

HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

MINUTES

February 5, 2025

Online Only via Teams

CONVENE: 9:09 a.m.

PRESENT: Councilmember Tasha Kama, Chair
Councilmember Nohelani U‘u-Hodgins, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
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
Jade Rojas-Letisi, Council Aide, Makawao-Ha‘ikū-Pā‘ia Residency Area Office

ADMIN.: Chris “Nahulu” Nunokawa, Deputy Corporation Counsel, Department of the Corporation Counsel
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel
Saumalu Mataafa, Deputy Director, Department of Housing and Human Concerns

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OTHERS: Resource Personnel

Autumn Ness, Lāhainā Land Trust

Andrew Pereira, Director of Public Affairs, Pacific Resource Partnership

Testifiers

Stacey Alapai

Mikey Burke

Autumn Ness

Andrew Pereira

Carolyn Auwelo

Kai Nishiki

Others (55)

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

CHAIR KAMA: . . .*(gavel)*. . . Will the Housing and Land Use Committee of February 5th, 2025, come to order. It is now 9:09 a.m. I am Tasha Kama, Chair of the Housing and Land Use Committee. And the lighting over here is kind of weird, so it looks like I've got white...something on my face and around my eyes, but it's just the lighting according, to James. So, yeah. This online meeting is being conducted in accordance with the Sunshine Law. Members, when your name is called, if you are not with me in the Council Chamber, please identify by name who, if anyone, is in your workspace with you today. And minors do not need to be identified. So, I want to say good morning. Aloha kakahiaka and Ia Ora na to...first of all, I want to begin with Councilmember Tamara Paltin, who gave us our morning greeting and she's going to give us some information about it.

COUNCILMEMBER PALTIN: Thank you, Chair. If you happen to be traveling in French Polynesia, you can tell your friend, Ia Ora na and aloha kakahiaka. My camera is not enabled for me to press the button, but I am here in the Chambers and ready to go.

CHAIR KAMA: Thank you. So, we continue with aloha kakahiaka and Ia Ora na to Committee Vice-Chair Nohe U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Good morning, Chair. Ia Ora na.

CHAIR KAMA: And we're going to continue with our Council Chair, Alice Lee. Ia Ora na and aloha kakahiaka.

COUNCILMEMBER LEE: And same to you, Ia Ora na.

CHAIR KAMA: Ia Ora na. And we want to say good morning, and aloha kakahiaka, and Ia Ora na to Council Vice-Chair Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Ia Ora na. Sounds like we should sing it, yeah? Good morning --

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CHAIR KAMA: Go right ahead.

COUNCILMEMBER SUGIMURA: -- everybody.

CHAIR KAMA: Feel free. Feel free. . . .(laughing). . .

COUNCILMEMBER SUGIMURA: And looking forward to a productive meeting. Thank you.

CHAIR KAMA: Absolutely. I want to say aloha kakahiaka, good morning, and Ia Ora na to Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Aloha Chair, Councilmembers, community members. There's no testifiers at the Lānaʻi District office. I'm alone in my workspace in the beautiful Lānaʻi District office where the birds are singing and the dogs are snoring. Mahalo.

CHAIR KAMA: . . .(laughing). . . Thank you for that. And we want to say good morning, aloha kakahiaka, and Ia Ora na to Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka kākou. Mai Molokaʻi nui Ahina. I'm at my private residence alone here, and there are no testifiers at the Molokaʻi District office.

CHAIR KAMA: Thank you. I want to say good morning, and aloha kakahiaka, and Ia Ora na to Councilmember Tom Cook.

COUNCILMEMBER COOK: Aloha, Ia Ora na. And there's no...currently, there are no testifiers in the Kīhei office. Looking forward to your meeting, Chair.

CHAIR KAMA: Thank you. And I want to say aloha kakahiaka, good morning, and Ia Ora na to Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Hey, aloha kakahiaka, Chair, and Ia Ora na. No testifiers in Hāna, Chair.

CHAIR KAMA: Thank you. And we want to say Ia Ora na to the Department of Corp Counsel, Nahulu Nunokawa. Good morning. Okay. I'm hoping that they'll show up sometime. Right, James? And we have, from the Department of Housing, the Deputy Director, Saumalu Mataafa. Yes. Oh, okay. Oh. So, I'm so sorry. So, Kristina Toshikiyo is our Department of Corporation Counsel who will be with us this morning. Good morning and Ia Ora na.

MS. TOSHIKIYO: Sorry about that, Chair. Yes, aloha kakahiaka and Ia Ora na, Chair and Committee Members. Nahulu will be joining us shortly but I will be in this meeting with you today.

CHAIR KAMA: Thank you. Okay. And so, is Mr. Mataafa on? Okay. I didn't hear him respond, so...good morning, Mr. Mataafa.

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MR. MATAAFA: Good morning, Chair. Good...good morning, Committee Members. Glad to be here today.

CHAIR KAMA: And I want to say good morning to our Committee Staff, Mr. James Krueger, our Senior Legislative Analyst.

MR. KRUEGER: Good morning, Chair and Members.

CHAIR KAMA: And we want to say good morning to our Legislative Analyst, Ellen McKinley.

MS. MCKINLEY: Good morning, Chair. Good morning, Members.

CHAIR KAMA: I want to say good morning to our Committee Secretary, Jennifer Yamashita.

MS. YAMASHITA: Good morning.

CHAIR KAMA: I want to say good morning to our Legislative Attorney, Carla Nakata.

MS. NAKATA: Aloha, Chair and Members.

CHAIR KAMA: And to our Assistant Clerk, Lei Dinneen. And I know that she's out there.

BILL 12 (2023), AMENDING SUBSECTION 2.96.060(B), MAUI COUNTY CODE, RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTION TIME-PERIODS (HLU-6)

BILL 22 (2024), AMENDING CHAPTERS 2.96 AND 3.44, MAUI COUNTY CODE, ON RESIDENTIAL WORKFORCE HOUSING UNITS (HLU-24)

BILL 74 (2023), RELATING TO DEED-RESTRICTED PERIODS FOR RESIDENTIAL WORKFORCE HOUSING UNITS (HLU-16)

CHAIR KAMA: So, thank you, Members, for attending today's HLU Committee meeting. We have three items on the agenda today. We have Bill 12, which amends Subsection 2.96.060(B), of the Maui County Code, Relating To Residential Workforce Housing Deed Restriction Time-Periods. We have Bill 22 (2024), Amending Chapters 2.96 and 3.44, Maui County Code, On Residential Workforce Housing Units. And we have Bill 74 (2023), Relating To Deed-Restricted Periods For Residential Workforce Housing Units. James, do we have any testifiers today?

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify at this...oh, Chair, apologies. We do have one individual signed up to testify.

CHAIR KAMA: Okay. Okay.

MR. KRUEGER: I'm not sure if they wanted to testify before or after opening comments. That would be Stacey Alapa'i [sic].

