.

COUNCILMEMBER SUGIMURA: Okay. Okay, thanks.

CHAIR KAMA: Okay. But yeah...okay. So we can all see everybody now. We can all hear each other now. Okay. Any other questions or discussion before we begin the real discussion? Okay. So I want to go...I think I want to start our questions with those Members who are online. While we have them, I want to start with them because I think it's a lot easier. And there's only, I think, three. Two, four, six. There's only three of them. So let's start with our Committee Vice-Chair U'u-Hodgins. Member, any discussion on the bill?

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

CHAIR KAMA: Yes.

VICE-CHAIR U'U HODGINS: Thank you, Chair. Can I ask Deputy...Deputy Director... sorry, can you hear me...Mataafa for his opinion on a couple of the proposed changes? Okay, thank you. On page 3, Section 2.96 050 [sic], relating to residential workforce housing credits, item G, where residential workforce housing credits may not be used or issued after Jan 1, 2050. Can you please give me your opinion on that? And then can you tell me your thoughts on what's going to happen post-2050 if there are existing credits floating around?

CHAIR KAMA: Deputy.

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember U'u-Hodgins, for that question. I do want to point everyone's attention, if they have it in front of them or on Granicus, to the letter that the Department of Housing sent on May 30th, 2025, on Bill 40. In that letter, we discussed the Department's not necessarily concerns, but points of information to bring up in consideration of this policy discussion that you're having on the phase-out of residential workforce housing credits. In the letter we do talk about this needing a larger discussion outside of the omnibus bill. And there's three things that we would like the Council to consider in its policy considerations. In the...in the letter...I'll just kind of read it really shortly, the first paragraph. There are three things that we wanted to draw to your attention regarding the phase-out of housing credits, including whether a dwelling unit matching the area median income level of that unit which it was generated is something you want to continue to have as a Council discussion, whether credits can be used to satisfy the requirement of any type of unit construction, and then whether the credits can be used in the County generally or in the community plan when it is generated...where it was generated. So those are three policy discussions that the Department would need to get clarity on from the Council, whether that's the direction you guys are heading. And then, on the Administrative side, we would have to figure out, if the policy is adopted, how to implement that within the Department. And the same goes for your second question, Councilmember

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U‘u-Hodgins, on...sorry, let me just get. . .*(inaudible)*. . .on what happens after January 1st, 2050. The Department doesn't necessarily know at this moment what would happen. We'd have to put together guidelines on how to implement that policy if it's adopted by the Council. So we're not there yet, but we would have to put our...our brains together in the Department to figure out . . .*(timer sounds)*. . . what that looks like and what the different requirements are to get us to that point.

VICE-CHAIR U‘U HODGINS: Okay. Thank you. I heard my bell...sorry...the bell, Chair, and I'll hold more questions for my next round. Thank you.

CHAIR KAMA: Thank you. And then we're going to go on over to Council Vice-Chair Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. Can you hear me?

CHAIR KAMA: Yes.

COUNCILMEMBER SUGIMURA: Okay. So I...I would also like to continue speaking to the Deputy Director Mataava [*sic*]. Thank you very much. So on this, in Section 2.96.060, residential workforce housing restrictions, owner...ownership units, can you comment on item number 2 where it has all the additions for single-family ownership units within each income groups are subject to the deed restrictions contained in this section for the following period and it lists the periods? Do you have a comment about that? Including number 3, which talks about the 99 years.

MR. MATAAFA: Thank you, Council Chair. And thank you, Councilmember Sugimura. As was discussed in a previous meeting, I think when Director Mitchell was here, the Department's position is that maintaining affordability for housing units as long as possible is a key priority of the Department. And then also, not only maintaining affordability, but while we're maintaining affordability there's also the ability to create more housing units. So in regards to commenting on that, I think we also have some discussion in that same letter dated May 30th, 2025, on the Department's position on...on deed restrictions. I'll reference number 2. If you want me to read it, I can. But if you have it in front of you, you can see the Department's position there as well on the affordability . . .*(inaudible)*. . . --

COUNCILMEMBER SUGIMURA: What's your *(audio interference)* what...what is your comment regarding item number 3, which is ownership units on County-owned land will be subject to deed restrictions for 99 years, you know, versus perpetuity? But what is the...what is your...the Department's position on that 99 years?

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Sugimura, for the question. The Department is in favor of the 99 years. That's a very long time. We're also open to discussions on perpetuity as well for County-owned land, for properties on County-owned land.

COUNCILMEMBER SUGIMURA: Okay. Okay. So the 99 years, to me, it mirrors what Hawaiian Home Lands [*sic*] does. From the Department's perspective...I mean, I...I...I...I agree with the 99 years because I think, then, it'll give the Department, in the future

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years, time to kind of regroup and look at the property and then look back in 99 years, or whatever the Council, at the time, may want to do. But at least it'll have continued discussion, which is, I think, of benefit. So Department, you have a thought on that? . . . (timer sound) . . .

MR. MATAAFA: Thank you, Chair. And thank you, Council --

COUNCILMEMBER SUGIMURA: *(Audio interference)* --

MR. MATAAFA: I'll just respond really quickly, if that's okay. Yeah. So on the Administrative side, it just be a point for us, if that policy is adopted, is administering that. And we do have procedures in place to monitor long deed restrictions, up to 30 years for some of our programs. So it'd be looking at the policies we have in place, looking at other policies within the Department of Hawaiian Home Lands and adopting a process within the Department to make this work.

COUNCILMEMBER SUGIMURA: Okay. Thank you. I heard the bell. Thank you very much, Chair.

CHAIR KAMA: You're very welcome. And now we're going to continue with Member Keani Fernandez [sic].

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Director...Deputy Director Mataafa. Mahalo for being with us. Okay. So for...I'll just *(audio interference)* credit, the housing credit. You mentioned about AMI credit continuing to be used for the same AMI or land that they were received for, as well as the AMI credit in the district that it was received. So in the amendments that are proposed, and I believe this is the ASF...or, I guess, Chair, are we working off of the ASF on Granicus that's the latest posted?

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So that's number 16 from September 4th?

CHAIR KAMA: I think that's the one. Let me go look at that. Yeah, number 16 --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR KAMA: -- right? That's the latest one.

COUNCILMEMBER RAWLINS-FERNANDEZ: *(Audio interference)* so that was my question for Deputy Mataafa. The language is insufficient to provide that direction for the Department.

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Rawlins [sic], for that question. It's not necessarily that the language is insufficient for the Department. It's if that's the policy decision, to make credits unusable after 2050 or to not issue credits after 2050, the Department would have up until 2050 to figure out how to roll out procedures to make that...to...to make that work and to set policies. And...and within

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the Department itself, to take the policy that you guys are setting and then adopt the appropriate actions to handle that policy, if that makes sense. So it's not that the...the policy statement is insufficient. It's just we have to engineer within the Department how to phase that out.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I think I understand. So the questions that you had about the policy that the Council would prefer is not currently the policy that is used, about credits being used in the district that...that the projects were received, that the AMI...that the credits in the AMI that it received be used in the same AMI or less. That's currently not the policy for the Department when applying the housing credits?

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Rawlins-Fernandez, for that question. And, yes, you're correct. So those discussions that we had in the letter, those three topics, . . .(timer sounds). . . those aren't currently addressed in the residential workforce housing policy.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. Well, that would be my preference when it's time to vote on...on that. Mahalo, Chair. I heard the timer.

CHAIR KAMA: Thank you. Thank you. Okay. So we're going to come into the changes now, and we'll start with Member Sinenci, and we'll work our way down to Chair Lee.

COUNCILMEMBER SINENCI: Mahalo, Chair. Mahalo, Deputy, for being here, answering our questions. On page 5, under C for that proposed amendment, ownership units must be occupied by the owner in perpetuity. This...I guess this is the perpetuity question. Can you explain or...or is...is the Department in favor of this change?

MR. MATAAFA: Thank you, Chair. Thank you, Councilmember, for that question. If you give me a couple of minutes just to read through that, I'll give you a response afterward, if that's okay.

COUNCILMEMBER SINENCI: Okay.

MR. MATAAFA: Yeah.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair, that's all for now.

CHAIR KAMA: Okay. (pause)

MR. MATAAFA: Thank you. I briefly read through that. So with this one, we don't have...we would have concerns, major concerns with C. We would need to do a little bit more research on the subtopics below. The one that might be tricky for the Department is number C(3) in figuring out an administrative way to collect that type of information and then apply it to this section of the code. So that one is a little bit tricky, the...regarding domestic violence. The other ones are typically straightforward.

CHAIR KAMA: Uh-huh.

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COUNCILMEMBER SINENCI: Okay. And it also says, "Not including utilities and without income restrictions". I know that when we've been going through some of the projects, some projects are adding, like, parking, Wi-Fi services, those types of things. Would that...is that included in...like, not including utilities?

MR. MATAAFA: Thank you for that question, Councilmember. If you could clarify that question, that would be great. What Section C does, though, it does give the Director some discretion on being able to determine whether those are applicable or not.

COUNCILMEMBER SINENCI: Okay. Good. . . .*(timer sounds)*. . . All right. I kind of want to keep that in the bill. We always discuss that. It...but it does say that it'll keep it within HUD rental guidelines. So hopefully, that doesn't include all of those additional utilities. Thank you, Chair.

CHAIR KAMA: We're going to continue with Councilmember Cook.

COUNCILMEMBER COOK: Thank you, Chair. So my question for Deputy Director, on page...on your...the May 30th letter from the Department of Housing, item 3, the calculation of maximum resale price for deed-restricted units. The summary at the bottom is the Department had no empirical evidence. The County's method of calculating shared equity or percentage is faulty anyway. It takes no position. Have you...has there been much discussion about that? And has...has the Department received any communication with developers that are working on projects that raising it to 50 percent wouldn't assist in people's being able to both maintain the affordability and also be more like homeowners than renters?

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Cook, for that question. This is something that the Director and I have talked about quite a bit. And it's an interesting topic that probably warrants a little bit more study. We've had projects...well, project developers on the front end, what they're concerned about is being able to sell the unit. So if something like...if adding more percentage to the maximum resale price is...allows more people to buy those units, I think that's favorable to developers. But at the end of the day, they're really trying to sell the units. And if a policy is put in place that...that allows potential first-time...or potential homebuyers the ability to buy that home, I think they're more willing to take it. But if it disincentivizes by lowering that limit from 25 percent to lower, that might be something to consider. And this topic, I think it just warrants more study. We've had a mixed bag of different developers come in, both after the fact and before the fact, telling us different things. So I think it's just something that we need to continue to study and monitor as a Department. But historically, we haven't had a lot of residential workforce housing for sale units built in the last four to five years. So there's not really a lot of case study that you could look at to determine what the actual silver bullet is here for this policy.

COUNCILMEMBER COOK: Thank you. I was looking at it more from the buyer's perspective and the...you know, totally supportive of enabling it to be affordable in perpetuity, et cetera. And when somebody does sell it, to guarantee that it's not for speculation. So limiting the amount of equity serves that purpose. And that's what we need. We don't

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want it to be a commodity. But when someone does sell it, for them to be able to have built up enough equity that they could either move up or . . .(timer sounds). . . address issues that they needed. So thank you...that's...thank you, Chair.

CHAIR KAMA: You're welcome. I'm going to continue with Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Good morning, Deputy Director. Glad to have you here today. I know you're busy, so I'm just going to jump right into the questions. You know, previously Bill 111 (2021), there's a lot of work done on this Council to get this up and running. We had to wait for the portal to be created as well as the Administrative rules. So, can you give us an update on those two topics?

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Johnson, for that question. Since the new leadership team took...took office or took position at the Department of Housing, this was one of our top priorities, is to roll out a tracker that will track different housing projects to provide a portal for the public to go on and see the different projects. We're currently in the sausage-making process right now. We're working with IT currently, to push projects forward. I think we're close to rolling out, close to rolling out a sample of what it will look like in the next three weeks or so.

COUNCILMEMBER JOHNSON: Oh.

MR. MATAAFA: So we're really close. We're just...we're...we're fine tuning it to make sure that the information that we put on the website are things that the public can digest and is impactful to their decisions and moving forward with housing. That process just takes time in working back and forth with IT.

COUNCILMEMBER JOHNSON: I understand that very . . .(inaudible). . . --

MR. MATAAFA: Yeah.

COUNCILMEMBER JOHNSON: Can you speak on the Administrative guidelines?

MR. MATAAFA: We don't have those in place, the Administrative guidelines for them.

COUNCILMEMBER JOHNSON: So part of Bills 11...111's...was based on you guys finishing the portal and the Administrative guidelines, then it'll come out. I don't want it to be slowed down again on this kind of scenario. So can you...you're saying you haven't done the Administrative rules. Can...is there a plan? Is there...do we have a timeline on that?

MR. MATAAFA: So that's something that we're working...I don't have a timeline for you on that.

COUNCILMEMBER JOHNSON: Okay.

MR. MATAAFA: As far as the guidelines, I have to go back and look at 111 and see...and see exactly what it says is required.

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COUNCILMEMBER JOHNSON: Right. So I'll jump in because Bill 111 is from 2021.

MR. MATAAFA: Correct.

COUNCILMEMBER JOHNSON: That's four years ago for Administrative rules and four years waiting for the portal. And we gave you guys kind of like a leeway to...to get your...get the...get the setup set up so that way when it rolls out, it rolls out cleanly.

MR. MATAAFA: Uh-huh.

COUNCILMEMBER JOHNSON: Section E, Department guidelines, the Department must adopt guidelines to implement the provisions of Section 2.96 100 [sic] subject to Council approval by a resolution. That was in the old Bill 111. So we made it so we could wait for you guys to do it. Four years down the road, Deputy Director...I mean, that's a lot for...just to wait for Administrative rules. Four...you...you mentioned that there hasn't been many houses for sale. Well, in that time, we could have that Bill 111 being, you know, rolled out and having that preference list for our folks.

MR. MATAAFA: Uh-huh.

COUNCILMEMBER JOHNSON: So why does it take so long for Administrative rules?
. . .(timer sounds). . .

MR. MATAAFA: Thank you. So the difference between Administrative rules and guidelines are different. So guidelines are not -- are procedures that the Department puts in place that are best practices on how to implement the program. Administrative rules are a little bit different. It requires public notice, to my understanding --

COUNCILMEMBER JOHNSON: Okay.