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CHAIR KAMA: Okay. I'm going to...I'm going to continue with what I was saying. So, Members, all the bills before us today relate to the matter of deed restrictions on workforce housing units. Bill 12 and Bill 74 were heard in the HLU Committee last year in January. And Bill 22 was introduced after the discussion in Committee on the other two bills. So, given the shared topics, I intend to take all three items up simultaneously. And we'll receive opening comments on all three items, and then proceed with testimony on all three items. So, Members, Maui County Code Section 2.96.060 provides for deed restrictions on workforce housing units based on income group. Units for the below-moderate income group are deed restricted for ten years. Units for the moderate-income group are deed-restricted for eight years. And units that are available to the above-moderate income group are deed restricted for five years. Bill 12 and 74 were introduced by Councilmember Paltin. Bill 12, as introduced, proposes to increase the deed restrictions to 20 years for the below-moderate income group, 16 years for the moderate-income group, and 10 years for the above-moderate income group. Bill 74 would reset the clock for deed restrictions if the residential unit is sold within that deed-restricted period. Bill 22 was introduced by Committee Vice-Chair U'u-Hodgins after the prior two bills were discussed in Committee. And Bill 22 would increase the periods of deed restrictions from 10 years to 12 years for the below-moderate income category, from 8 to 10 years for the moderate-income category, and from 5 to 8 years for the above-moderate income. Bill 22 also provides that Council approve...approval would not be required for the County Administration to act on the County's first right of refusal to acquire workforce housing units that are planned...that are placed on the real estate market by an owner still subject to a deed restriction. With that introduction, I'd like to ask for opening comments from the introducers of the bills, to be followed by the Department of Housing. So, we're going to begin with Member Paltin. Comments, Member Paltin.

COUNCILMEMBER PALTIN: Sure thing, Chair. And I just wanted to thank you for putting these forward and, you know, just taking our feedback to heart. It's a little bit difficult for me because I wrote this two years ago. But, in general, it was meant to just be a starting place for discussion. Five, eight, and ten years is, like, a blink of an eye now days. One amendment that I had was for multifamily to be ten across the board. And the reason for that is multifamily with longer deed restrictions, the data, over the time, has shown that people will just pay a little bit extra for no deed restrictions, like beyond ten years. And I think the theory in that is multifamily, people kind of look at it as a starter home or a gateway into home ownership. And like, you know, as you have more kids or as you may need to take in family members and your economic situations change, kind of...it seems from the feedback that I received that a lot of people's end goal is single-family homes. So, if the...this is just kind of, I guess, a crude, simple way to try and solve that issue where...because we don't have a mechanism that lets people upscale, if their families get bigger, and still be like a first-time homebuyer. So, I...I did speak one of...to one of the housing advisory members about that last night, like if...if they can work on a way to let affordable homes recipients be able to move up from, like, say a multifamily or a smaller home to a home that fits their size, whether they have twins, triplets, five kids, their mother-in-law and father-in-law needs to move in. They won't be penalized, but we can forward the original starter affordable home onto the next recipient, and these folks can still take advantage of first-time homebuyers, or

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whatever, to get into a more permanent situation that fits their family. So, this is just a crude attempt to try and bridge that gap for now to keep the multifamily at ten years across the board and then single family, hopefully, longer. I know that the theory is homeownership is the way that you build generational wealth and it's the biggest single purchase that someone will make most times in their life. And, you know, the way that we've seen over the past five years with eviction moratoriums, COVID, the fire, and whatnot, the stability of having guaranteed housing, of not having your rent decided by a private person is part of the generational wealth that is, I think, more important. It allows families to spend time with their family instead of going out and working that third and fourth job with their rents subject to, you know, outside pressures like insurance, FEMA, and things like that. So, I think those things are...are left out of the equation of generational wealth and I think Mr. Roversi's testimony about the Titcomb Development in Kaua'i that was...when developed in 1998 three-bedroom homes were sold to income-qualified Kaua'i residents for between \$159,500 and \$178,000. And to date, these homes are unrestricted and have sold for over \$1.2 million. So, that shows, you know, without intervention, affordable housing that is created under any workforce housing agreement is, you know, as...as affordable as long as the deed restrictions are. And they've taken concrete steps. At first, they upped it to 20 years. Today, they have it at 50 years. They have a leasehold appreciation program that will keep it affordable for 99 years with a option to renew, and they're really ahead of the game based on a 2018 Commission Workforce Housing Nexus and Financial Feasibility Analysis that noted Kaua'i's 20-year affordable housing deed restriction was in line with other Hawai'i counties but it was significantly shorter than similar programs on the continental U.S., which typically require longer affordability terms. So...and that Kaua'i always...virtually always exercises its right...of first right of purchase when a restricted home is sold. So, when they typically resell that home, it's within their Limited Appreciation Leasehold Program so that renders the continuing deed restriction unnecessary, and that's also a good way to go, I think. But, really, it's...it's all about the discussion here to figure out the best balance for our residents. We've seen so much speculative investment that it's getting harder and harder for local families to own a home or hold onto that home. And so, I'm glad we're having this discussion today. Thank you, Chair.

CHAIR KAMA: Thank you, Member Paltin, for that introduction and for helping to set the tone for how our meeting is going to go today, so thank you very much. So, Committee Vice-Chair U'u-Hodgins, your opening comments on your Bill 22.

VICE-CHAIR U'U-HODGINS: Sure. I don't have anything prepared. However, I will say I wrote this a while ago, no different than you, to begin the discussion. Because it is a worthwhile discussion to figure out the balance on how do we ensure that we're able to finance projects or, you know, private entities are able to finance projects, and not deter anyone from buying, but also to ensure the workforce class stays here and they're also able to leverage their most expensive purchase shall they need it...should they need it. Whether they go through, excuse me, unfortunate divorce, or loss of a family member, or you need to reroof your house, or send your kid to college, most likely you're borrowing against your house. So, we're all living paycheck to paycheck and the biggest thing we have is our house, so just a discussion to find that balance. I will add that I do appreciate the ten years across the board. Because one of the things I wanted to bring up, since I...since I wrote this bill a little while ago, is perhaps finding a happy

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medium for all the different AMI levels. Because what we're doing is dividing people by socioeconomic status and, basically, being a little bit more punitive, hypothetically, to those who need our help the most. And so doing that means we are creating different laws and different restrictions based on how much a family makes, what their income level is. And I don't know that answer today. And I'm not saying what either Member Paltin has written or what I have written is, like, the best, most perfect case, but it's definitely worth a very lengthy discussion. We continue to get into these discussions every time we have an affordable housing project come before us. And I would like to keep all of the requirements the same. And so, I really look forward to this discussion. I look forward to, potentially, discussing how to keep all the restrictions fair and to acknowledge that restrictions are most likely needed. I will say that I understand there's antidotal stories that people do flip their homes, I acknowledge that one...1,000 percent, there's absolutely truth in that. There's absolute truth that people don't sell. I am a product of somebody who grew up in county-made affordable housing, which we don't do anymore, by the way. And I'm hoping our current Housing Division will do that. But I've said it before, my grandma bought a home in Pā'ia in the '70s; we still own it. Not once did we ever consider selling and I know that several families feel the same way. And again, to find that happy median when you're not punishing those who are looking to stay there forever but you're also acknowledging this is a subsidy that the entire taxpayers have invested into our workforce so that we can keep our local people home. Again, I'm assuming there's a balance. Where that balance is, I hope to continue to discuss. And I appreciate you taking this up and I look forward to this discussion. Thank you, everyone.

CHAIR KAMA: Thank you, Member U'u-Hodgins. And so...oh, I'm sorry.

COUNCILMEMBER LEE: Chair?

CHAIR KAMA: Yes, Chair Lee.

COUNCILMEMBER LEE: Before we get into the discussion, perhaps you could give us a little bit more background on...I see that we did discuss it on...was it January --

CHAIR KAMA: Yes.

COUNCILMEMBER LEE: -- 24, '24.

CHAIR KAMA: Uh-huh.

COUNCILMEMBER LEE: So, last year. And maybe you can remind us what...what was the result of that meeting. Obviously, it was deferred.

CHAIR KAMA: Oh, yeah.

COUNCILMEMBER LEE: Probably because --

CHAIR KAMA: Back then, I think --

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COUNCILMEMBER LEE: -- because we couldn't come to an agreement or what?

CHAIR KAMA: I think back then, we were wanting to start a TIG. Back then --

COUNCILMEMBER LEE: Oh, I see.

CHAIR KAMA: -- we talked about it then, and stuff just got out of hand, and we didn't do it. And so, I thought, well, it's a year later, let's just put it on the table for a thoroughly exciting, rewarding discussion that...what we're all looking forward to today, I think, is the same thing. We want to make sure things are fair, they are balanced, they are equitable. And that nine people should be able to come to some solution as to how we going to make it happen. Doesn't need to be today, maybe. Hopefully, we can, but if not, certainly, within the next few days.

COUNCILMEMBER LEE: Yeah. I hope there's no rush to...to make a decision today because I think we need way more background information. You know, to...to think that you're going to solve the affordable housing problem on...on deed restrictions or even contribute to that is...is not realistic because...I mean, you know, affordable housing is impacted by every single department of this County. And so, you know, we need a complete overhaul, if you ask me. Thank you.

CHAIR KAMA: Thank you, Chair Lee. So, we are going to continue with the Department of Housing and their opening comments. Good morning.

MR. MATAAFA: Good morning, Chair Kama. And thank you for having us, the Department of Housing, here today. We're really excited to be part of this discussion relating to deed restrictions. Our Department's interest is ensuring that there are a wide array of different housing products and many types of those throughout the County for our residents. We don't have an official position on any of these bills today to bring to you, but, we will like to be part of this discussion moving forward. As far as understanding where different stakeholders come from, I think that's an important part of the discussion. So, understanding the stakeholders' positions who create housing, who finance housing, and ultimately who will be purchasing the housing. I think that's going to be all...and crucial pieces to this discussion. And I'm happy to be here today to answer any questions that the Committee may have and in the future regarding deed restrictions. Thank you, Chair.

CHAIR KAMA: Thank you, Director Mataafa, for your comments. So, Members, I did invite the Kaua'i Housing Director, Adam Roversi, to attend our meeting. He was unable to attend, but he did provide testimony for our consideration, and it is on Granicus under all three items.

. . . BEGIN PUBLIC TESTIMONY . . .

CHAIR KAMA: So, I think we're now going to open our meeting to public testimony. So let me read the instructions for that. For Microsoft Teams participants logged in via web or the Teams app, please indicate that you would like to testify by clicking the

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raise-your-hand icon in the top right of your window. Staff will add your name to the testifier list. If you are joined by telephone, star five will raise your virtual hand, and Staff will put your name on the testifier list. Please keep your audio and video muted until you are called to testify. Written testimony is encouraged and can be submitted via the eComment link at mauicounty.us/agendas. Oral testimony is limited to three minutes per item. When you reach the two-minute mark, you will hear an audible noise. If you are still testifying when the notice sounds, please complete your testimony within the remaining minute. When testifying, we ask that you state your full name for the record. Anonymous testimony is also accepted. Decorum will be maintained throughout the meeting. And violation of decorum may result in being removed from the Chamber or the online meeting. You can also view the meeting on Akakū Channel 53, Facebook Live, or mauicounty.us/agendas. Thank you all for your cooperation. And at this time, we'll call on testifiers wishing to testify on any of the three bills on our agenda: Bill 12, Bill 22, and Bill 74. Please identify which bill you are testing [sic] on...about. And if you are testifying on more than one bill, please indicate when you complete your testimony on each item. Thank you very much. Staff?

MS. MCKINLEY: Chair, the first testifier is Stacey Alapa'i [sic], to be followed by Mikey Burke. And if they could please let us know which items or items they would like to testify on, then we can time them accordingly. Thank you.

MS. ALAPAI: Aloha, Councilmembers. My name is Stacey Alapai and I am testifying on all three, I guess, since they're kind of all related. And I just wanted to bring up the fact that we're...I...I support the idea of extending the deed restrictions to more years. I agree that it should be the same all across the board and not based off of socioeconomic status. I appreciate Councilmember U'u-Hodgins for bringing that up. But I also don't think ten years is enough, especially when most of these workforce housing, affordable housing developments are only 20, 25 percent, 50 percent, at most, affordable. And the argument being made for supporting all of these luxury homes is that they will subsidize the affordable housing. But if we're only building 20 percent, 25 percent affordable and then those builds are only affordable for ten years, we're not investing in our future. So, if you imagine...like my son is three years old, in ten years, none of these affordable housing things will even be available to him when he's an adult. And so, I think that it's a little bit short sighted and I think...I hope that the Council can think a little bit bigger and little more bold, and talk more about these examples of places that have sustaining affordable housing in perpetuity, or 50 years, or 100 years. Because if you are having your housing subsidized by all of the taxpayers, then that should be something that exists for us long term, not just for a decade, not just...like, even kids who are in high school right now, realistically, aren't even going to be able invest in these affordable workforce housing things because ten years is not enough. And so, I appreciate...like, five years is definitely not enough, ten years is better. But I think we, as a Council, can do better, especially considering that every single one of you campaigned on affordable housing. And I think we need to think about the children, who are being born today, and ensuring that anything we're building with taxpayer money to be affordable is also available for those children to invest in when they become adults and are ready to become homeowners. And especially if we're going to continue with the 25 percent affordable instead of 100 percent, like, then it needs to be in perpetuity. And it shouldn't be that the people who win that lottery get all of the extra

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financial benefits of being a homeowner subsidized by the rest of us. That's not very fair. Now, if it was 100 percent affordable developments, I think that that would be a conversation . . .(timer sounds). . . worth having. But since the...the percentage that is affordable and these developments...it's so small, we need to do more to make them affordable long term and forever for the rest of us. Mahalo.

CHAIR KAMA: Thank you so very much. Members, let's start with Chair Lee, and then we'll go on to Member Paltin, and --

COUNCILMEMBER LEE: Oh. Hello, Ms. Alapai. Are you a homeowner?

MS. ALAPAI: Yes.

COUNCILMEMBER LEE: Okay. So, was your housing unit subsidized by the County or any other? So, you bought a market unit?

MS. ALAPAI: Yes, I did.

COUNCILMEMBER LEE: Okay.

MS. ALAPAI: I've actually purchased twice. I...I...I...I am the example...one of the examples that was given earlier. Is I bought a condo and then sold that in order to buy my home --

COUNCILMEMBER LEE: So, how long did --

MS. ALAPAI: -- only I grew out of it because I had a kid.

COUNCILMEMBER LEE: -- how long...how long did you live in your condo?

MS. ALAPAI: Two, three...two, three years.

COUNCILMEMBER LEE: Yeah.