MR. MATAAFA: -- and a whole procedure on setting up the rules, going through the public process and getting those out to the public. So the difference between guidelines and rules...there's a sticking point there. Guidelines are generally easier to create.

COUNCILMEMBER JOHNSON: Uh-huh.

MR. MATAAFA: Administrative rules are a little bit difficult. On the point of guidelines, I think the bill references guidelines. It doesn't reference Administrative rules to my understanding.

COUNCILMEMBER JOHNSON: Okay. It does mention guidelines but I...I know--and I...I heard my time, so I'll just finish here, Chair, if you allow. The...I saw the...the lawyers nodding their heads yes on that. But we...we technically are out of compliance right now as it stands, so that's a concern I have.

MR. MATAAFA: My understanding is Bill 111 is no longer in effect because of that provision at the end of the section that requires guidelines to be adopted before the bill goes into effect.

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COUNCILMEMBER JOHNSON: Well, I'll...I'll bring...I'll ask the lawyers on my next round.
Thank you.

MR. MATAAFA: Okay. Thank you.

COUNCILMEMBER JOHNSON: Thank you, Chair.

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

COUNCILMEMBER PALTIN: Chair, before my time --

CHAIR KAMA: Yes.

COUNCILMEMBER PALTIN: -- I just wanted to give the disclaimer that I don't mean to be rude, but I'm going to cut you off because we got limited time if I got my answer.

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: Thanks. Okay. You can start the time. We all love sausage, I know. But I thought that the last time the Department was before us, for page 2, they recommend staying to the existing spread of 30, 50, 20...the last time the Director was here, because a lot of people would fall in that moderate category. Whereas the 100 to 120 percent AMI...I'm on page 1 and 2 of the bill. What...what was the reason? Did you have any reason for changing the spread, or was that not you? Because I thought the last time that you guys were here, you mentioned that keeping the spread was your guy's recommendation.

MR. MATAAFA: Thank you, Chair. I don't recall what happened at the last meeting. But I do note that in the bill it does give the Director the discretion that if, for some reason, the developer can't make it work at the income levels that are in the code, the Director can authorize a difference in the AMI categories, if that makes sense. So I don't think...I...I can't speak for Director Mitchell, but my understanding is he has the discretion out...outside the code section --

COUNCILMEMBER PALTIN: Okay.

MR. MATAAFA: -- to change the different . . . *(inaudible)*. . . --

COUNCILMEMBER PALTIN: Do you have any objection for actually listing the AMI instead of those in quotations: moderate income, above moderate income? Because every time I see those in the quote --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- I got to look and see what actual AMI it is. Like, so if I were to say, below-moderate income, 80 to 100 percent AMI, is there any objection to that?

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MR. MATAAFA: There's no objection.

COUNCILMEMBER PALTIN: Okay.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: And then, Staff, do you recall the...the Department's recommendation to keep the spread? Or...or no, we would...just got to go watch the meeting again?

MR. KRUEGER: Chair --

CHAIR KAMA: Yes.

MR. KRUEGER: -- apologies. I don't recall at this time but can review.

COUNCILMEMBER PALTIN: Okay. Thank you. Moving on to page 4. I'm looking at...under line number 4(c). You guys with me?

CHAIR KAMA: Uh-huh.

COUNCILMEMBER PALTIN: Is there any objection that when a new purchaser purchases a deed-restricted property that the deed restriction restart for that new purchaser to keep our affordable housing affordable longer?

MR. MATAAFA: There's no objection. I think the devil is in the details on how we do it, though. So when we get to that discussion, it might not be for the full time. If we can think about maybe scaling down the size...or...or scaling it . . .*(timer sounds)*. . . for the second owner. That would be something...a discussion that we'd like to have . . .*(inaudible)*. . . --

COUNCILMEMBER PALTIN: I'm...I'm not clear on what you meant by scaling.

MR. MATAAFA: So...so if a below a below-moderate-income home was purchased, and you're required to live in it for ten years and not sell it, but they sell it within those ten years, if we could maybe think about the next buyer, whether it makes sense to have it restart at the same number of years or if it makes sense to have a scale after that fact. Where we don't go the full...like, you wouldn't have to do ten years, but if there's a scale that said, okay, it's...you're buying it for the second time, we realize that there might be things you have to fix up. Maybe not having it as long as the ten years but having a sliding scale. And that's just something we have to think about a little bit more.

COUNCILMEMBER PALTIN: I guess, my...my preference would be to just restart it. Hopefully, the original...is there no...oh, sorry, my time, yeah. Okay, next time.

MR. MATAAFA: Yeah, okay.

CHAIR KAMA: But no, we're just having a really nice discussion, and I like the flow. Chair

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Lee.

COUNCILMEMBER LEE: Okay. This is not my favorite topic, deed restrictions. So I tend to prefer to give people more options because that's the only way they can improve their lifestyles and quality...well, education, medical bills, all the other things that come up in life --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER LEE: -- and to have too many burdens or restrictions on a homeowner defeats the purpose of homeownership. You may as well rent, you know. So I...I'm waiting to hear how we're going to vote on each of these deed restrictions because I'm concerned. And...and then I noticed that one of them has to do with...this is...not all projects will be County-owned --

CHAIR KAMA: Right.

COUNCILMEMBER LEE: -- but they would be subject to all of these restrictions?

CHAIR KAMA: Only County-owned land.

COUNCILMEMBER LEE: So I could ask you, Chair. I don't know, would the --

CHAIR KAMA: My understanding was that...that these deed restrictions could only be applied on County-owned land, right, or projects? Because you couldn't do it in a private project.

MR. MATAAFA: The way I read the bill is under...on page 3 under 2 96.060, Section B, there's three carve-outs. So my understanding is for the first two carve-outs, number 1 and number 2, that's specific to privately-owned and operated, privately-developed lots. And then there's a Section 3, which applies to ownership units on County-owned land. So I think there is a distinction, Chair Lee, on --

COUNCILMEMBER LEE: Okay.

MR. MATAAFA: -- where the deed restrictions apply to different types of units. And then there's a specific carve-out for ownership units on Section B(3) that talks about specifically County-owned land.

COUNCILMEMBER LEE: Okay. And I was concerned, Chair and Deputy, about restarting the...the ten-year...whatever year restriction because there is wear-and-tear on a home. And so, you're not getting the same status. You know, you...you...you're getting --

CHAIR KAMA: . . .*(Inaudible)*. . . --

COUNCILMEMBER LEE: -- something that's used already. So, do you want to apply that same strict standard to the next owner is the question. And so, Deputy, you mentioned that you would need to have further discussion on that?

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MR. MATAAFA: Thank you, Chair. And thank you, Council Chair, for that question. Yeah. So I think we need further discussion on that. What I proposed to Councilmember Paltin is maybe it doesn't restart the whole ten years if you have...if you bought it and with a ten-year deed restriction. Maybe there's some sort of sliding scale that we could work on with . . . *(timer sounds)*. . . Council to figure out that maybe it's not the full ten years, maybe it's a little less than...than that.

COUNCILMEMBER LEE: Okay. Thank you.

MR. MATAAFA: Yeah.

CHAIR KAMA: Okay. So we're going to go back onto round 2. And we're going to start with Member Nohe U'u-Hodgins again.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I do have some follow-up questions from my last round.-

CHAIR KAMA: Yes

VICE-CHAIR U'U HODGINS: But since we're on this topic --

CHAIR KAMA: Yes.

VICE-CHAIR U'U HODGINS: -- I wonder, Deputy Director, considering we're talking about the restart of a potential deed restriction or the potential restart of a deed restriction but also going back to what Member Cook said about the equity, if we were to have a sliding scale to ensure that the new purchaser of a home, because they're not getting the same new product, would be able to afford renovations, should we consider looking at the sliding scale of the equity as well as it relates to the resale and the 25 percent...the 50 percent you were just discussing? I know that you want to have more discussion on that. And I would also like to have more discussion on that, too. So I don't know where that leaves us, Chair. But I just wanted to...I just wanted to throw that out there so we can consider what that might be like. But to follow up on my last round, I think Member Rawlins-Fernandez asked the question right after me, and I was looking at all the things going back and forth. So I missed the answer, but I know it was a good question related to your preference on the language. So, for the dwelling matching unit area and the median income level of the unit, and I'm pulling this off your letter, which it's generated, you would prefer that language to a substitution of the C that's existing on page 3, where the credit may satisfy the requirement of any type of unit construction. Can you please...or constructed, can you clarify that for me?

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember, for that. I think you referenced two documents. I think you referenced the letter in regards to credits. And you --

VICE-CHAIR U'U HODGINS: Yeah.

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MR. MATAAFA: And can you just restate your question again? Is it in item...is it letter C in that letter you're asking about?

VICE-CHAIR U'U HODGINS: I think so. But...oh, is it 1? Okay. So I wanted to clarify, is your preferred language in your answer on the...the letter dated May 30th, '25, of question 1 for you...on your first paragraph you list A, B, and C regarding...this is housing credits. Is that your preferred language to what we have for B, C, and D on page 3 for housing credits?

MR. MATAAFA: Let me get organized in a quick second. B, C, and D.

COUNCILMEMBER RAWLINS-FERNANDEZ: So I'm reading—for a dwelling unit matching the area median income level of the unit on which it was generated. B --

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

COUNCILMEMBER RAWLINS-FERNANDEZ: -- to satisfy the requirement for any unit type constructed . . .(timer sounds). . . in the County (audio interference) or only in the community plan area in which it was generated.

VICE-CHAIR U'U HODGINS: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Those (audio interference) --

MR. MATAAFA: Yes. Thank you for that question.

VICE-CHAIR U'U HODGINS: Yeah.

MR. MATAAFA: And I think what the Department is pointing out is the current language that's being added to the bill only talks about credits being issued on or after January 1st, 2050. But I think a subsequent discussion needs to happen on each of that B, C, and D on what the Council's opinion is on...on those. And we need to likely include a large number of stakeholders to kind of help us through that --

CHAIR KAMA: Yeah.

MR. MATAAFA: -- because we do have some data at the Department that talks about what happens when credits are used in any community plan area, and for C and D as well. And so, I think what...in our letter, what we're trying to state is that this topic and this discussion likely needs to be a whole separate section in itself when we discuss this.

VICE-CHAIR U'U HODGINS: Oh.

MR. MATAAFA: And it probably warrants future discussions to bring more people to the table on these credit...usage of credits and how they can be applied. So I think that's the point we were trying to make in the letter is it likely warrants a discussion on its own, by itself.

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CHAIR KAMA: In a 7B --

VICE-CHAIR U'U HODGINS: Okay. I don't disagree. And that, I guess, means continuing work on this bill so we can pass the bill that makes the most sense.

CHAIR KAMA: Yeah.

VICE-CHAIR U'U HODGINS: How long do you think you guys are going to take to get that information? I'm sorry, Chair, I know I heard my bell, but that's the second time we heard that they may need more time to discuss. So I'm just trying to figure out what's their plan so we can figure out what's our plan.

MR. MATAAFA: Thank you. So for our process it would likely bring...be bringing stakeholders to the table to discuss what happens if G is adopted. And then subsequently, the policy discussions on credits being used in any community plan area, and what that does, and...and how that impacts the development of future housing projects. And the same thing goes...the impact still follows through to C and D as well. So it's getting more information from our stakeholders to see, really, how these policies, if they're enacted, impact future development of housing and maintenance of affordable housing inventory.

VICE-CHAIR U'U HODGINS: Okay. I heard that. Thank you. Thank you, Chair.

CHAIR KAMA: Sure. I just wanted to ask, Deputy Director, what do you see as a potential timeline for all of that occurring?

MR. MATAAFA: Well, if I had all the time in the world . . . *(laughing)*. . . --

CHAIR KAMA: . . . *(Inaudible)*. . . --

MR. MATAAFA: I mean, this one is tricky. I think we have to work hand in hand with the Council on this one.

CHAIR KAMA: Yes. Yeah.

MR. MATAAFA: So if it could be scheduled in Committee items as a separate item, it would be --

CHAIR KAMA: 7(B). . . *(Inaudible)*. . . 7(B)?

MR. MATAAFA: -- good discussion to have and bringing any developers, if they're willing to come --

CHAIR KAMA: Okay.

MR. MATAAFA: -- and...and the other stakeholders that are involved in the homebuying process to understand what this does to development and financiers as well. So --

CHAIR KAMA: Uh-huh. Uh-huh.

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MR. MATAAFA: -- the timeline is a little shaky to me, I think, because we both have to work together on this --

CHAIR KAMA: Yeah.

MR. MATAAFA: -- and have a more robust discussion on --

CHAIR KAMA: Yeah.

MR. MATAAFA: -- if we are going to phase this out, what does it do? Does it freeze development in the future? Does it enable...and how can we make it so it's not a shock to the system that goes the opposite direction of what we're trying to achieve and not creating housing. So --

CHAIR KAMA: Uh-huh.

MR. MATAAFA: -- I'm not equipped to answer on the spot right now --

CHAIR KAMA: Okay.

MR. MATAAFA: -- what the impacts of these are going to be if we adopt these policies. But I think having the future discussion in a separate meeting would be helpful, Chair.

CHAIR KAMA: Okay. Great. Wonderful. Okay. We'll have more deed restrictions in the future, coming. Okay. Thank you. So let's continue with, I think, Member Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. I guess I...I had thought A, B, and C, that I read...that Member U'u-Hodgins referenced were already the policy and it's really unfortunate that it's not. I don't know when Bill 40 will ever leave Committee. So, like, getting A, B, and C into our policy as quickly as possible (*audio interference*). So my understanding from a lot of the discussion, or at least my...my priority is...the top two are for most housing inventory to be used for residents, not investments or left vacant. And that housing is...that we should keep housing affordable. And so, as we try to adjust our systems to accomplish these goals...or I guess that...that's...that's what I'm thinking when I'm trying to, like, work out language to adjust our current policies to accomplish those two goals. Deputy Director Mataafa, so to Member Johnson...and I'm sure he'll pick this up again...I...I just heard you say that Bill 111 is no...no longer good law and some...not something that you have to follow anymore, which I thought we already resolved in a...in a previous Committee that it is still the law, and you still have to comply with that. And that statement is like saying that we're out of compliance with the Charter in not updating our community plans every ten years because we never do. And therefore, we don't have to update our community plans anymore because we're now out of compliance.

UNIDENTIFIED SPEAKER: Oh, good.

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COUNCILMEMBER RAWLINS-FERNANDEZ: And that's the most ridiculous thing I've heard. So I...I'm hoping that perhaps someone can please correct that for the record and for the public.

MR. MATAAFA: Yeah. I'll let Department of Corporation Counsel take a stab. And what I will say is we are working on the...some of the provisions of Bill 111, like including that housing portal that was important for the community. That is a high priority for us because that is an interface that directly works with the public to let them know of housing opportunities that are coming up. So we will likely roll that out in the next couple of weeks or so. We've been burning the midnight oil with IT to get that up and running. So we do urge you to just be patient with us on that piece. But I will defer to the Department of Corporation Counsel on Bill 111 --

COUNCILMEMBER JOHNSON: Chair?

MR. MATAAFA: -- from 2021.

CHAIR KAMA: Yes --

COUNCILMEMBER JOHNSON: Before the Corporation Counsel responds, can we take a quick five-minute recess?

CHAIR KAMA: Oh, yeah. Oh, yeah, sure. . . .*(timer sounds)*. . . So why don't we...it's...I'm going to call...it's 10:00, about 10:05?

COUNCILMEMBER JOHNSON: Thank you.

CHAIR KAMA: Okay.

COUNCILMEMBER JOHNSON: Sorry to disrupt the flow.

CHAIR KAMA: We're in --

COUNCILMEMBER JOHNSON: Thank you, Chair.

CHAIR KAMA: -- recess from...until 10:05. . . .*(gavel)*. . .

RECESS: 9:59 a.m.

RECONVENE: 10:13 a.m.

CHAIR KAMA: . . .*(gavel)*. . . Will the HLU Committee meeting of September 24th, 2025, reconvene? It is now 10:13 a.m. And I think we left off with Corp. Counsel. Is that correct, Ms. Toshikiyo?

MS. TOSHIKIYO: Yes. Thank you, Chair. And thank you for the recess so that we could discuss this. I guess there is difficulty in interpreting this section of Bill 111. But we do not disagree with what Member Rawlins-Fernandez and Member Johnson have said.

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So the Department, by not implementing the guidelines by the date, means that they are not in compliance. But that doesn't mean that the bill necessarily is dead. It just means that they will need to implement the guidelines, which will then go to Council to pass by a resolution. And then Bill 111...I guess it's Ordinance 5315 would then be in effect. So it's...it's still alive. There just needs to be steps taken by both the Department and then, again, by Council approval by resolution in order for...the effectiveness of this provision in the code.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Toshikiyo. I think that was clear. But, I guess...I don't know if Ms. Nakata is in the Chambers.

CHAIR KAMA: She is.

COUNCILMEMBER RAWLINS-FERNANDEZ: I pulled up the May 4...the May 14th HLU Committee meeting minutes where Ms. Nakata also opined on the situation and is in alignment with what Deputy Corp. Counsel Toshikiyo said. But I'd like to read it anyway. Okay. So Ms. Nakata said, "What I understand the question to be is if...is the effectiveness of Bill 111, which was enacted as Ordinance 5...5315. Staff would note that although the ordinance was enacted and made effective December 17, 2021, there is a Section 5 in Ordinance 5315 that reads as follows, 'The Department of Housing and Human Concern'... which no longer exists. But Department of Housing and Human Concerns must adopt guidelines for the implementation of Sections 2.96.090 and 2.96.100, Maui County Code no later than November 1st, 2022, subject to Council's approval by a resolution. This ordinance takes effect upon Council approval of the guidelines by a resolution. So for this body's information, the Council never received the guidelines that were required in order for them to consider adopting a resolution to approve the guidelines. And because of that, Ordinance 5315 was never made effective. So I know there's a lot of discussion about the body ignoring the language set forth in that ordinance, but the ordinance never went into effect. So Bill 40 was based on the County Code that exists right now." So that was from the meeting minutes on May 14th. So mahalo for clarifying that. And I...I...I hope that this -- that statement of it no longer applying is never said in the Chambers again. Mahalo.

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: Was that on the agenda? *(Audio interference)* --

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm sorry, was that on the agenda, was that the question? Yeah, Bill 40. . . .*(timer sounds)*. . .

CHAIR KAMA: Okay. Thank you, Member Rawlins-Fernandez, for that. And I think we're going to continue coming into the chamber now. And we're going to go back to Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. I just had a question for you. Did you...we're going to consider the bill today?

CHAIR KAMA: I would...I would have loved to, but hearing all the discussion, I think we

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probably may have to defer it and come back because of some of the concerns that were raised by...by our Department of Housing and some of the issues that we, ourselves, have raised today. And so, one of the things I was looking at is that we were spending a whole lot of time today...well, not a whole lot, but a huge amount of time in our discussions today about the 50 years, the deadline. And because in trying to fit this deadline into our deed restrictions, it seems like we...we can't move forward unless we do something about the 50 years. So my sense is that is it possible for us to just remove the 50 years, don't even deal with that, just deal with the deed restrictions? And then come back and deal with the 50 years at another time, maybe in another policy. I don't know, I just want to keep moving, that's all. I don't...I don't want to have to get wrapped up into more meetings and more meetings because we can't figure a way out or a path forward. So that's my...that's my question, just trying to make things easier for us to move forward.

COUNCILMEMBER SINENCI: If you...Chair, if you do defer, would you bring in some resources to kind of address --

CHAIR KAMA: Oh, definitely, yeah. We're going to have to.

COUNCILMEMBER SINENCI: -- address some of the questions --

CHAIR KAMA: Yeah, we're going to have to.

COUNCILMEMBER SINENCI: -- we might have that...okay.

CHAIR KAMA: Yeah. And then I think that that would be...maybe some of that time allotted to what Deputy Director Mataafa had said about working closer together and trying to answer the first three questions from the letter that was sent to us.

COUNCILMEMBER SINENCI: Yeah. So I...I know he did...Deputy did bring up about, on page 5, the question I...I asked about the owner, as an exemption the owner is experiencing domestic violence and requires relocation. So I would maybe request somebody who would, maybe, speak to...to that. I don't know if it requires court orders or working with domestic violence. How would...how would we get that information? Should we keep number 3 in, Chair? Thank you.

CHAIR KAMA: Okay. Certainly can. Mr. Cook.

COUNCILMEMBER COOK: Thank you, Chair. My question for the Housing, for Deputy Director, it's referring to, like, 99 deer...deed restriction. It refers to residential workforce housing on County-owned land. Could you...how much workforce housing on County-owned land do we currently have? And then, what is the...is the Department planning to be purchasing more County land for housing? Thank you.

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Cook, for that question. I have to get back to you on the question regarding how many units are County-owned land. It takes a little bit of research. So if we get a request in writing, we could follow up with that question. And then the second question about what the Department is

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doing to move projects along on County-owned land, we're...we're...good news is we're staffing up on our Housing Community Development Division [sic]. And we have talented employees now who are actually working on this issue of looking at County-owned parcels and seeing what the next steps are to moving them forward. So it's looking at the previous policy...not policies, the previous plans that were in place, the Comprehensive Affordable Housing Plan and the plans that the Council commissioned in the past. Taking those parcels that were identified as a starting point and then expanding that search to see if that requires us to acquire more land, or if we can develop land on those County-owned parcels. So it's kind of...it's a comprehensive look at both what we have in the inventory as far as vacant County-owned land. And then if those don't work out, we're concurrently working on identifying parcels that would be suitable for the County to purchase and move forward with for development.

COUNCILMEMBER COOK: Thank you. Chair, if we could request from the Department any of that information that they have, that they could share with us. I'd like to know...I'm curious, like how many parcels currently do we have, affordable projects that are on County land? And then also a perspective on existing inventory of County land that they're...they're looking at. I'm very supportive of the County buying property. I think it would be much easier for us to implement guidelines, restrictions, structure to keep it affordable if the County owns the land. I think that is a lot easier than just constantly negotiating with the developer and them saying whether it pencils out or not...public...public-private partnerships so...

CHAIR KAMA: *(Audio interference)*. Okay. So you want an inventory about our County-owned land, and what's on it, and the amount of units?

COUNCILMEMBER COOK: No. Well, I don't want to give them a major homework assignment. . . *(timer sounds)*. . . It's basically the County-owned lands that currently have affordable housing projects...or workforce housing projects on them --

CHAIR KAMA: Okay.

COUNCILMEMBER COOK: -- like those. And then projects...property that County currently owns that the Department is looking at as far as potential. So not...you guys have a lot of work. I don't want to give you a big homework assignment. It's more information that you have that you don't have at your fingertips now.

COUNCILMEMBER PALTIN: Point of clarification.

CHAIR KAMA: Yeah.

COUNCILMEMBER COOK: Yeah.

COUNCILMEMBER PALTIN: Do you want to include lands that are EO'd to the County? Like the four --

CHAIR KAMA: Yeah.

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COUNCILMEMBER PALTIN: -- acres --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER PALTIN: -- in West Maui that was EO'd for affordable housing but we're not the owners of?

CHAIR KAMA: Uh-huh. Uh-huh.

COUNCILMEMBER COOK: What's EO ?

CHAIR KAMA: Executive order.

COUNCILMEMBER PALTIN: Executive ordered from the State.

COUNCILMEMBER COOK: Yeah. That would be...and just, like, the footnote next to that. And thank you for educating me what EO is.

CHAIR KAMA: Okay, good. Okay.

COUNCILMEMBER COOK: Thank you, Chair.

COUNCILMEMBER PALTIN: So he wanted to include --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- EO'd land.

CHAIR KAMA: Yeah. Yeah, because you may have a whole lot of land sitting out there that you have no knowledge of. Okay. Thank you. Mr. Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. You know, having here Corporation Counsel, thank you for that response. I'm just going to implore the administration to please do the guidelines so we can get this Bill 111 in effect. Remember, it was over four years ago where we had that big, long discussion on this. I worked with the admin to give them that extra time at the...you know, the previous admin, I'll be clear—to...to give them extra time to make this bill work. And I feel like it just...it wasn't meant for them to ignore the law. We...I want to remind you that we're the policy makers, and if...if there's ways...you know, like, I just want to make that, like...we don't want...if you don't like the policy, let's talk. But to make it where it's...it's like you're almost influencing our policy decisions, that's not how we should...we should roll. I...I think that is...my main point here is if you guys...I'm sincere and I hope you guys are sincere. So if we're being sincere, please do the admin rules or, I mean, admin guidelines so we can write that reso, so it can go in effect, so we can give preference to people who live here the longest. That is such an important part of this discussion when it comes to affordable housing. I'll let you respond, Deputy Director. But real quick, two of the most important things when we talk about affordable housing is the community asks who's it really for and then what do you mean by affordable. So the who's it really for

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is really what Bill 111 is about. So if you want to respond, Deputy Director?

MR. MATAAFA: Thank you for that. And what I will say is the Administration does have a meeting on its docket with HUD that's going to give us further guidance on residential preferences. Good news, we have a meeting with them in the next week or two to go over what their opinion is on the Federal side, and it looks favorable to instituting those...those residential preferences. So we'll get further concurrence. Likely that that'll be the case for us to move forward with residential preferences. But then the...just to follow up, the devil is in the details on how we administer residential preferences. So yes, we'll likely need to clean up the language in 2.96 that talks about residential preferences because some of them are a little tricky for the Department to institute procedures on. So we're more than welcome to having those discussions with the Council.

COUNCILMEMBER JOHNSON: Okay. Thank you for that response. We're the policy makers. You guys are the administrators. I don't want to write something that you can't administer. But on the other side of the coin, I don't want you to stop some of our policies, right? So there has to be that kind of give and take. And if that...if...if I'm...*(inaudible)*...making...if I'm making a road that you can't drive on, then talk to me. But if I'm...if I'm...if you're trying to block that road, let's...again, let's talk. I don't want to make it where you can't administer it. We got this loosely based off of what Washington D.C. does with their preference list. It was like how long you were on that list. They would give you preference if you been on that list for a long time. So I think that we...I really want the Administration, you know, to step up a bit. We...we want you guys to do the preferential list. We want you to run the...the website. We want you, instead of giving it to the developers, to take it...*(timer sounds)*... on so that it's there, it's balanced, it's transparent. It asks those questions that the...that the Committees are asking. So please, I urge you.

CHAIR KAMA: Thank you. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. I wanted to just clarify from my last round, Mr. Krueger did find the minutes where Director Mitchell was talking about the spread and saying that they intentionally focused at the more at-risk residents, the low-income brackets because they are the closest to being homeless, trying to get to the at-risk residents first. And so, he thought the section of the proposal needs to be considered, that takes from the moderate and gives to the above-moderate, because we're trying to help the folks that are closest to homelessness. And if they don't get sold in the 90-day period, it moves up anyway. So I would be opposed to that change in the code to take from the moderate and give that 10 percent to the above-moderate. And in terms of the restart, that is also a policy decision. I'll just note that the affordability of the house is what we're giving to our residents. If you look at market-value homes, there's always wear-and-tear over the years, but the price keeps going up. It...it skyrockets. You know, just real-life example, 73 North Kihei Road, 1991, sold for 37,816. 2011, there's been plenty of wear and tear, but it sold at that year for 285,000. 2021, another ten years later, plenty of wear and tear, now it's selling for 549,000. 2024, three more years of wear and tear and it sold for 800,000. So I don't think that we should scale it. I think that we should extend the affordability for the next buyer at the time they buy it. They're

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still getting a deal with the affordable price in comparison to what the market gets. Another unit, 1998, sold 170,000, 150 Haole Street. 2014, it sold for 385,000. 2021, it sold for 560,000. So I think that the...the deed restriction period should restart. It doesn't make them pay any more or less on the affordable unit, it just makes it affordable for our people longer. And I think we really need to examine the whole purpose of our affordable housing policy. Like, it's been said that this is to give people a hand up, focus on generational wealth. But at this point in our history, people are just asking for shelter, you know. And...and that's what we need to shore up first, is...is giving as many people shelter as we can. My preference would be to talk about, like, shared appreciation over time. . . .(timer sounds). . . But I heard the bell, and...and I'll just stick to the...the proposed bill and the amendments I'd like to see in my next round.