MS. ALAPAI: But the difference is, I bought that with my money and it wasn't subsidized by anyone. So, that's the difference. Like, if you're...and also just...just so people know real numbers, the home that I live in now was under a million dollars and my monthly payment is almost \$7,000 a month. So, if we're...even to think about affordable subsidized by the taxpayers, we're still talking at almost a million dollars and that's the monthly payment that people are paying right now. And I don't think that...like, yes, I bought mine market rate and I'm very privileged to...to have that and have been in a situation where that was as available to me. But to say that my situation is...like if I had affordable housing and it was at lower payment, I shouldn't be able to flip it and buy a home for a million dollars. Like that's...that's something that when you are subsidized, that is a piece...that investment piece --

COUNCILMEMBER LEE: Okay.

MS. ALAPAI: -- is not available to you because --

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COUNCILMEMBER LEE: Thank you.

MS. ALAPAI: -- it's not your money that was invested.

COUNCILMEMBER LEE: Thank you. Thank you. And I sure like to know what job you have . . .(laughing). . . because \$7,000 a month. Thank you. Congratulations. Thank you.

CHAIR KAMA: Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Alapai, for your testimony. I just wanted to clarify what you meant by subsidized by the taxpayer. In some cases, the developer just follows the code, which requires 25 percent of the market rate to be affordable. And they make that difference with...up in cost with their market-rate homes. Not all of the time does the County put Affordable Housing funds for, like, infrastructure or, you know, maybe to buy down the price or increase the deed restriction. So, my clarifying question is, when you were saying in your testimony, subsidized by the taxpayer, did you mean with affordable housing funds? Or did you mean subsidized by the developer with the market-rate homes? Or did you mean, like, our natural resources are going to the market-rate homes and not the affordable homes? Like, just trying to clarify because not every project that follows the 2.96 Residential Workforce Housing Code, which we're discussing amending, receives Affordable Housing funds. Some of them make all the adjustments based on what they sell the market rate by and that's what subsidizes the affordable, so just trying to clarify.

MS. ALAPAI: No, I...I appreciate you making that distinction and it is a little bit more nuance. But I think when I say subsidized, I do mean more generally. Because it's my opinion that then if it's not taxpayer money directly subsidizing these homes, they are still using our infrastructure and our resources, and it is still like a community where we share everything since this is an island.

COUNCILMEMBER PALTIN: Thank you for clarifying.

MS. ALAPAI: So, also when I talk about like...yeah, market rate. And market rate is also something that's being subsidized by the taxpayers because they use our resources.

CHAIR KAMA: Thank you.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Thank you, Ms. Alapai. Any other questions from Members? How about our Members online? Any questions for our testifier? Seeing none. Thank you so very much. James?

MS. ALAPAI: Yeah, mahalo nui for having this conversation.

CHAIR KAMA: Thank you.

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MS. MCKINLEY: Chair, the next testifier is Mikey Burke, to be followed by Autumn Ness. And as a reminder, please let us know which item or items you're testifying on.

MS. BURKE: Aloha mai kākou. My name is Mikey Burke. Just like Stacey, who I support fully...her testimony, I will be touching on all the agenda items because they all pretty much are talking about the same thing. So, the County needs to be aggressive in its pursuit to provide attainable housing for our residents. And that means deed restrictions with more permanence, like 99 years for single-family homes, definitely nothing less than 30 years. The County has a duty to explore ways to provide affordable and attainable housing for its residents. The County does not have a duty to provide wealth-building opportunities through workforce housing. The housing is the need. Building wealth using a publicly-invested home or any workforce-designated home is not a need that the County has a fiduciary duty to address. If we create housing that is affordable, families can look elsewhere for a financial instrument to build financial wealth. We should not be making a public investment that will only be realized by that first homebuyer once they sell that workforce home and take it out of the affordable pool forever. If a resident wants to use a home as a wealth-building tool, they can buy a home on the open market and not benefit from a public investment or a workforce-housing unit. At minimum, County of Maui deed restrictions need to extend beyond that first buyer. Ideally, these restrictions last for many generations, 30 years, and resetting upon every sale...or every resale. If a deed restriction extends to generations, it effectively converts that unit of housing from a financial instrument into a community asset. This is what the community of Maui needs. The County should be looking at permanence because this is the only path that will directly benefit individual families and provide community stability. I own a home on Komo Mai Street. That's one of the last workforce neighborhoods that was built with ten-year deed restrictions. As soon as we moved in, in 2017, my neighbors were already talking about flipping their homes after ten years. When the market blew up and our homes...you know, at...at the top of the market...in the...in the top AMI level . . . (timer sounds). . . we were buying the homes for 761,000. It was...market rate was 1.3, 1.4 million before the fire. In our HOA meetings, my community was talking about how do we go to the County and get these deed restrictions lifted so that we could flip homes. This is not okay. This is happening in neighborhoods across Maui because they see this as a wealth-building tool, and that is not necessary. What is necessary for the County of Maui to do is to provide housing, not wealth-building tools. Mahalo.

CHAIR KAMA: Thank you so very much. Members, any questions? Member Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Ms. Burke, for your testimony this morning. And if you could, send in your testimony, that would be great. That was great testimony. For those neighbors that wanted to...to sell their homes, were they...where did they move? Do you know of any that, either stayed, bought elsewhere on the islands, or simply moved out of the state, if...if you knew that information?

MS. BURKE: So, this was...this convers...so, the conversation was happening, you know, right when we first moved into the neighborhood, around 2017. And then just before the fires, they were talking about coming to the County to try and remove this deed restriction if...you know, getting our lawyers involved to figure out how we get this

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removed. Since the fires, they have not talked about pursuing that as, you know, an HOA, but it's still at the top of everybody's mind that we're coming up on our ten years. And that we're going to...you know, we're going to be out of that deed restriction anyway. So, if we could figure this out, sooner than later, I think we could save some of these homes, especially on Komo Mai Street, from getting flipped out of that affordable workforce pool.

COUNCILMEMBER SINENCI: I...yeah, I think it's very interesting. I'm...I'm curious on if...if people are seeing as a wealth-building process, I wonder how many are just coming...moving to...to Maui to purchase a home just for a little while so that they could, you know, make money off...off the homes and then sell it afterwards. So, I'm curious to see --

MS. BURKE: Yeah. Our neighborhood was very...our neighborhoods were...were...it's built with a variation of community members. And I can tell you that the community members in this neighborhood who are born and raised here, who plan to, you know, raise our children and our grandchildren here are not the ones that are pursuing this conversation. It's the people that are tied to this 'āina are the ones that understand the permanence and this opportunity to...to have a home on this island and...and a privilege of that. We are not the ones that are talking about flipping it and making an investment so that we can build generational wealth, if that helps to answer your question.

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

CHAIR KAMA: Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Burke, for your testimony. My question is, you know, if...if the fire hadn't happened and the deed restriction was up, knowing that our average price of single-family home right now is between, maybe, 1.2 and 1.5 million, if you were to flip it, what would be you, as the sole owner, walk away with, about?

MS. BURKE: I --

COUNCILMEMBER PALTIN: In profit.

MS. BURKE: -- for me, having to purchase...yeah, it...having to purchase it at the highest sales rate, which was 761, I could walk away with almost \$600,000. And, you know, there's homes in there that were exactly my...my housing unit that was purchased by families who are at a different AMI level than me, they could, basically, double their investment.

COUNCILMEMBER PALTIN: And in ten years \$600,000 --

MS. BURKE: Yeah.

COUNCILMEMBER PALTIN: -- out the door and the affordable housing --

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MS. BURKE: Yeah.

COUNCILMEMBER PALTIN: -- would be lost forever.

MS. BURKE: Forever, yeah.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Member Sugimura, and then Member Lee.

COUNCILMEMBER SUGIMURA: Thank you. Thank you for testifying and is this development project in Lāhainā? Or in Wailuku.

MS. BURKE: Yeah, it's one of the last workforce housing built in Lāhainā.

COUNCILMEMBER SUGIMURA: Oh. Okay. So, you weren't impacted by the fire then, good.

MS. BURKE: No, I was. I lost --

COUNCILMEMBER SUGIMURA: Oh.

MS. BURKE: -- my house.

COUNCILMEMBER SUGIMURA: Oh, my God. Sorry about that.

MS. BURKE: This is not the Stanford Carr...this is not the Stanford Carr fake affordable housing. This is...this was Komo Mai Street mauka of HP Highway.

COUNCILMEMBER SUGIMURA: Oh. So, basically, then with your experience of...oh, with your neighbors, I guess, how long do you think the deed restriction should be?

MS. BURKE: No, less than 30 years. I think 50 would be the minimum, 99 would be perfect. I mean, we're talking about...we're talking about correcting decades of housing atrocities. We...we cannot...we're not going to be able to build enough homes to...to get to even. And so, if you could start by something more permanent like 30-, 50-, 99-year deed restrictions, I think we might have a chance as a County. Our children and our grandchildren, I should say, might have a chance.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR KAMA: Chair Lee.

COUNCILMEMBER LEE: Thank you. I thought you lived in Wailuku because we have a street like that at Kehalani. But anyway, so you said you'd actually make a profit of \$600,000...what was your original price on your...on your home?

MS. BURKE: 761.

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COUNCILMEMBER LEE: So, you're saying that you could sell it for one point something million?

MS. BURKE: Oh, yeah. Before the fire, the estimate was 1.4 million.

COUNCILMEMBER LEE: Okay. And...and so if you were...I'm not familiar, necessarily, with all the...all the real estate situation in Lāhainā pre-fire. But would you have been able to find something else if you sold your property before the fire...before the fire?

MS. BURKE: I mean, if I...if I put...if I put 600 grand down on a house, I could live comfortably up in Launiupoko but that's not what I was trying to do. You know --

COUNCILMEMBER LEE: Okay.

MS. BURKE: -- I'm just...I'm just trying to live in a neighborhood where I know my neighbors, where my kids...you know, kids can grow up Goonies style, and have forever friendships, and not trying to build wealth. And...and nobody should in workforce neighborhoods. This is...this is...this is an opportunity to keep the communities intact and to keep the communities stable.

COUNCILMEMBER LEE: Okay. Thank you.

MS. BURKE: So --

COUNCILMEMBER LEE: Okay. I have another question. So, if you...you talked about your neighborhood and you said that most of the local families are not interested in selling. I...I'm sorry that...that you were affected by the fire but I'm talking about pre-fire, yeah, conditions. Before the fire, most of the families were content to live there and not sell or speculate with their homes, right?

MS. BURKE: Correct. Just like Nohe had said about her own neighborhood where she grew up.

COUNCILMEMBER LEE: So, it's pretty much those who have moved here recently, maybe in the last five years or so, that --

MS. BURKE: 5-, 10-, 15-years.

COUNCILMEMBER LEE: -- 10, 15 years. Okay. I...I was just trying to think of a mix and...because I think most local neighborhoods retain the same people. It's just those few odd situations, whether they moved here recently, or people, you know, get a divorce, or people...you know things happen in their families. Okay. Thank you very much for your testimony.

MS. BURKE: Thank you.

CHAIR KAMA: Member Rawlins-Fernandez, you have a question?

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. And mahalo, Ms. Burke, for your testimony this morning. My clarifying question is regarding your comments about wealth building. So, in wealth building, to have shelter where you're not paying a mortgage of, like, \$7,000 a month because you're an affordable unit, that, in itself, having shelter and an affordable mortgage, would you consider that...that's not the wealth building that you're talking about. Although, that, in itself, is wealth building. The wealth building that you're talking about is cashing in on the subsidies that was provided for in enriching yourself off of those subsidies, like a lottery.

MS. BURKE: Correct. Yeah. The...what is...what is understood as generational wealth is that you can...you can buy land or buy property and sell it, and increase your wealth, and just continue that train, right? That's the...the easiest, the...and...and the most proven way to build generational wealth. But generational wealth, as we need to understand it and we need to start educating here on Maui and across Hawai'i, is very, very different. What we understand generational wealth to be is the fact that we can, actually, raise our kids in our own hometowns. We can have a mortgage, like you said, that is sustainable so that we don't have to work two, three jobs in our house, so that we can be the ones raising our own kids and not having our kids be raised by our, you know, aunties and uncles, and grandmas and grandpas. So, that we can...we can be the ones that are volunteering for their school field trips, or their...or their soccer coaching, or you know all the things. That's the immediate generational wealth that we are giving...we're giving families back time to be with each other and to...to...to...to make memories and not have to be off trying to figure out how we're paying \$7,000 of rent. And that...that...that generational wealth is instantaneous and it's every month that you're making a three-grand mortgage instead of a seven-grand mortgage, right? It's every month that you're building memories with your kids so that they know that when their parents, themselves, and they are raising their own kids, that they have the blueprint of what it means to raise children in this place that they call home. That's the generational wealth we need to be chasing through workforce housing, and we can do that if we build it correctly...build the permanence correctly.

COUNCILMEMBER RAWLINS-FERNANDEZ: (Audio interference) mahalo for that clarification. I appreciate that. And I...and I know it takes, like, multiple incomes in order to afford something like a \$7,000 mortgage. Like I...I think four or five, sometimes. Mahalo. Mahalo, Chair.

MS. BURKE: Thank you.

CHAIR KAMA: Thank you. Thank you, Ms. Burke, for your testimony --

MS. BURKE: Thank you.

CHAIR KAMA: -- and for sharing your personal story with us. We appreciate that.

MS. BURKE: Thank you, Chair.

CHAIR KAMA: I don't see Member Johnson. Member Johnson, do you have any questions? But I...I don't --

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COUNCILMEMBER JOHNSON: I'm here, Chair. You don't see me?

CHAIR KAMA: I don't see you on my screen, but did you --

COUNCILMEMBER JOHNSON: (Audio interference) --

CHAIR KAMA: -- did you have any questions?

COUNCILMEMBER JOHNSON: No, I didn't raise my --

CHAIR KAMA: Okay.

COUNCILMEMBER JOHNSON: -- I didn't raise my hand for questions.

CHAIR KAMA: I couldn't see you, so I just wasn't sure.

COUNCILMEMBER JOHNSON: I guess I'll log in, log out [sic].

CHAIR KAMA: Okay. Thank you. Staff?

MS. MCKINLEY: Chair, the next testifier is Autumn Ness, to be followed by Andrew Pereira. And as a reminder, please let us know which items you're testifying on. Thank you.