CHAIR KAMA: Okay. Chair Lee.

COUNCILMEMBER LEE: Thank you. I wanted to ask the Deputy if he had information or do you keep track of all the credits that are still existing but not applied to any project?

MR. MATAAFA: Yes.

COUNCILMEMBER LEE: So how many credits are there?

MR. MATAAFA: I don't know off the top of my head, but we can do the research for you, yeah.

COUNCILMEMBER LEE: Okay. And do they all have different values?

MR. MATAAFA: Thank you for that question, Council Chair. The Department doesn't set the value. The value is set by the credit holder and then the person or the entity that's pursuing those credits. So it's a private market transaction that happens outside the Department. So we don't set the value for those credits.

COUNCILMEMBER LEE: Okay. And then I...I do...I want to repeat my concern about long deed restrictions. For the County projects that I...where we still own the land, how many projects do you think there are?

MR. MATAAFA: We have...well, we...we had four and then two were destroyed in the wildfire and those are rental projects.

COUNCILMEMBER LEE: Oh, all four?

MR. MATAAFA: So -- yeah.

COUNCILMEMBER LEE: All four?

MR. MATAAFA: So we...Kulamalu is still in existence. We have the Huliau project that's here in Kahului.

COUNCILMEMBER LEE: Uh-huh.

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MR. MATAAFA: And then Komohana Hale is the other one that burnt down in the fire --

COUNCILMEMBER LEE: Uh-huh.

MR. MATAAFA: -- and Lahaina Crossroads.

COUNCILMEMBER LEE: Okay. And then so you don't have any more buybacks? You used to have a buyback program where let...let's say Makawao Highlands and Skill Village and some of the others, we had first right of...of refusal. So have we bought back any lately?

MR. MATAAFA: Yes. My recollection in the last five to six years is there's a handful of them. And then most recently there is one that the Council authorized this year for us to purchase. It's the Loi Pōhaku Place. So we will purchase the property --

COUNCILMEMBER LEE: The...the where?

MR. MATAAFA: It's one in Mokuahau Subdivision, a single-family home that we're purchasing. But what happens is once we purchase it, then we turn it over to a community land trust to manage in perpetuity.

COUNCILMEMBER LEE: Okay.

MR. MATAAFA: Yeah.

COUNCILMEMBER LEE: So it's...do you remember how much more we had to pay?

MR. MATAAFA: So the resale calculation price tells us what we have to pay for the...for the home.

COUNCILMEMBER LEE: Do you remember how...what...what it was?

MR. MATAAFA: Yeah. It was almost \$500,000 to purchase the --

COUNCILMEMBER LEE: For what size?

MR. MATAAFA: A three-bedroom, two-bath house.

COUNCILMEMBER LEE: And how old?

MR. MATAAFA: I don't recall how old. I think Mokuahau Subdivision is fairly new, at least a decade.

COUNCILMEMBER LEE: Uh-huh.

MR. MATAAFA: Yeah.

COUNCILMEMBER LEE: Okay. Thank you very much. That's all I have for now.

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CHAIR KAMA: Thank you, Chair Lee. So we're going to go back online, and I'm going to go to our Council Vice-Chair, Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. I wonder if the Deputy Director could talk about...in his earlier discussion, he said he would have to go back to stakeholders to discuss the policy issues that were being discussed. And what stakeholders are you talking about?

MR. MATAAFA: Thank you for -- thank you for the question, Councilmember Sugimura. And generally, it's the leaders of almost all the housing stakeholder groups. You know, you have developers. You have financiers of projects. You have homebuyers. So that general group of people that interact with purchasing a home and developing the homes, getting guidance from them on what this will do to the market will be really important. And I just don't have a clear answer on what the...the impact will be if we institute those credits sections. So having that discussion, a more robust discussion on that will be really helpful and provide further illumination for the Council and the Administration on what the impact will be on implementing the credit discussion that we had earlier today.

COUNCILMEMBER SUGIMURA: Oh, okay. Thank you. That's always been sort of a discussion that has, you know, many sides and benefits. I...I wonder, then, the Department, the bill before you, based upon the discussion from...and questions from the Members, sounds like you need more time to get a grasp of this, so that we could run with it. Or what is your position as you're hearing us and...and today's discussion?

MR. MATAAFA: Thank you, Chair. I think, generally, if we could carve out the discussion on credits, I think the rest of the bill, the Department doesn't have any objection to moving forward. So if that credit discussion would be carved out, I think the discussion on the deed restrictions will become a lot more clear, and we can move forward. But in talking with Director Mitchell, there wasn't a lot in here that were complete hindrances. The only thing I'll mention is there's a section that talks about...sorry, let me just get centered. On page 5, that talks about deed restrictions. When I mentioned earlier, that carve-out for the number C(3), that one's going to be hard to . . .(timer sounds). . . get...wrap our heads around on how do we...how do we move forward with exempting these domestic violence issues from the code. So that would be one thing that we would like to be discussed here because it would be problematic in implementing within the Department.

COUNCILMEMBER SUGIMURA: Okay. So those two...those two items. Thank you.

CHAIR KAMA: I'm going to continue with our online Members, and we're going to go to Member Nohe U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. Are we going to then do...can I ask you a question? Is there a plan to do as Housing suggests? And is it just remove letter G, related to the housing credits must not be issued and used after January 1, 2050, on page 3? And then we can continue to move on? Or is everything else, other than that,

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according to Deputy Director of Housing, okay, and then we can move on, and we keep the credit? So a separate discussion?

UNIDENTIFIED SPEAKER? Well, what are we going to do?

CHAIR KAMA: That...that was...that was my intent. If we could just put that on the side that...I mean, just for this bill and then bring it back --

VICE-CHAIR U'U HODGINS: Okay.

CHAIR KAMA: -- and incorporate it at some different time because --

VICE-CHAIR U'U HODGINS: Okay.

CHAIR KAMA: -- seem to me that it's taking away a lot of our discussion, that we could be talking about --

VICE-CHAIR U'U HODGINS: Yeah.

CHAIR KAMA: -- the stuff that really matters, then we can always come back. But if that was your intent also, Deputy Director?

MR. MATAAFA: Thank you. Yeah. I'm just skimming through the bill really fast. And those were the main things that we like separate discussions on.

VICE-CHAIR U'U HODGINS: Okay. As well as potentially discussing Member Paltin's idea related to the restart of deed restrictions, if we're going to continue conversations, I know she requested that. So I don't know if you want to talk about that later, as well, with the sliding scale. I think it's interesting for us to remember that 2.96 is basically a tax on our housing providers because we're not doing what we need to do to provide housing for our community. So the people that do provide for more...more homes, we expect them to provide one affordable house. And we wouldn't necessarily need all of these if we were more proactive in creating our own affordable housing. And so, I think it is important for us to remember that these are restrictions we're putting on our community and our other home providers, and we...it's difficult already. And so, I would support removing G. I would love for us to be flush in affordable housing, and we wouldn't need the credits. But I think for right now, until we can really take a deeper dive, I would support removing that. But other than that, I don't think I have any further discussion, Chair --

CHAIR KAMA: Okay.

VICE-CHAIR U'U HODGINS: -- other than just that removal, which we can...which I can do when we attempt to pass the bill. Thank you.

CHAIR KAMA: Okay, thank you. Let me see. Let's continue with our Member from Molokai, Keani Rawlins-Fernandez.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. It sounds like we're kind of heading down a more productive path. But also, you know, like the...the bill that Member Paltin introduced in the beginning of last term to address the 2.96 deed restriction periods, the length of time, ended up growing into this omnibus bill with things such as the housing credit that the Department had always expressed concerns about and further discussion before just passing it in an omnibus bill. And, you know, this is...Bill 40 is like a...is...is a heavy bill. It has lots of moving parts in it, and we keep kind of, like, bringing it up, like, as one-offs without a real, like, plan to...to move it out of Committee. And...and...and that's been a little frustrating. If...so in the meantime, the...the original bill that Member Paltin introduced, you know, like we're in...at the end of September already. And I think we could've likely moved Member Paltin's bill out of Committee months ago if it hadn't morphed into this omnibus bill. So if we don't think we're going to be moving this omnibus bill out of Committee before the end of the year, then perhaps considering Member Paltin's original bill and taking that up by itself and then removing that section from Bill 40. And then, you know, talking about all the different sections separately, that would be my preference on moving forward because Bill 40 has kind of been impossible to get anywhere. And I...I don't...I don't want to feel frustrated. And I know other people don't want to feel frustrated either. And I want the Department's concerns to be heard and addressed adequately so that they're the ones that administer, you know, the policies that we pass. So I want to be sure that we're passing things that our Department is able administer as well and then hear, you know, from the public's concerns . . .*(timer sounds)*. . . and incorporate all of that. Mahalo, Chair.

CHAIR KAMA: Oh, thank you for that. Oh, Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I think what...the reason why, if I can remember correctly, we're here at this point is because Member Paltin and I had very similar bills drafted. So I had one, she had another, and then we came to, like, discuss the differences between the deed restriction periods, and then it morphed into these...into this bill that we see before us today. So Member Paltin had a bill, and then I also had a bill at the very same time, and we had them in Committee. And then while discussing deed restrictions it went everywhere. But yeah. And now it's...it is what it is today. But yeah. So if we have to go back from scratch, we can either use Member Paltin's or mine and do what, I guess, what we attempted to do before. But yeah.

CHAIR KAMA: Okay. Well, thank you for that. Any other comments, Members, about our path...plan forward? Member Paltin?

COUNCILMEMBER PALTIN: I...I still...I been...I been making my way through the bill asking the Department on things I wanted to amend --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER PALTIN: -- on this bill, and I'm only on page 5 now. So I'm...I'm good to continue --

CHAIR KAMA: Okay.

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COUNCILMEMBER PALTIN: -- going down.

CHAIR KAMA: Members, any other questions? Because if not—oh, go...yes, Mr. Johnson.

COUNCILMEMBER JOHNSON: Chair, I...I mean, this. . .*(inaudible)*. . .this is complicated, just like our housing is. But I also feel this might be a compromise if we do take that section out about residential...or workforce housing credits.

CHAIR KAMA: Uh-huh.

COUNCILMEMBER JOHNSON: I'd be willing to pass this out of Committee but, you know, because as a compromise.

CHAIR KAMA: Uh-huh.

COUNCILMEMBER JOHNSON: But if you...if we're not there yet, we're not there yet.

CHAIR KAMA: Yeah. Yeah --

COUNCILMEMBER JOHNSON: But I'm saying that if we took out what the Admin. is concerned about, I'd be willing to move forward.

CHAIR KAMA: Okay. Members, any other comments in terms of removing item G? And then we just continue on with the remainder of questions that Member Paltin might have and any other things that we could work on. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Member Sugimura had her hand up before me.

CHAIR KAMA: Oh, okay. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: And I...I'd like to go after.

CHAIR KAMA: Okay. Member Sugimura.

COUNCILMEMBER SUGIMURA: Okay. Thank...thank you. Thank you, Member Rawlins-Fernandez. So I just wanted to...I was going to comment what Member U'u-Hodgins said as how we got here. So we...this bill before us is a consolidation of the discussions that we have had, so I would like to continue moving forward. I do like the Department's recommendations about the credits and then, you know, removing that as well as the domestic violence portion. And then, you know, take the bill as you proposed, Chair, so that we can have some, you know, resolution. Thank you.

CHAIR KAMA: Okay. Thank you. Any other comments? Oh. Oh, yeah. I'm sorry. Go ahead, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I...I would go along with what

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Member Johnson proposed except instead of completely removing G, the...the housing credit section, I'd like to put in the A, B, C that we were talking about earlier, about clarifying where housing credits should be used, since that is currently not in the policy because I'd like that to be policy. So if we're going to...and then I'm going to have a question about whether...when you say if we're going to move forward with the bill, are you talking about today? That we're going to...you know, we're going to keep going all day until 12:00 to try to get to where we can get to. And then if we're able to pass it out of Committee without the phasing out of housing credits but adding how housing credits should be applied, I...I would...I would be supportive of that.

CHAIR KAMA: Okay. So I wanted to ask our Deputy Director to comment on what you said about item G. And if we all take a deep breath, and we think we can holomua and pass this out today, that would be great if we can...able to do that. But in the meantime, we just keep on keeping on. Member...I mean, Deputy Director.

MR. MATAAFA: Thank you, Chair. And then, Councilmember, Rawlins [sic], can you pose your question one more time so I'm sure I'm hearing you correctly on your...on Section G?

COUNCILMEMBER RAWLINS-FERNANDEZ: So if the policy is currently not that, A, for a dwelling unit matching the area median income level of the unit on which it was generated; B, to satisfy the requirements for any unit type constructed; and C, in the County generally or only in the community plan area. Oh, sorry, not in the County, generally, only in the community plan area in which it was generated.

MR. MATAAFA: So your question is confirming whether that's the policy or not, what's stated in Section 2.96 under B, C, and D?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

MR. MATAAFA: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, currently not the policy.

MR. MATAAFA: That is the policy. So the credits can be used in any community plan area. A credit may satisfy the requirement for any type of unit constructed, and the credit may satisfy the requirement of a unit in any income group.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So that is the policy right now.

MR. MATAAFA: Yes, that's correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: But the question was just about when...when phasing it out, would those still apply. I guess I'm kind of confused by the Department's concerns. And when I asked earlier if that was the current policy, I swear you told me no.

MR. MATAAFA: Oh, I might've misheard you earlier, but that is the policy. If we phase out

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the credits, those three sections, B, C, and D, would still apply until January 1st, 2050, unless --

COUNCILMEMBER RAWLINS-FERNANDEZ: All right.

MR. MATAAFA: -- amended, as I just heard from Deputy Corp. Counsel.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Yeah. I'm...I'm okay with moving forward. I think I'd like a recess at some point, though, to kind of...I don't know. There's...there's a lot of things that weren't very clear. So I'm trying to understand where we're at and where we're going.

CHAIR KAMA: Okay. So why don't we just keep moving forward. And if at any point anybody doesn't know where we're at, or gets lost, or turned around we can always reverse and start again, if that works for you. Okay. And I think...Chair Lee.

COUNCILMEMBER LEE: I was going to ask you, where are we? . . .*(laughing)*. . . you know.

COUNCILMEMBER PALTIN: But no, wait, you went from Keani, and then you said...asked all our opinions. So you skipped Gabe and me...you skipped my turn on asking questions.

CHAIR KAMA: Oh, sorry. I...I . . .*(inaudible)*. . . --

COUNCILMEMBER LEE: That's okay.

CHAIR KAMA: Chair.

COUNCILMEMBER LEE: I...I can wait. I can wait.

CHAIR KAMA: Okay. Okay. That's fine.

COUNCILMEMBER PALTIN: Did you...did you go? I didn't go? Okay. Sorry. I was waiting all this time for it and I was like, what, I'm missing. Okay. I'm on page 5, under line letter F. If you see that, I would like to substitute that for these words and let me know your thoughts, Deputy or Corp. Counsel. In --

COUNCILMEMBER RAWLINS-FERNANDEZ: What section? Sorry.

COUNCILMEMBER PALTIN: F. Page 5, F at the top. In situations of foreclosure, the County has the first option to purchase the unit from the mortgage holder. The option will be available to the County for a period of 60 days from receipt of written notice from the mortgage holder. And if not, then subparagraphs 4a through 4e do not apply in situations of foreclosures. Just...it's just adding the County having the first option to purchase the unit from mortgage holder for a period of 60 days from receipt of the written notice for the mortgage holder.

MS. TOSHIKIYO: Sorry, can you please repeat that? I was looking for the section. I didn't realize it was hiding at the top of page 5. So this is applying to --

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COUNCILMEMBER PALTIN: In situations of foreclosure, giving the County the first option to purchase the unit from the mortgage holder for a period of 60 days from receipt of written notice from the mortgage holder. And then it can continue on in the way it says that restrictions in subparagraphs 4a through 4e do not apply in situations of foreclosure should the County not exercise its first option to purchase.

MS. TOSHIKIYO: So for instance, in scenarios where the bank is going to potentially foreclose, and we receive notice from the bank, then we would have the opportunity. I...I...I think I would be fine on the County's part but whether the mortgage holder has to...I have to think about that one...provide 60 days...I mean to abide by that because they may have other restrictions within their contract on timing. Can I get back to you on that one? If you could send me that language?

COUNCILMEMBER PALTIN: Get back to me on that one. Moving right --

MS. TOSHIKIYO: Yeah.

COUNCILMEMBER PALTIN: -- along. In Section C, any objections to adding the word "by unit size"? So it would read, "Ownership units must be occupied by the owner in perpetuity or used in perpetuity as a long-term rental under Section 3.48.466 with rent no more than HUD's current affordable rent guidelines by unit size for a family of four at 100 percent", blah (*phonetic*), blah, blah. Any . . .(*timer sounds*). . . objection to that? Because you know how the HUD guidelines go by how many bedrooms, so that's --

MS. TOSHIKIYO: One, two, and three-bedroom.

COUNCILMEMBER PALTIN: -- that's specifying...just adding that specification.

MR. MATAAFA: Sorry, I was just digesting. I don't think there's an objection to adding that.

COUNCILMEMBER PALTIN: Okay. And then I just wanted to briefly comment on the point that you said about Member Sinenci about not listing number 3, the owner is experiencing domestic violence and requires location because the Director finds the requirement would cause undue hardship, including one or more of the following. If we say "not limited to that" so if you have like a case of undeniable domestic violence where a TRO is filed, and all the things, that would be an undue hardship. And then just adding on the statement at the end, like, you know, giving some sort of discretion along those types of things that the Director shall submit an annual report to the Council for any discretionary exemptions approved in this session...section. That would be my way to resolve the...the number 3 issue, is to give a little more discretion for cases that the Director deems to be clearly undue hardship for life matters. And then, like, you know, just so there is oversight, you submit an annual report to the Council for any discretionary exemptions that were approved under Section C.

MR. MATAAFA: Thank you. I...I don't have a problem with giving the Director more discretion. I think the concern with number 3 was that the Director might have to discern what domestic violence is, and that's not typically what we do in the Department is discern

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what experience in domestic violence really means. And whether...and when a claim is brought, whether...what type of documentation would be needed and whether that documentation can even be transmitted to the Department to make that discernment --

COUNCILMEMBER PALTIN: So --

MR. MATAAFA: -- but discretion is great.

COUNCILMEMBER PALTIN: -- so my discretion would not be to discern this domestic violence. It would be to discern undue hardship and, you know, whatever that entails. So it would...it would be not limited to the following, but those are some of the examples of undue hardship that we're talking about. And, you know, if somebody ended up in the ER and there's definitely evidence of it being domestic violence, I would call that undue hardship. I mean, it's just talking about the...the evidence of what the undue hardship is and giving the Director that discretion with a request that you fill us in with that discretion as it has been applied over the past year.

MS. TOSHIKIYO: The only concern that I would have on that is...and providing the report is the level of information that the Council is going to require, especially in the sensitive matters of domestic violence situation. Are you going to be looking for names and addresses? So just how that reporting would work so that we're not violating anyone's privacy rights.

COUNCILMEMBER PALTIN: Yeah. I wouldn't request to violate any privacy rights. Like, you know, you also use your discretion on that, and as the report comes in, we're always free to have the conversation one on one with the Department, like, because we know their phone numbers and stuff. I don't want to put...air anybody's laundry out, just whatever protects people's privacy. And then if we need to follow up, we can.

MR. MATAAFA: Thank you. And I'll just say, like, discretion, we always welcome discretion in the Department. So I...I didn't hear in your amendment whether you were requesting to remove that number 3, and you're just making a general discretionary clause to allow the Department to determine undue hardship.

COUNCILMEMBER PALTIN: Yeah. I mean, if number 3 specifically is a problem, I'm okay with removing it and, say, including one or more of the following but have a wordsmith person say, but not limited to...to the...including one of the following but...one or more of the following but not limited to only those three instances because I feel we can't predict every situation of undue hardship --

CHAIR KAMA: Correct.

COUNCILMEMBER PALTIN: -- that could possibly come up. But --

CHAIR KAMA: Right.

COUNCILMEMBER PALTIN: -- I imagine if this body approves the Director through the process that his definition or discretion of undue hardship would be reasonable. Like, a

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reasonable person, five out of nine of us would say, yeah, that's an undue hardship, you know. And then just adding that reporting oversight so that we can, you know, see how it goes year after year to resolve that issue. I think if we can agree on that, that would be an excellent C for policy, policy C.

MS. NAKATA: Chair?

CHAIR KAMA: Yes.

MS. NAKATA: If Staff may, the phrase currently reads, "Unless the Director finds the requirement would cause undue hardship including one or more of the following". So Staff would just note that the including one or more of the following does not suggest this is an exhaustive list. These are just examples, so --

CHAIR KAMA: Oh. Oh, okay.

MS. NAKATA: -- the "but not limited to" is already understood in the --

CHAIR KAMA: Uh-huh.

MS. NAKATA: -- phrasing of including.

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: Oh, main thing you guys understand it.

CHAIR KAMA: We get you. Thank you, Carla.

COUNCILMEMBER PALTIN: Okay. Sorry, I heard the bell.

CHAIR KAMA: Thank you. Oh, I didn't, but okay. Chair Lee.

COUNCILMEMBER LEE: Chair. Okay, thank you. Following up on that, Deputy, maybe before you were born, we had a policy in the Housing Department where we gave preference to victims of domestic violence for Section 8 vouchers. So you may want to look at the files and see what the...what the protocol was there and, you know, what the...what the policy was when we...when we did that. Okay. So in...in other words, there's...there's something for you, historical information that you can check on.

MR. MATAAFA: Okay. I'll double-check on that.

COUNCILMEMBER LEE: Okay. And then I'm...I really...the only thing that I would question, Chair, is that let's not...if...if possible, let's not make any changes in the middle of the body. Let's go back to beginning so we go one, by one, by one, right?

CHAIR KAMA: Yeah, yeah.

COUNCILMEMBER LEE: Is that what you're planning to do?

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CHAIR KAMA: Well, I...I...I know we started with all of our --

COUNCILMEMBER LEE: I know people can bring up, you know --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- their ideas. But I'm saying --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- I mean, I'm hoping we're not going to vote on anything in the middle when we...if we take it --

CHAIR KAMA: No. We're not done yet, right?

COUNCILMEMBER LEE: Yeah.

COUNCILMEMBER PALTIN: Yeah. We're still just asking questions on --

CHAIR KAMA: Yeah, and getting amendments and putting stuff together.

COUNCILMEMBER PALTIN: -- amendments that we would propose once the motion is made.

COUNCILMEMBER LEE: Okay. I don't have any more questions. Thanks.

CHAIR KAMA: Okay. Thank you. Now we're going to go back online and we're going to go with Member U'u-Hodgins, and then we're going to go with Member Rawlins-Fernandez, and then Member Yuki Lei Sugimura, and come back to Member Sinenci, and go back. Good? So hopefully by the time we're back to you, Chair Lee, we've had it down pat and maybe we can put this out today and we'll see. But we can always come back one more time. Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I think really the only thing that I want to make note of is that on page 6 in Section 5(A)(6) we're going to have to amend that language when we amend the other language about --

CHAIR KAMA: Right.

VICE-CHAIR U'U HODGINS: -- G --

CHAIR KAMA: Yes.

VICE-CHAIR U'U HODGINS: -- and strike until January 1 of 2050.

CHAIR KAMA: Right. Yeah.

VICE-CHAIR U'U HODGINS: And then, I guess this question is for Corporation Counsel or...or

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whoever. But in the event of when we do a buyback, whether it's now or when this pass...I'm not too sure what's going to change. Does the Department verify the sales price to the County on its own? Does it come to us? How...how does this work when we...if we ever actually do buy back something? I don't think it happens very often. But can you please tell me how it works?

MS. TOSHIKIYO: I'll take the best stab at it as I can because a lot of the work is done before it comes to Corporation Counsel. But it's...it has to do with --

VICE-CHAIR U'U HODGINS: Okay, thank you.

MS. TOSHIKIYO: -- the...the first appraisal. And then the second appraisal with the time that they're determining that they're going to do a buyback. It does go to Council as a resolution pursuant to, I guess it's Chapter 3.44 for acquiring property. Although that might be a proposed change in the...this omnibus bill. But also, typically, it goes to Council for the...as a budget amendment or as included in the annual budget. So it has to go the Council for approval.

VICE-CHAIR U'U HODGINS: Okay. Okay. Thank you. For me, Chair, I'm...I'm good on my questions.

CHAIR KAMA: Okay.

VICE-CHAIR U'U HODGINS: And that's all I have. Thank you.

CHAIR KAMA: Thank you. Okay. We're going to continue with Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: I don't have any questions.

CHAIR KAMA: Thank you. Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Thank you, Chair. No questions.

CHAIR KAMA: Okie dokie. It's coming back to you, Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. I'm okay with the changes suggested. Thank you.

CHAIR KAMA: Okay. Thank you. Member Cook.

COUNCILMEMBER COOK: I don't have any further questions. Thank you.

CHAIR KAMA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. My questions have been answered. I just would implore the Administration, once again, to move this forward and help our community. Thank you, Chair.

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CHAIR KAMA: Thank you. Member Paltin.

COUNCILMEMBER PALTIN: Thank you. For...on page number 6, Section 6, 1(B). Everyone there?

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: Okay. I want to add in "and be placed on the wait list". So it would be "Eligibility criteria. To be eligible for a residential workforce housing unit and be placed on the wait...and to be placed on the wait list, an applicant must meet the following criteria." Any problems with that? (pause)

MR. MATAAFA: Thank you. The Department has no issues with that language addition.

COUNCILMEMBER PALTIN: Thank you. And then moving onto the next page, number 4, where it says, "Have assets that do not exceed 140 percent of the County's area median income established by HUD or adjusted by the Department for Hāna, Lānaʻi, and Molokai...Molokai. Assets include all cash, securities, stock, bonds, and real property with the understanding that assets being used for the down payment or closing costs are not to be included in the asset calculation. Real property is valued at fair market value less liabilities on the property." I guess, you know, if somebody is saving up, and saving up, and saving up for a down payment, this kind of counts against them a little bit. I mean, I can see if they own other real property, maybe that could be their home. But, like, how do we account for, like, somebody that at, say, 16 years old knows that they want to buy a house. And they start saving, and they putting it away, and they have that...what is that one fund that you get the matching thing that...was it the IDA, or something, Fund?

CHAIR KAMA: Yeah, IDA.

COUNCILMEMBER PALTIN: Like, does this mean that they can't have assets exceeding 140 percent of the County median income it...it...what is the purpose of that? Like, is it to discourage people that are saving on their own to be able to qualify for affordable housing? Or --

MR. MATAAFA: Thank you. I can't speak to the intent of why this was added. But in similar discussions that Director Mitchell has had with this Council regarding the first-time homebuyer's program, it was an issue in our guidelines. So having maybe further discussion on what...what . . .(timer sounds). . . percentage makes sense is probably valuable for the Council and the Administration. But just know that we are looking at this deeply with our other programs and trying to get way from penalizing people who are saving up towards building a home.

COUNCILMEMBER PALTIN: Yeah, because I think it came up the last time we had this discussion. I guess, you know, if...if we're looking to pass something today, maybe we can say, like, you know, IDA funds or something wouldn't count towards that as well. Like, because the more that somebody can put down on the down payment the less the monthly cost is. And with all the monthly costs that are going up, and up, and up, and

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up I don't necessarily want to limit or penalize folks that save knowing that this is, like, a lifetime goal that they cannot be eligible for affordable housing if they're doing their due diligence by putting monies away. And the other thing is, you know, sometimes people inherit real property that is not suitable for housing that is like in their...I mean, I see Member U'u-Hodgins nodding her head. They have a family graveyard, which you wouldn't...I wouldn't...I don't know if they would, but nobody would really want to build on a graveyard. So it's not suitable for --

CHAIR KAMA: Housing.

COUNCILMEMBER PALTIN: -- building a house on, but I wouldn't want to have, like, a share in that family graveyard, prevent that family from being eligible for affordable housing. So I don't know if this can be analyzed—how...how it can be fixed.