MS. NESS: Aloha everybody. My name is Autumn Ness. I'm here to testify on Bill 12. I guess, all of them. I just have to admit, I'm having less and less patience with this conversation. I've had part of this conversation in one form or another for almost a decade. And I've watched us spend so much time and money on one affordable housing unit and then lose it to the market in ten years, or less, so that we have right now almost zero affordable housing inventory to show for the tens of million dollars we spent over the years. Years ago, when I worked for the Council and I did an average, we were spending an average of \$350,000 per door and that has gone rapidly up since then. It's not rocket science. We are not inventing the wheel. Plenty of municipalities do much longer protections and it works great. If we would have lengthened deed-restriction periods years ago, we would be currently steadily growing our inventory of affordable housing units, which we need, and we are not doing. Maui County is one of the shortest deed-restricted periods in the nation, while we also have some of the most inelastic housing demand, meaning, that there is global interest in Maui's housing stock, so price increases do not have a corresponding downward effect on demand. That means no amount of supply is ever, ever, ever going to solve the housing challenges of Maui. This is a market failure; it's defined. Other similar communities have solved this problem by creating a dual housing market. That's a housing inventory that's protected through deed restrictions that is long-term affordable, available to residents and not investors. Eagle County and Aspen, for example, have perpetual deed restrictions. I believe that all deed restrictions should be 99 years across the board. A couple of things that I know are going to come up today that are just false: No one wants to buy a deed-restricted home; that's false. That was true, in some cases, when our affordable housing prices were about the same as a market-rate home because we were doing the math wrong.

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You guys remember this conversation? Who would sign up . . . (timer sounds). . . for a deed restriction when you can pay a little bit more for a market-rate home, you know. Now, that's not the case anymore. When we are doing Lāhainā Community Land Trust outreach and I am in the community talking about perpetual deed restrictions on a home that is capped at 1.5 percent appreciation, every single person I talked to, except the real estate agents, are all in on this plan because it's the only way we're going to protect Lāhainā long term. Everybody is open to living in a deed-restriction home. I will talk about Aspen, as another example. Aspen, the median home price is 13.5 million dollars right now. 70 percent of their full-time occupied-housing units are deed restricted. Most of them are perpetual. And the only reason that most of them, and not all, are perpetual is because when they started their affordable housing program 20, 30 years ago, they weren't perpetual. And they realized, as their program grew, that they needed to be perpetual because 10-, 20-, 30-year . . . (timer sounds). . . deed restrictions are pointless. If I'm out of time, I will continue and talk to my item. What's the next item on the agenda? Bill 22 now. Sorry, this is really important so I'm going to take all my items' time. In Aspen, every...almost every...I was talking to the people who lead the Aspen affordable housing office, and they said they did an...a study of their workforce. All but three of their workforce in their community live in a deed-restricted home. Three...three people who live in Aspen and work there live in a market-rate home. And everybody is stoked on it. They did, like, a referendum a couple of years ago and the entirety of the community continued to...to...I mean, voted to continue their tax structure for this program. The other false thing that's going to come up today is that lenders won't give mortgages on deed-restricted properties; that's totally false. Fannie Mae and Freddie Mac both have lending guidelines on 99-year deed restrictions and CLT programs, which are perpetual by design. Call Fannie Mae and Freddie Mac. You also can refinance a deed-restricted home. Having a deed-restricted home is not a punishment. It doesn't deter home ownership, especially when the prices of a affordable house are so much lower than a market-rate home, which they are now. If you...and a big question I have for you guys is if you can refinance your affordable home and you're not planning on selling, then literally, what is the issue with having a deed restriction on your home that prevents the flipping that is happening? I'm going to ask that again, what is the issue? You can refinance your home, you're getting an affordable home that's hundreds of thousands of dollars less than the market rate, and you're not planning on selling. So, what is the issue with having a perpetual deed restriction on your house, unless you're planning on selling? There isn't one. The other thing about not building wealth...this is my last point, under the current...when you sell, part of the code, the homeowner gets 25 percent of the market appreciation . . . (timer sounds). . . of their home when they sell. That is not nothing. That is not nothing. So, I...I...sorry, my patience for this conversation is ten years old. I just don't see what the problem is anymore. Thanks.

CHAIR KAMA: We have a question from Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair, for recognizing me. Sorry, I was off-camera for some reason. But I would like to make Autumn Ness a resource, if she's available. Ms. Ness, are you available?

MS. NESS: I can be. I...I have a lot of stuff to do today where I can't sit here. I can keep the

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thing on and if you want to text me if there's a question that's --

COUNCILMEMBER JOHNSON: Okay.

MS. NESS: -- specific to me, I can absolutely do that.

COUNCILMEMBER JOHNSON: So, in particular to her knowledge on the Lāhainā Land Trust [sic] and all the things that she just mentioned that...that's why I would like to make her a resource, if allowable, Chair.

CHAIR KAMA: Thank you. Members, any objections? None?

COUNCILMEMBERS: No objections.

CHAIR KAMA: Okay. No objections. Thank you very much, Ms. Ness.

MS. NESS: Thank you.

CHAIR KAMA: Member Paltin, did you have your hand raised? I saw that --

COUNCILMEMBER PALTIN: Yeah, but I guess if she's a resource I --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- I can ask it later.

CHAIR KAMA: At the time. Okay. Anyone else have questions or clarifying questions? Okay. Seeing none. Thank you so much and we'll see you later on again, Ms. Ness. Staff?

MS. MCKINLEY: Chair, the next testifier is Andrew Pereira, to be followed by Carolyn Auwela [sic]...Auwelola [sic]. Sorry.

MR. PEREIRA: Aloha, Chair Kama, Vice-Chair U'u-Hodgins, and Members of the Committee. I'm Andrew Pereira. I'm Director of Public Affairs for Pacific Resource Partnership. We represent 6,000 hardworking men and women who are members of the carpenters union, in addition to 250 general contractors across the State. Just wanted to state that we...we heard a lot of good viewpoints today. And it...it could be beneficial for the Council to create a permitted interaction group to study how long-term deed restrictions could impact the overall Maui economy. We know, as far as wealth creation, that homeownership is one of the...the greatest forces in creating wealth for local families. And often time, this means getting a line of credit to put your kids through college or to open a small business. Perhaps, you know, open...one of our members has opened their own general contracting company...several have on Maui. So, perhaps, with all of these diverging issues and the fact that Deputy Director Mataafa mentioned that the Administration doesn't currently have a position, we could welcome in stakeholders and create a permitted interaction group to...to study this issue more fully and...and make a data-driven decision. Thank you very much.

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CHAIR KAMA: Thank you, Mr. Pereira. Members, questions for the testifier? Member Lee.

COUNCILMEMBER LEE: Could we make him a resource person?

CHAIR KAMA: Members, any objections to making Mister --

COUNCILMEMBER PALTIN: What is the expertise?

CHAIR KAMA: Mr. Pereira.

MR. PEREIRA: Yes, Councilmember --

CHAIR KAMA: Could --

MR. PEREIRA: -- Pacific Resource Partnership, as I mentioned, we...we work closely with our 6,000 hardworking men and women of the carpenters union and we deal with 250 general contractors throughout the State, as well as homebuilders. So, we could provide some insight on the impacts that long-term deed restriction could have on the viability of affordable housing projects going forward, as well as a polling data that we do throughout the State on top, hot-button issues such as these. So, that's where our expertise lies and we'd be happy to...to help if the Council so chooses.

CHAIR KAMA: Thank you.

COUNCILMEMBER PALTIN: Thank you. It seems as though that your expertise is in polling and that, but how would it benefit this conversation today?

MR. PEREIRA: Well, we deal closely with general contractors who build our affordable homes across the State, so we lean on the general contractors that give work to our...our carpenter union members. And so, we're able to glean information from them on how long-term deed restrictions could impact the market, as well as dealing closely with homebuilders who...who build our homes across the State.

COUNCILMEMBER PALTIN: I would object to his being a resource today because he needs to go consult with those folks.

CHAIR KAMA: Members?

COUNCILMEMBER LEE: I...I would still...okay. I'll make a motion. I move to approve Mr. Pereira as a resource person.

COUNCILMEMBER SUGIMURA: Second.

CHAIR KAMA: Okay. Members, it's been moved and seconded by Chair Lee and Vice-Chair Sugimura to make Mr. Andrew Pereira a resource to us this...later on. Let's take a voice vote, please.

COUNCILMEMBER PALTIN: Roll call, please.

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COUNCILMEMBER LEE: Roll call.

CHAIR KAMA: Roll...roll call.

COUNCILMEMBER RAWLINS-FERNANDEZ: We're trying to speak to the motion.

CHAIR KAMA: Oh, I'm sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Member Johnson --

CHAIR KAMA: Miss...yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and myself. Member Johnson had his hand up first.

COUNCILMEMBER JOHNSON: Thank you. Thank you, Chair. I just wanted to ask Mr. Pereira a question before we voted. In your description of your...are...are you a union rep or are you a...a registered lobbyist?

MR. PEREIRA: I am a registered lobbyist for --

COUNCILMEMBER JOHNSON: Okay.

MR. PEREIRA: -- Maui County, as well as the other counties across the State, and the State Legislature. As I mentioned, we proudly represent the 6,000 hardworking men and women in the carpenters union --

COUNCILMEMBER JOHNSON: Okay --

MR. PEREIRA: -- who build our homes throughout the State, so, yes...yes, we are registered.

COUNCILMEMBER JOHNSON: All right. Thank you.

CHAIR KAMA: Anyone else? Any discussion? Oh, Member Cook.

COUNCILMEMBER COOK: Chair, if...sorry. I...this is, basically, just for a resource person.

CHAIR KAMA: Yeah.

COUNCILMEMBER COOK: So, I just wanted to clarify that as far as --

CHAIR KAMA: Yes.

COUNCILMEMBER COOK: -- any resistance. Thank you.

CHAIR KAMA: Okay. Yes, just to make Mr. Pereira a resource person. Any other discussion? Member Rawlins-Fernandez.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I will also be voting against the motion. If there was an actual expertise beyond lobbying, then, you know, I would be supportive of the other perspectives to the bills that we have before us in Committee. But it...it's...it's...there isn't an expertise, as I heard. It's just PRP lobbyist. So, I will be voting against the motion. Mahalo, Chair.

CHAIR KAMA: Thank you. Any other discussion?

MR. PEREIRA: If I...if I could clarify, Chair? Yes, we did, you know, discuss --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

MR. PEREIRA: -- we have discussed --

COUNCILMEMBER RAWLINS-FERNANDEZ: Point...point of order. No...no one has asked him a question. He's speaking out of order.

CHAIR KAMA: Thank you. I think, Member U'u-Hodgins had her hand up and I was going to call on her. Thank you.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I do acknowledge that the carpenters union and PRP, they advocate for homebuilding. So, I understand that it might be confusing, their expertise, but these are the people who are actually building our homes and probably buying the homes that we intend to build. I usually don't oppose any other resource, but the previous person we just made a resource has provided zero homes to our community. I can understand her perspectives, but zero homes. So, when we keep making people resources who have not provided a single home, then what advice are we getting. I'd rather take advice from somebody who's actually built homes, whether it's Andrew Pereira or the people he represents, that's where I would like to keep my advice from. So, I would be supporting this. Thank you.

CHAIR KAMA: Any other discussion, Members? Member Sugimura.

COUNCILMEMBER SUGIMURA: Yeah, thank you. So, I'm going to speak in support of Mr. Pereira. I will say that he probably has more data than we do just by reading testimony, or whatever. But he...I think they have hands on and maybe have accumulated facts that would be relevant to this conversation. So, I'll be voting yes. Thank you.

CHAIR KAMA: Thank you. Any other discussion? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: For my second and final discussion to this motion, when you manufacture a crisis, you create job security forever. And that's the type of...that's the situation that's been going on for...for decades now. You create a housing crisis and these types of regulations would actually provide housing to our people that would keep housing in affordability for our residents so that we wouldn't need to continuously build. And...and that is where PRP is coming from, the forever

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building and...and never providing correct regulation in policy to keep affordable housing affordable for our residents. Mahalo, Chair.

CHAIR KAMA: Thank you. Chair Lee.

COUNCILMEMBER LEE: I'm supporting Mr. Pereira because, to me, we need factual information, and in this particular case, with regard to deciding on deed restrictions and the length of these deed restrictions. It's...it's a very important, significant decision. And the decision should be based on a rational basis on facts...on historical facts, and...and a prognostication of the future. So, I would prefer to have someone who is in the industry provide information that could be helpful to us. Thank you.

CHAIR KAMA: Thank you, Chair. Any other--oh, Member Paltin.

COUNCILMEMBER PALTIN: Thank you. I have a question for Mr. Pereira. What other jurisdictions' deed restrictions have you studied?

MR. PEREIRA: We've asked our general contractors and homebuilders about longer-term restrictions that are being discussed in Bills 12, 22, and 74. In particular, those in the ten-year range and out, can...can prove to be problematic when you're looking to pencil out a project.

COUNCILMEMBER PALTIN: I...I don't know if you're answering the question. I asked...the question I asked was --

MR. PEREIRA: Oh, could you repeat, Councilmember?

COUNCILMEMBER PALTIN: Yeah, sure. What other jurisdictions' deed restrictions have you studied? Like, what is the name of the municipalities where the deed restrictions exist that you've studied? Like Eagle County, or Aspen, or like what are...what is the name of the jurisdictions of other areas with deed restrictions that you studied?

MR. PEREIRA: We have looked at the deed restrictions in...in Aspen. There was a presentation at the Hawai'i State Association of Counties that we were...we attended. We received, you know, briefings just more broadly...generally from our general contractors and homebuilders, here in Hawai'i, on what deed restrictions can do to the market and, more broadly, to the overall economic health of...of Maui County and its residents. So, that's...that's where our (audio interference) --

COUNCILMEMBER PALTIN: So, the...the contractors that you represent have only studied in Hawai'i and you received the presentation that the nine of us received at HSAC for...I believe it was Eagle County at H...this last HSAC.

MR. PEREIRA: Yes.

COUNCILMEMBER PALTIN: And the Aspen --

MR. PEREIRA: Yeah, correct. Yeah, correct. Yeah, that was a very interesting presentation.

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COUNCILMEMBER PALTIN: -- presentation...when did you get the Aspen presentation? Or is Eagle County the same as Aspen?

MR. PEREIRA: The Aspen (audio interference) I think it was the Eagle County presentation that...that we received. But, generally, we're always looking at these types of issues as an organization that supports our hardworking union members and our general contractors. So, we're also...always studying these types of issues as the impact on housing, on the impact of economics in Hawai'i. So, that's generally --

COUNCILMEMBER PALTIN: So, to clarify --

MR. PEREIRA: -- where our expertise comes from.