MR. MATAAFA: Chair? Thank you for that question, and it's an interesting point. Like I said earlier, we are trying to look deeply throughout all of our programs to get away from penalizing people who are saving. And what might be good is to some way maybe give discretion to the Director in this matter, where we can work on the guidelines and align it with what the Council wants to see and what we're seeing with our participants in these programs. And that might help, instead of being as strict as the language is saying, 140 percent of the area median income. So . . .*(inaudible)*. . .a way --

COUNCILMEMBER PALTIN: Yeah, I like that.

MR. MATAAFA: -- you could work in Director's discretion --

CHAIR KAMA: Give that to him.

COUNCILMEMBER PALTIN: Yeah.

MR. MATAAFA: -- that might help.

COUNCILMEMBER PALTIN: Okay.

CHAIR KAMA: Director's discretion.

COUNCILMEMBER PALTIN: Wordsmith genius, work it up.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: The asset is if your down payment...if you have a down payment, it's not included as an asset.

CHAIR KAMA: Correct. Yeah . . .*(inaudible)*. . .but --

COUNCILMEMBER LEE: So that was your concern, right?

COUNCILMEMBER PALTIN: Well --

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CHAIR KAMA: Well --

COUNCILMEMBER PALTIN: -- it...it...the down payment, it says real property...down payment or closing cost. Is there no limit on what the down payment amount is? And then, like, you know, you want to...like, say you buy a short-term rental home, then you want to make sure you have enough money to pay for taxes for that first year and a half --

CHAIR KAMA: . . .*(Inaudible)*. . . --

COUNCILMEMBER PALTIN: -- up to. You know, like --

CHAIR KAMA: Yeah. Yeah.

COUNCILMEMBER PALTIN: -- there is...I...I love the discretion issue until you can work up some guidelines so that if people have these big assets that appear to be big money, but when you look at it, it's not --

CHAIR KAMA: It's a debt.

COUNCILMEMBER PALTIN: -- that much to make all the math work, then the Director has the discretion. Oh, but you have this oceanfront parcel. Yeah, that's all my family's burials. Oh, but you have this much money. But I'm planning to buy a short-term rental house, and I'm planning to pay my taxes for the first year and a half at short-term rental rates. You know, if every asset that you list can be explained to the Director's satisfaction and his discretionary authority, I would just add another reporting piece. Like, we gave some discretion because they had this much property, but not suitable. We had...we had this, but they...like, if it's all accounted for and they give a reporting annually, discretion away, my friend.

MR. MATAAFA: And just to add, we're amenable to that. So we're amenable to the reporting, too, if you guys want to include that.

COUNCILMEMBER JOHNSON: Point of information. That example you gave about buying a short-term rental with those taxes, I...I'd like to fix...work on that with Director Marcy Martin to make so -- because if Bill 9 passes and all those folks going to get in there with those kind of tax rates we want to fix that.

COUNCILMEMBER LEE: We're already doing that.

COUNCILMEMBER JOHNSON: Okay.

COUNCILMEMBER LEE: Yeah.

COUNCILMEMBER JOHNSON: Well, that's another point of information. But what do you mean --

COUNCILMEMBER LEE: That's what --

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COUNCILMEMBER JOHNSON: -- we're already doing that?

COUNCILMEMBER LEE: RPTR.

COUNCILMEMBER JOHNSON: What's that?

COUNCILMEMBER LEE: The Special Committee on Real Property Tax Reform.

COUNCILMEMBER JOHNSON: Oh. Look at that.

COUNCILMEMBER LEE: Yeah.

COUNCILMEMBER JOHNSON: See. Okay. Thank you.

CHAIR KAMA: Yeah. Okay. Are you...did you have anything else, Member Paltin?

COUNCILMEMBER PALTIN: Oh, sure, I do, but I did hear the bell ring.

CHAIR KAMA: I know, but I don't see anybody jumping...I mean, nobody is...oh, Member Sugimura.

COUNCILMEMBER PALTIN: Oh, okay.

COUNCILMEMBER SUGIMURA: Oh, I'll go after Member Paltin so she can complete.

CHAIR KAMA: Okay. Member Paltin, what page now?

COUNCILMEMBER PALTIN: I believe I'm on...shoot. I'm on page...okay, I'm on Section 2(D)(4) --

CHAIR KAMA: All the way back there.

COUNCILMEMBER PALTIN: -- which I believe is on page --

CHAIR KAMA: 7?

COUNCILMEMBER PALTIN: -- 8.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: And I'd love to be able to insert a C...insert a letter between B and C that would read...new C, "Any units that remain unsold must first be offered to the County for purchase at the original sales price".

CHAIR KAMA: Where did you want it? Between A and B or...

COUNCILMEMBER PALTIN: Between the existing B and C on page 8.

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CHAIR KAMA: Oh, okay. And what does it say?

COUNCILMEMBER PALTIN: It would say, "Any units that remain unsold must first be offered to the County for purchase at the original sales price". And then it would go on to, like, nonresidents. And, I guess, you know, to go in line with everything, 90 days. Or if the County thinks that they can make a decision within 60 days, that would be great too. (pause) Ms. Toshikiyo looks like she likes it. . . .(laughing). . .

MS. TOSHIKIYO: Just clarifying, so the 90-day period is for the County to make a decision in writing or to close? Not to close, right?

COUNCILMEMBER PALTIN: In writing. How long do you think it would take to close, the County? How long did it take for Lo'í Pōhaku?

MS. TOSHIKIYO: That's still in process, yeah.

COUNCILMEMBER PALTIN: You guys need help over there? I...I can offer my skills as a layperson. So every...everybody likes that --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- addition?

CHAIR KAMA: Yeah, that's fine.

COUNCILMEMBER PALTIN: Oh, okay. All right. I'll yield to Member Sugimura.

CHAIR KAMA: Are you done, Member Paltin?

COUNCILMEMBER PALTIN: I think so. I...I've been waiting, as everyone says their questions, to work on my next questions. But I think that's all I have.

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: Thank you. I have something very simple. I noticed that this bill is...the version we're working from is not signed from Corp. Counsel.

CHAIR KAMA: Yeah.

COUNCILMEMBER SUGIMURA: So -- so Corp. Counsel, either or, page 10.

MS. TOSHIKIYO: Sorry, can you...what's your question, Member Sugimura?

COUNCILMEMBER SUGIMURA: Oh, that it's not signed. The copy that we have is not signed, that we're working from.

MS. TOSHIKIYO: That's correct.

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COUNCILMEMBER SUGIMURA: So you are not going to sign it. This is not --

MS. TOSHIKIYO: Oh. Oh, no. Sorry.

COUNCILMEMBER SUGIMURA: -- it's not something that --

MS. TOSHIKIYO: No. It didn't come to us for a review, as far as I'm aware of. So it's not signed because we didn't have an opportunity to review it for today's meeting.

COUNCILMEMBER SUGIMURA: So are you fine with what we're discussing --

MS. TOSHIKIYO: Still working through it.

COUNCILMEMBER SUGIMURA: -- or do you need more time?

MS. TOSHIKIYO: Yeah, still working through it, especially if there are going to be amendments coming through. But I know that earlier versions of amendment summary forms that were posted in Granicus, the First Deputy did sign off on. So I was looking through what changes were made since then. And I...I think as part of the discussion, a lot of the questions I had in mind were being answered. So at this point, without having sat down and looked through the entire bill, I don't really have any issues. And if anything does come up, then we...we would raise them.

CHAIR KAMA: Oh, okay.

COUNCILMEMBER SUGIMURA: Thank you, that's it. Very good.

CHAIR KAMA: But other than that, it looks good, Ms. Toshikiyo?

MS. TOSHIKIYO: Yes, I believe so.

CHAIR KAMA: Okay. Okay. So Members, is there anything else that you'd like to add to this? Because then I think we could actually pass this out today, if when we take out this --

COUNCILMEMBER LEE: But we're still going one by one on all the proposed changes --

CHAIR KAMA: Yes.

COUNCILMEMBER LEE: -- from beginning to end, yeah?

CHAIR KAMA: Yes. Hopefully, Staff got it all. So remember what you were talking to me about earlier, James, about the amendments and those things?

MR. KRUEGER: Chair, yes, we...we have notes. But...so I suppose if the...if the body is looking to make a recommendation, then the procedure would be for the body to first entertain a motion to recommend passage on first reading of the proposed CD1 version of the bill.

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CHAIR KAMA: Uh-huh.

MR. KRUEGER: And then at that stage, then Members can make the appropriate amendments to --

CHAIR KAMA: Okay.

MR. KRUEGER: -- adjust what they needed.

CHAIR KAMA: Okay.

MR. KRUEGER: You know, for example, items relating to the credits, or the additions, or amendments --

CHAIR KAMA: Uh-huh.

MR. KRUEGER: -- that Councilmember Paltin was just discussing.

CHAIR KAMA: Right. Or the deletion of item G that Member U'u-Hodgins had spoken about, right? Okay. Okay. Oh. Oh, okay. Yes, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm...I'm supportive of, you know, how we're going to move forward. But I wanted to go back to Section 2.96.050, the housing credits. I know that Section G will likely be removed and --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- that's fine. That seems to be the hold-up with passing Bill 40.

CHAIR KAMA: Uh-huh.

COUNCILMEMBER RAWLINS-FERNANDEZ: And that was my idea anyway, so that's fine. The 2.96.050(B) states that the...the credit may be used in any community plan area. So I'm looking at our County Code now because I wanted to see what it currently says, because when I...when I asked, I got two different answers.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: And so, it wasn't clear the last time. And then, so that's B. And then C is the credit may satisfy the requirement for any type of unit constructed. And then D, the credit may satisfy the requirement for any unit of any income group. So that's what's currently in our code. And that's not what I was trying to support. So, like, if we can make those amendments because then the...the credits,

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if they're generated in, let's say, West Maui, then when the affordable housing units are built, they could be built in South Maui as it...as the law currently states, right?

MR. MATAAFA: I'll jump in really quickly. And I apologize because I wasn't clear on your earlier line of questioning, because I was looking at both documents, both Bill 40 ASF and then also our letter. I just wanted to make a point in our letter that those points that we brought out, which mirror the Chapter 2.96 --

CHAIR KAMA: Uh-huh.

MR. MATAAFA: -- that you just pointed out, those are --

COUNCILMEMBER RAWLINS-FERNANDEZ: . . . *(Inaudible)*. . . --

MR. MATAAFA: -- discussion items that we'd like to have with the Council because we have had --

CHAIR KAMA: Right.

MR. MATAAFA: -- issues in different areas with those...with those credits. So I think it's...for us, it would be good to have a separate discussion. But I'll leave it up to the body on what they'd like to do regarding credits in this section. Is that clear, Councilmember? I was looking at --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah *(audio interference)* --

MR. MATAAFA: -- two different documents before. I'm just pointing out in our letter that --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, yeah. I...I understand.

MR. MATAAFA: Yeah, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: I...I...I understand. We were both unclear, which is why I pulled up the County Code so that it would be very clear and there wouldn't be any question about what our current law is. And...and since you're asking that we have a separate discussion on that and that it sounds like you wouldn't be supportive of . . . *(timer sounds)*. . . amending that section today, then that's fine. I can be supportive of not including that. But it seemed like other Councilmembers were supportive of that, but the Department is...is asking that we not take that up.

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Is that...is that correct?

MR. MATAAFA: Thank you, Councilmember. Yes. So what we're asking is these issues regarding...in the code now, Section B, C, and D of the section you just referenced, the credit may be used in any community plan area, may be satisfy the requirement any type of unit constructed. Those requirements, we've had...had discussions on internally

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and with the community on those...those three, and I think it warrants a separate discussion by itself because we need fresh eyes on those three sections with the Council moving forward.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, that was very clear, Deputy Director. Mahalo. I won't make those...propose those amendments.

CHAIR KAMA: Thank you. So Members, if you have no more questions, then I'd like to begin my recommendation. I would like to entertain a motion to recommend passage on first reading of Bill 40, CD1 (2025), attached to my ASF, posted on today's agenda, incorporating any nonsubstantive revisions.

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER JOHNSON: Second.

CHAIR KAMA: It's been moved by Member Sugimura and seconded by Member Johnson. Thank you. Discussion and any amendments? This is where we get our...yes. Member...I saw your hand. Let's go with Member Paltin.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: And I saw yours, too, Member U'u-Hodgins.

COUNCILMEMBER PALTIN: I move to amend Section 2(C)(1)(a) to include 30 percent of the ownership units for below-moderate income residents, which is 80 to 100 percent AMI, area median...area median income; (b), 50 percent of the ownership units for moderate-income residents, which is 80 to 100 percent area median income; and (c), 20 percent of the ownership units for above-moderate-income residents, 100 to...which is 100 to 120 percent area median income. And to continue that on to number 2(a), one-third of rental units shall be for very low income, 50 percent and below area median income and low-income residents...I think is that 50 to 80 percent area median income, one-third of the rental units for below-moderate income residents, 80 to 100 percent area median income.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: One-third of the rental units for moderate income residents, 100 to 120 percent area median income allowing for nonsubstantive revisions for form and legality. But that's my amendment.

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: Yes, Ms. Toshikiyo.

MS. TOSHIKIYO: Thank you. I think in your C(1)(a)...I guess for the moderate-income residents, I think you said that it was 80 to 100 percent. So I think you meant to say, 100 to 120 percent.

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COUNCILMEMBER PALTIN: Oh. Yeah, see this is why I figure we should write it out because it's so confusing. And...and I'll consider that a nonsubstantive revision because you're correcting it to the right thing it's supposed to be.

MS. NAKATA: So, Chair --

CHAIR KAMA: Yes.

MS. NAKATA: -- if Staff would just confirm that Councilmembers wanting to revert the percentages to what's currently in the code --

COUNCILMEMBER PALTIN: Correct.

MS. NAKATA: So it would be...for 1(a) it would be...excuse me, for C(1) it would be 30 percent, 50 percent...excuse me, 30 percent, 50 percent, 20 percent.

COUNCILMEMBER PALTIN: Correct.

MS. NAKATA: And then you want the...income groups as defined in 2.96.020 to be placed alongside --

COUNCILMEMBER PALTIN: Yeah, because --

MS. NAKATA: -- each of the units.

COUNCILMEMBER PALTIN: -- it's so hard --

CHAIR KAMA: . . .*(Inaudible)*. . . --

COUNCILMEMBER PALTIN: -- to, all the time, remember that. And then you have to flip back and forth, and it's --

CHAIR KAMA: Yeah.

MS. NAKATA: Okay. Thank you, Chair.

COUNCILMEMBER PALTIN: I would even do away with the wording but, yeah --

CHAIR KAMA: Okay

COUNCILMEMBER PALTIN: -- you...you got the gist of my amendment.

CHAIR KAMA: Okay. Did we get a second for that?

COUNCILMEMBER LEE: Not me.

COUNCILMEMBER SUGIMURA: Second.

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CHAIR KAMA: Member --

COUNCILMEMBER LEE: Sugimura.

CHAIR KAMA: Okay. Thank you.

COUNCILMEMBER PALTIN: So, for my discussion, nobody had a problem with the spread before --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER PALTIN: -- Mr. Mitchell, in the minutes from last meeting, said they intentionally try to focus on the lower AMI brackets --

CHAIR KAMA: Uh-huh.

COUNCILMEMBER PALTIN: -- because they're closer to homelessness. And, I mean, we got so many people that are experiencing homelessness now, I don't think we should go in the other direction. And then I...I think I discussed enough about placing the numbers there because it's...it's...it's difficult to remember, and I've been doing it for, like, seven years. So I don't think it's going to get easier without placing those numbers there.

CHAIR KAMA: Okay. Chair Lee.

COUNCILMEMBER PALTIN: That's my discussion.

COUNCILMEMBER LEE: Thank you. Chair, I am voting no on the proposed amendment.

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: I believe, regardless of the fact of what the Director said, that the lowest end is closest to homelessness. The homeless probably need the most subsidy. Most homeless people can't even...I'm pretty sure can't afford to buy a home. They should be renting first and then working their way up to home ownership. So I would...I would not be in favor of making the changes. And I would be supportive of your...of your proposal. Thank you.

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

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

COUNCILMEMBER PALTIN: Point of clarification. We're not taking it from the lowest and putting it to the highest. We're putting...taking it from the moderate and putting it to the highest. So just clarifying because her discussion made it sound we're...like we're taking that from the highest and giving it to the lowest. We're taking it from the highest and giving it back to the moderate who can afford --

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CHAIR KAMA: Missing middle--

COUNCILMEMBER PALTIN: -- the...I think it's 120 to 100...100 to 120 percent AMI, which can afford it and need more help than the 120 to 140 percent, which is more like the gap income who could...plenty of those guys can do it on their own, especially in multifamily, they usually do anyway and they bypass. So that was just my clarification.

CHAIR KAMA: Okay. Member...Chair Lee.

COUNCILMEMBER LEE: I'm not in favor because you're taking the requirement away from the...the above moderate, which means...that's...that's group...that group plus the market are the ones that subsidize the rest. So you shouldn't be undercutting those groups. Thank you.

COUNCILMEMBER PALTIN: And...and to clarify, I'm not taking. I'm just keeping it status quo.

CHAIR KAMA: Okay. Thank you. Any other discussion, Members? Yes, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So I...I heard...I hear what Chair Lee is saying about taxing the market houses to subsidize the affordable units. And I also heard Member U'u-Hodgins make that earlier comment about 2.96 being a tax on the market housing. It doesn't have to be. Many times, we've had projects that trigger 2.96, and we've asked them to take advantage or to use some of the Affordable Housing funds to help subsidize it so that it's not a tax. They...they don't have to subsidize --

CHAIR KAMA: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- those units using the market. Like, we recognize how out of whack our housing system is right now. And I...I don't know what other Councils were like before in regards to this issue. But this Council has been open to offering to help to...to subsidize those units with public funding. So, it...it...I...I guess I just don't accept that as an argument anymore. Mahalo, Chair.

CHAIR KAMA: Thank you. Any other discussion? If not, I'd like to take roll call vote for this. Oh, Member Paltin, is your hand up?

COUNCILMEMBER PALTIN: Yeah, the other...my second and final discussion is that many times, from what I've seen when we did create affordable housing in Lahaina for sale, people, for whatever reason, didn't make the 90-day period. So, often it would go to the highest and then go to market value anyway. And when laypeople on the street hear about that, they are outraged. You know, there's only so much that they get. So if the 50 percent of ownership units cannot last for moderate-income residents for 90 days, it'll go to the highest anyway. And a lot of times it even goes past the highest to market rate. So we're just further and further taking it away from our most vulnerable by making this change to the current status quo. 120 to 140 percent AMI is...is really considered gap already. So we're helping the people that...I mean, the...the 100 to the

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120 percent AMI is a lot of our...our County-worker families who, you know, don't have a place to leave...live and are leaving. Just saying.

CHAIR KAMA: Yes, Chair Lee.

COUNCILMEMBER LEE: Yeah. And to further my argument, I want to say that these types of changes, to me, will not help us generate more affordable housing. We're just one small part of the whole picture. We have the entire other departments that contribute to high cost of housing. So the...the fewer conditions and restrictions we put on housing, the better it is for the consumer and the more chance they have to be able to afford a home. Thank you.

CHAIR KAMA: Okay, thank you. Members, without further ado, I'd like to do roll call vote.

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

COUNCILMEMBER LEE: No.

MS. MCKINLEY: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Yes.

MS. MCKINLEY: Councilmember Paltin.

COUNCILMEMBER PALTIN: Aye.

MS. MCKINLEY: Councilmember Johnson.

COUNCILMEMBER JOHNSON: Yes.

MS. MCKINLEY: Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aye.

MS. MCKINLEY: Councilmember Cook.

COUNCILMEMBER COOK: Aye.

MS. MCKINLEY: Councilmember Sinenci.

COUNCILMEMBER SINENCI: Yes.

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

VICE-CHAIR U'U HODGINS: Aye.

MS. MCKINLEY: Committee Chair Kama.

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CHAIR KAMA: Yes.

MS. MCKINLEY: Chair, that's eight "ayes," one "no." Motion passes.

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

NOES: Councilmember Lee.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Thank you. Who had the next amendment? Was your hand up, Member U‘u-Hodgins?

VICE-CHAIR U‘U-HODGINS: It was, but do you want to ask Member Paltin to do all of hers?

CHAIR KAMA: I guess I should --

VICE-CHAIR U‘U HODGINS: And then mines is just going to be --

CHAIR KAMA: Yeah.

VICE-CHAIR U‘U HODGINS: -- for the removal of G --

CHAIR KAMA: Yeah.

VICE-CHAIR U‘U HODGINS: -- which we've --

CHAIR KAMA: Okay.

VICE-CHAIR U‘U HODGINS: -- had discussion about.

CHAIR KAMA: Okay.

VICE-CHAIR U‘U HODGINS: But we can let Member Paltin --

CHAIR KAMA: Okay.

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VICE-CHAIR U'U HODGINS: -- do hers for now. Thank you.

CHAIR KAMA: Could you do that, Member Paltin?

COUNCILMEMBER PALTIN: I...I could do that. G is next in the order. So I...I don't know if Staff wants to go in order.

VICE-CHAIR U'U HODGINS: We can do that, then. I can do that.

CHAIR KAMA: Okay.

VICE-CHAIR U'U HODGINS: Okay.

CHAIR KAMA: Uh-huh.

VICE-CHAIR U'U HODGINS: Thank you, Chair. I move to amend Section 3, 2.96.050, by removing letter D. And on page 6, Section 5, Subsection A, number 6, striking "until January 1, 2050", and ending the sentence after "applicable".

MS. NAKATA: Chair, if Staff knew, there's a third mention as well on page 9, Section 8. And if we could just include any other conforming amendments that Staff may later find with respect to the expiration. It's under 2.97.110.

CHAIR KAMA: Section 8?

MS. NAKATA: Yes.

CHAIR KAMA: Okay.

MS. NAKATA: Page 9. Thank you, Chair.

CHAIR KAMA: So that's . . .*(inaudible)*. . . --

VICE-CHAIR U'U HODGINS: Perfect, and that. Thank you.

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

VICE-CHAIR U'U HODGINS: Yes.

CHAIR KAMA: Did...did I have a second for...thank you. So it's been moved and seconded for the next amendment by Member U'u-Hodgins. Is this a roll call vote? Or is this hand vote? Discussion?

COUNCILMEMBER LEE: Can I ask just a question?

CHAIR KAMA: Yeah. Go ahead.

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COUNCILMEMBER LEE: Who made the amendment?

CHAIR KAMA: Member U'u-Hodgins.

COUNCILMEMBER LEE: No, no.

CHAIR KAMA: . . .*(Inaudible)*. . . --

COUNCILMEMBER LEE: She's...she's moving...she's --

COUNCILMEMBER PALTIN: It was part of the omnibus that Staff added in after --

CHAIR KAMA: Oh, yeah.

COUNCILMEMBER PALTIN: -- our discussion of all the things. Like, when we didn't want to piecemeal it. And then we're like, we're going to do everything. And that was part of the discussion.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: So then it was in the draft that Staff made --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- that included every discussion item.

CHAIR KAMA: Right.

COUNCILMEMBER LEE: Okay, I just wanted to check on the origin.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: I have no problem with this, so I don't know if --

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: -- roll call is needed.

CHAIR KAMA: So no roll call. Okay. Staff? Oh, I'm sorry. I'm sorry. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. If Chair Lee is asking whose idea it was to remove the credits, that was...that was my request when Chair Kama asked for all the ideas to put in the bill. What was specifically written out wasn't my idea. I asked to just, like, remove it. The phase-out idea was something I would've been supportive of as well. But that...that specific language wasn't...didn't come from me or my office, if that's what you're asking, Chair Lee. And I...I don't need a roll call. I'm supportive of this since the Department is asking us to take it up separately so that we

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can address it independently of Bill 40. Thanks.

CHAIR KAMA: Thank you. Vote? Okay. All those in favor of the motion, please raise your hands and say, "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: Thank you. I see nine, zero. Do you all see that too? Thank you.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: And...and back to you, Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. I'm on page 3, 2.96.060. This one is fairly benign. It's just to add the numbers in at B(1), A, B, and C --

CHAIR KAMA: Right.

COUNCILMEMBER PALTIN: -- as well as 2 A, B, and --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: --C so that we're all clear what --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- area median income numbers we're talking about.

CHAIR KAMA: Right.

COUNCILMEMBER PALTIN: And I'll...I'll add any nonsubstantive edits for form and legality.

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COUNCILMEMBER JOHNSON: I'll second that.

CHAIR KAMA: Mr. Johnson, you seconded. Thank you very much. So it's been moved and seconded for Member Paltin's amendment. Discussion? Member Lee.

COUNCILMEMBER LEE: So it doesn't include the...the deed restrictions on the multifamily or two-family ownership units?

COUNCILMEMBER PALTIN: No. I'm simply adding...like, if it says below-moderate income, I believe that's 80 to 100 percent --

COUNCILMEMBER LEE: Okay.

COUNCILMEMBER PALTIN: -- AMI. Moderate income is 100 to 1 something, whatever it is.

COUNCILMEMBER LEE: Okay.

COUNCILMEMBER PALTIN: So when it's written, then we'll all know what we're talking about.

CHAIR KAMA: Good?

COUNCILMEMBER PALTIN: Numbers are clearer than words --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: For my discussion.

CHAIR KAMA: Okay. All those in favor of the amendment, please raise your hands, say "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: Those oppose? Seeing none. Thank you very much.

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: **APPROVE amendment.**

COUNCILMEMBER PALTIN: Thank you. Moving right along --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- to -- on the same page 4, number C, "Upon sale of the unit the deed restrictions will restart as...as though it were an initial sale".

COUNCILMEMBER SINENCI: Second.

COUNCILMEMBER PALTIN: And...and I'll...whatever kind of wordsmithing for nonsubstantive form and legality stuff. And then --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- I heard a second.

CHAIR KAMA: Second on this side, yeah? Oh, Member Sinenci.

COUNCILMEMBER PALTIN: So my discussion would be this is a policy decision that extends our potential affordable housing stock, and it should not, in any way, affect the developer because by the first resale, the developer should be long gone already. And I guess we've had a handful of them, as the Deputy Director said. And when we look at market value, and we look at wear-and-tear, it never goes down. It always goes up. I think Hawai'i may be one of the few places in the world where you could get a two-million teardown, \$2 million teardown. So, just saying that land and homes in Hawai'i tend to appreciate in value to the detriment. And this is selling a home at below-market value and just requesting it stay affordable for the same amount of time as the original seller if they sell within the deed-restricted period. If it's not taking more money or giving more money, it's just restarting to whatever the...the original deed restriction was. And...and when you're done discussing, Member U‘u-Hodgins has a question or her hand up.

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CHAIR KAMA: *(Audio interference)* Member U'u-Hodgins, and then I want it to come back to me, if you don't mind. Go ahead, Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Can I please have a roll call? While I'm not necessarily against this concept, I would appreciate more discussion from the Department. I...I liked his idea of scaling because, in my opinion, they're not getting the same product as the first. I don't disagree with Member Paltin that the majority of our stock of homes, in general, in Hawai'i, is quite old. And so, we do have an older housing stock, and it is still very expensive. I'm not against trying to figure out how we can maintain the affordability for a longer period of time if the owner decides to sell during the deed-restricted time. But I would appreciate further discussion from the Housing Department, which is what I suggested in earlier discussion regarding the scale. So as of right now, I won't be supporting it, but I'm not opposed to the concept in future discussions and in future voting. Thank you, Chair.

CHAIR KAMA: Thank you. Well said. Member...Chair Lee.

COUNCILMEMBER LEE: I just want to let you know I have to leave at 12:00. I have a meeting at 12:00.

CHAIR KAMA: Oh, I know. I...I got a meeting at 12:00 too. But we'll see how far we can get with this, hopefully, by the end. And then maybe if we just kind of like keep our discussions really short, brief, or none at all, because, we already discussed it.

COUNCILMEMBER LEE: And...and...and then to add to my discussion, I will be voting no as well because the wear-and-tear issue is an important issue because after 20 years you have to change your roof already, 20, 25 years. And so, there are major expenses which would impede the ordinary, average buyer because you're not just getting a home. You're getting a home that's in...in bad repair, or disrepair, or needs substantial maintenance. So --

CHAIR KAMA: True.

COUNCILMEMBER LEE: -- it's not apples and apples. So I'll be voting no. Thank you.

CHAIR KAMA: Thank you. Any other discussion, Members? Seeing none. Okay, roll call.

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

COUNCILMEMBER LEE: No.

MS. MCKINLEY: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: No.

MS. MCKINLEY: Councilmember Paltin.

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in perpetuity".

COUNCILMEMBER PALTIN: So moved.

COUNCILMEMBER SINENCI: Second.

CHAIR KAMA: So I--yes, I...did I hear someone?

COUNCILMEMBER PALTIN: I moved.

CHAIR KAMA: Oh, okay. Thank you. I am proposing this amendment because the time limit for the application of deed restrictions on County-owned land is unnecessary. So any other discussion, Members? If not, roll call vote, or is this voice vote? Voice. Okay. Thank you. All those in favor, please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: All those oppose? Hearing none. Thank you.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Are we back to you, Member Paltin?

COUNCILMEMBER PALTIN: Sure.

CHAIR KAMA: Okay. Thank you.

COUNCILMEMBER PALTIN: I'm on page 5 --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- at the top.

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CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: I move to amend letter F to say, "In situations of foreclosure, the County has the first option to purchase the unit from the mortgage holder. The option will be available to the County for a period of 60 days from receipt of written notice from the mortgage holder. And if the County doesn't utilize their first option to purchase, the restrictions in subparagraphs 4(a) through 4(e) do not apply in situations of foreclosure". And I include any nonsubstantive revisions for form and legality, like that.

COUNCILMEMBER JOHNSON: Second.

CHAIR KAMA: Okay, good. Any further discussion?

COUNCILMEMBER PALTIN: Just clarifying that the County could have the first option to --

CHAIR KAMA: Yes.

COUNCILMEMBER PALTIN: -- purchase within a set amount of time. And then if the County doesn't take it, then it would proceed on in 4(e)...4(a) through (e) doesn't apply in foreclosure.

CHAIR KAMA: Okay, very good. Any other discussion? If not...oh, I'm sorry. I'm so sorry. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So real quick, is the 60 days the same for any period of time of considering acquisition? We...we haven't done any acquisition since Member Cook or Member U'u-Hodgins joined, I believe. But we did do at least one, that I remember, during the pandemic. I think it was, like, in 2020. I think that person might have either been selling or going into foreclosure, and it was Kahoma house. And is 60 days sufficient for the Department to get an appraisal and bring it to Council? Because I think we had to also...the Council had to approve a resolution to...to acquire the property. So the 60-day --

COUNCILMEMBER PALTIN: I thought we removed that. Did we remove that requirement that the Council had to approve --

CHAIR KAMA: . . .*(Inaudible)*. . . --

COUNCILMEMBER PALTIN: -- purchase? I thought that...were we talking about that at one time?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, I --

COUNCILMEMBER PALTIN: Remove the Council resolution?

MS. TOSHIKIYO: If...if I may? In Section 9 of this bill, there is a provision that is being added that the requirement of Council approval for acquisitions that are purchased with...with

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a purchase price that exceeds \$250,000, the Council must authorize acquisition by a resolution. If the requirement of Council approval does not apply to the purchase of. And there's a new number 1, residential workforce housing units, or, 2, housing units for \$500,000 or less in accordance with repurchase option. So that is later on in his bill, but I don't know if it's been discussed yet. But as to the question of...of timing, yeah, that's always an issue. And...and it really does depend on how quickly we can get the appraisals, if we can...the Federal reports are pretty quick. We...yeah, I...I think 30 days is too short, 60 days is better to close but that would still be tight.

MR. MATAAFA: Sorry. And then if I could just add one more thing, I think you...what's being waived...or in this bill is the resolution to dispose. But it doesn't waive the requirement to go back to Council to get a budget amendment, which takes two readings for the funding to be authorized.

COUNCILMEMBER RAWLINS-FERNANDEZ: So we would need that for the acquisition to have --

COUNCILMEMBER PALTIN: So...so are you saying 90 days would be better?

COUNCILMEMBER SUGIMURA: Better.

COUNCILMEMBER PALTIN: I mean, I'm not opposed --

COUNCILMEMBER SUGIMURA: Yes.

COUNCILMEMBER PALTIN: -- to...to breaking budget and, like, we need to buy this house. But whoever the Budget Chair is might not like that. Or...or do it on the Council floor, maybe. I don't know. But, I guess, if everyone's okay with 90 days, I'm okay with 90 days. But if people want 60 days --

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

COUNCILMEMBER PALTIN: -- then consensus on 90 days?

COUNCILMEMBER SUGIMURA: 90 days.

COUNCILMEMBER PALTIN: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: I am...I'm supportive of 90 days. I just...I know...you know --

CHAIR KAMA: Or we could say up to 90 days. Oh, go ahead, Deputy. Sorry.

MR. MATAAFA: Just one other thing to factor into your consideration is a part of the administrative process is also to do land surveying work. So, that procurement time to procure for that work is also a factor. You should...that should also be factored into your decision, extra time. That takes a little bit of time to get up and running, is the actual procurement to do the land surveying work...to do the land surveying work in

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order to actually acquire the property.

COUNCILMEMBER PALTIN: Is up to 90 days sufficient? I mean, that's kind of the running amount of days, so it's consistent.

MR. MATAAFA: So, the one we're doing right now, we received Council approval back in June. The procurement in getting somebody on board with us to do the actual land surveying work, that's the variable that can change from time to time. Right now, we're going through the procurement process, and we're getting feedback from the vendors who can do the work that they're backlogged. And it takes them the time...a little bit of time to catch up. So we're requesting for the current one that's before us, the Lo'i Pōhaku Place one, to be done by October 15th. But even that, it's kind of pushing them to go above and beyond. So just in consideration of the timing, that procurement is also a piece to consider on the administrative side.

COUNCILMEMBER PALTIN: What I basically heard is --

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

COUNCILMEMBER PALTIN: -- encourage your kids to become land surveyors.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then, so Deputy Director, for the parcels that fall under...or that...that are considered the 25 percent under 2.96, we...we would have appraisals for them already, right?

MR. MATAAFA: That's correct. So you'd have the original appraisal. And then before...so I don't think we've done one, dealt with a foreclosure, but when a participant wishes to sell their home, we...they do an appraisal wishing to sell, and then we...we...we go back and forth with them on that one. So yes, to answer your question, the appraisals are typically done before they get to Council. And then, when you...they get to Council you...in the resolutions, you'll see the appraisals, both the original and then the second one that's required by code.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right. So if...if there's the kind of relatively recent appraisal, then the time that it should take to get an updated, current appraisal shouldn't take as long, right? Like a lot...a lot of that information needed, we'd already have in record.

MR. MATAAFA: That's correct, with a little bit of variability on how long it takes to get that appraisal. But if it's a foreclosure instead of the...the owner that's wishing to sell getting that second appraisal, the Department would commission it, and we would make sure that we move quickly in that appraisal process.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So land surveyors and appraisers. Got it. Mahalo, Chair. I...I support the 90 days.

CHAIR KAMA: Thank you. So Member Paltin, do you have any other amendments?

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COUNCILMEMBER PALTIN: If you'd like me to take it all at the same time, if it --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh.

COUNCILMEMBER PALTIN: -- looks like we're all...oh, go ahead. I...I would --

COUNCILMEMBER RAWLINS-FERNANDEZ: Well (*audio interference*) to the motion?

COUNCILMEMBER PALTIN: Huh?

COUNCILMEMBER RAWLINS-FERNANDEZ: We didn't...we didn't vote on that, on that motion.

COUNCILMEMBER PALTIN: Oh, yeah.

CHAIR KAMA: Oh, that's right. Okay, I'm sorry. That's right.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR KAMA: You distracted me.

COUNCILMEMBER PALTIN: All in favor.

CHAIR KAMA: All in favor of the vote, please raise --

MR. KRUEGER: Oh, Chair?

CHAIR KAMA: Yeah.

MR. KRUEGER: Apologies. So should Staff interpret the...the change in the days, like as a friendly amendment, from 60 days to 90 days?

CHAIR KAMA: Sure --

COUNCILMEMBER PALTIN: Super friendly.

CHAIR KAMA: -- very friendly. Okay. So all those in favor of the amendment, please raise your hand and say, "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: I'm looking at eight. I see eight. Eight, one excused. Thank you.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Okay, Member Paltin.

COUNCILMEMBER PALTIN: On the same page moving...or I'm not sure if it's on the same page but --

CHAIR KAMA: Moving right along --

COUNCILMEMBER PALTIN: -- letter big C --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- I would like to add in "Current affordable rent guidelines by unit size for a family of four at 100 percent of the area median income". I would like to strike number 3, and then I think Ms. Nakata said discretion is implied. Or the list isn't limited to what was written is implied by the wording legally. And add on after the new number 3, which is the old number 4, to say, "The Director shall submit an annual report to the Council for any discretionary exemptions approved in this section, including nonsubstantive changes to form and legality". And if anyone wanted to put, like, you know, something about their privacy, we're not trying to invade privacy. And that's my motion.

COUNCILMEMBER SINENCI: Second.

CHAIR KAMA: Okay. Thank you. Discussion.

COUNCILMEMBER PALTIN: So, you know, I'm leaning heavily on Staff to write it prettily but basically just adding "by unit size" in the HUD rent guidelines, removing the portion that...number 3, that the Deputy said might be challenging, giving them the discretion and the reporting requirement annually, that can be through County communications. And I think we discussed this in discussion.

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CHAIR KAMA: We did. Thank you. Any other discussion? If not, all those in favor of the amendment please raise your hand and say, "aye." I see eight and one excused, Member...Chair Lee.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Anything else, Member Paltin?

COUNCILMEMBER PALTIN: Number 7, I believe...I mean, sorry, page 7, Section 6(1)(b), I'd like to move to add after to be eligible for a residential workforce housing unit add "and to be placed on the wait list." And then going...jumping down to number 4, I'd like to add something about subject to the Director's discretion.

CHAIR KAMA: Right.

COUNCILMEMBER PALTIN: And adding also the...shoot...the verbiage about the Director shall submit an annual report to the Council for any discretionary exemptions approved in this section, and adding the nonsubstantive form and legality portion. And that's my motion.

CHAIR KAMA: Do we...who's the second? Okay, thank you. It was Mr. Sinenci.

COUNCILMEMBER PALTIN: So just that assets allowing the Director the discretionary reporting because they been working on it --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- but we're not there yet.

CHAIR KAMA: Perfect. All those in favor of the motion?

MR. KRUEGER: Oh, Chair?

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CHAIR KAMA: Yeah. I'm sorry, yes.

MR. KRUEGER: Apologies, just for Staff's clarity. So for...for number 4 it's...it...it would be like the...the Director would have the ability to...to waive the asset requirement but would have to submit that annual report --

CHAIR KAMA: Uh-huh.

MR. KRUEGER: -- of what they waive?

COUNCILMEMBER PALTIN: That's the legislative intent. Thank you.

CHAIR KAMA: Okay. Call for the vote. All those in favor, raise your hand say, "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: And I'm counting eight. I see eight. Excused, Chair Lee.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Anything else, Member Paltin?

COUNCILMEMBER PALTIN: And for my last one, it would be to add a new C and then re-letter the existing C and D --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- on Section 6(D)(4). The new C would say, "Any units that remain unsold must first be offered to the County --

CHAIR KAMA: Right.

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COUNCILMEMBER PALTIN: -- for purchase at the original sales price for a period of 90 days," adding in the nonsubstantive revision --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- in form and legality part for legislative intent.

COUNCILMEMBER JOHNSON: Second.

CHAIR KAMA: Good. Discussion?

COUNCILMEMBER PALTIN: No discussion.

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: It's kind of self-explanatory.

CHAIR KAMA: Members, all those in favor of the amendment, raise your hand, say, "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: Thank you. I see eight and one excused.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: APPROVE amendment.

CHAIR KAMA: Thank you. Okay. Anything else, Members? Does anybody have something hiding in their desk, or anything like that? Okay. Okay. So I think --

MR. KRUEGER: Chair?

CHAIR KAMA: Yes.

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MR. KRUEGER: Oh, I'm...I'm so sorry, Chair. Just...just wanted to clarify on that last amendment. So the intent would be that the units would first be offered to residents and then, if no...going down the line of resident income groups.

CHAIR KAMA: Uh-huh.

MR. KRUEGER: And then, once there are no income groups --

CHAIR KAMA: Uh-huh.

MR. KRUEGER: -- then it would be offered to the County. And then if the County doesn't purchase it, then it would be offered to nonresidents.

COUNCILMEMBER PALTIN: Correct. And re-lettering.

MR. KRUEGER: Thank you.

CHAIR KAMA: Okay. I think...now, the last thing we have to do is to amend --

COUNCILMEMBER PALTIN: Main motion.

CHAIR KAMA: -- the motion to approve main motion. Okay. Now this is it, peoples. Nah, let's just get to it. Okay. All those in favor of recommending passage on first reading of Bill 40, CD1 (2025), as amended—right? Please raise your hands and say, "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: Congratulations, peeps. Eight, one. That's what I see.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: Recommending FIRST READING of Bill 40, CD1 (2025).

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CHAIR KAMA: Okay. So, this is going to move on to --

MS. NAKATA: Chair --

CHAIR KAMA: Yes, I'm sorry.

MS. NAKATA: -- the vote would be eight, zero, with one excused, Councilmember Lee. Thank you.

CHAIR KAMA: Yeah.

COUNCILMEMBER JOHNSON: Chair, if I may?

CHAIR KAMA: Yeah. Yes.

COUNCILMEMBER JOHNSON: I...I just want to thank everybody. This is a complicated bill. Omnibus bills take a lot of collaboration. And I think we did it with our cool heads today. So nice work, everybody. Thank you, Chair.

CHAIR KAMA: Thank you for that compliment. Okay, everybody, tap yourself on the back. Or each other anyway. Good job. You're right. Thank you, Mr. Johnson, for always bringing that up. Okay. So this is going to go onto Council for first reading. There's nothing else on this agenda. And so, today's HLU meeting is now adjourned at 12:06 p.m. . . .(gavel). . .

ADJOURN: 12:06 p.m.

hlu:min:250924min

Transcribed by: Tricia Higa

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CERTIFICATION

I, Tricia Higa, hereby certify that pages 1 through 73 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 4th day of October 2025, in Mililani, Hawaii

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

Tricia Higa