COUNCILMEMBER PALTIN: -- so to clarify, you've looked in Hawai'i and you got the same Eagle County presentation that the nine of us had at the...the most recent HSAC conference on deed restrictions --

MR. PEREIRA: Yeah, that's correct. And then I think it's...it's more of us being a conduit to general contractors who actually build homes here in Hawai'i, as well as homebuilders, that build whether it's track homes, you know, that...that are...are being built or whether it's single-family homes. But that's...that's where we serve as a conduit between...so, you should...so, you know, if you...if you prefer, you know, we could...I could serve as a conduit between general contractors and...and homebuilders, what they tell us, as far as what deed restrictions and the impacts could be.

COUNCILMEMBER PALTIN: And --

MR. PEREIRA: So, that's where our expertise lies, Councilmember.

COUNCILMEMBER PALTIN: -- I think my last question, before we vote, is how...how long after a general contractor sells a project do they monitor the prices, and the flips, and like that?

MR. PEREIRA: I think just...just, generally, that that's...that's...that's tracked by the...the Board of Realtors [sic] on Maui. I'm not sure about the tracking that general contractors do. That's something I'd have to get back to you on, but something I could definitely check on, especially with some of our more major general contractors that are...are building a large share amount of units of homes throughout the State.

COUNCILMEMBER PALTIN: Okay.

MR. PEREIRA: But that's something I could definitely check on if they --

COUNCILMEMBER PALTIN: My specific --

MR. PEREIRA: -- if they do track (audio interference) --

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COUNCILMEMBER PALTIN: -- question for you to check on is once a general contractor sells a project, how long do they monitor the affordable...or the portion of the project that is subject to a residential workforce housing agreement, how long do they monitor the resale price for? Is it 5-, 10-, 15-, 20-, 50-years? Or do they simply sell...monitor how long it takes to sell out and then move onto their next project? You need me to repeat any of that?

MR. PEREIRA: No, I think I got the gist of it, Councilmember. I'll be happy to get feedback on that and report back to...to you via email.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Chair Lee.

COUNCILMEMBER LEE: Yeah, I'm satisfied with the expertise of this...of Mr. Pereira. More than likely, he probably has more knowledge of the front end of a development. The back end is really for the government to...to enforce the deed restriction because once a developer sells the project, he no longer needs to monitor, so thank you. I'm ready for the vote.

CHAIR KAMA: Thank you. Staff?

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

COUNCILMEMBER LEE: Aye.

MS. MCKINLEY: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Yes.

MS. MCKINLEY: Councilmember Paltin.

COUNCILMEMBER PALTIN: No.

MS. MCKINLEY: Councilmember Johnson.

COUNCILMEMBER JOHNSON: No.

MS. MCKINLEY: Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: No.

MS. MCKINLEY: Councilmember Cook.

COUNCILMEMBER COOK: Aye.

MS. MCKINLEY: Councilmember Sinenci.

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COUNCILMEMBER SINENCI: No.

MS. MCKINLEY: And Committee Vice-Chair U‘u-Hodgins.

VICE-CHAIR U‘U-HODGINS: Yes.

MS. MCKINLEY: And Committee Chair Kama.

CHAIR KAMA: Yes.

MS. MCKINLEY: Chair, that’s five ayes, and four noes. Motion passes.

VOTE: AYES: Chair Kama, Vice-Chair U‘u-Hodgins, and Councilmembers Cook, Lee, and Sugimura.

NOES: Councilmembers Johnson, Paltin, Rawlins-Fernandez, and Sinenci.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE resource person.

CHAIR KAMA: Thank you. Staff?

MS. MCKINLEY: Chair, the next and currently last testifier signed up is Carolyn Auwelo.

MS. AUWELOA: Hi. Aloha. Camera. Okay, great. Hi. Aloha. My name is Carolyn Auwelo. I’m calling in from Lāhainā, and I would like to speak to the measures that are being discussed starting with measure 12. Forgive me if I’m using the wrong word, but Bill 12. I...I enthusiastically support the testimonies of Mikey Burke, and Autumn Ness, and the first testifier today. Before the Committee is the subject of deed restrictions. And the reality that deed restrictions that are too short really don’t do anything for our community except contribute to the housing crisis that we have when the affordability is limited to a short term and that community asset is not able to be appreciated over a longer period of time. I’d like to point out some facts about the housing situation and crisis affecting Maui County. And the first of that being that since 2014 the median price of a home was around \$420,000. In 2024, the same median price for Maui County was up over \$1.2 million. That’s an appreciation of over 109 percent over ten years. That kind of housing appreciation, the value of that, far outpaces the wage growth. So, while folks that are fortunate enough to have miraculously found a way to get into the

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housing market given the wage opportunities in Maui County, with the exception of some of our contractors and, respectfully, carpenters, love them, they're great, but they're on the higher end of the pecking order. The majority of the community here has a very difficult time getting into that housing market and usually does not...does not have an ability to benefit from that kind of appreciation. On the...an...an alternative action, reality, because they are stuck in wages that are not appreciating at that rate, home affordability actually gets farther and farther out of their reach every year that goes by. And which is why it's critically important that the...that the...the Maui County, and that the issues that's before them today, really change the time horizon with which we can keep affordable housing . . . (timer sounds). . . inventory in Maui County. As it stands right now, every year, Maui County's affordable housing inventory is going down, and down, and down. And just another fact, for the group, is that we live on an island. We live on an island with limited resources and limited space. To think we're going to continue to build, and build, and build, and build our way out of this housing crisis is very short-sighted and actually very ignorant. If you need a resource for that, I'd be happy to explain to you how an island is limited in space, and water, and resources. I'd be happy to do that. My background is in ecology and natural resources management. Happy to provide any credentials you might need. But that's a fact that really is, maybe, more important than the experience and...and knowledge that Andrew Pereira has on what it is...what it takes to build a house. I actually don't think he has much to offer when it comes to actually considering deed restrictions, affordability, and the impacts on the community that this decision stands to have. Another fact is the fact that because of this housing crisis the impacts to our community has resulted in over half of the Hawaiian.... . (timer sounds). . . there's more Hawaiians, now, living outside of Hawai'i than there it is inside Hawai'i. If my time is up on my first issue, I'd like to bring up the second one, please? Thank you, Nohe, for also being willing to be a part of this conversation and for your drafted bill. But I'm going to advocate very hard for maximum resale restrictions...deed restrictions. I think the deed restrictions should be in the tune of 99 years in order to give us the opportunity to...to benefit from the taxpayer dollars and the concessions that we are giving in order to build these affordable houses, for as long as possible. We have more people...more people are leaving our communities. The workforce, the local community is leaving these...this place because they cannot afford to be here. Every affordable housing unit that gets flipped and bought by someone that has outside wealth or is already lucrative enough to be super...to...to be wealthy enough to be able to afford these places, they're not going to be the ones filling the jobs that we need in our community. We are going to run ourselves out of a functioning society when we no longer have teachers; we no longer have nurses; we no longer have police officers; and firefighters; and clerks in the store; and people to serve you dinner, and coffee, and wash dishes. Those are the kinds of folks that need this workforce housing. The other people that can afford in market...market rates, great, they have plenty of opportunity. The affordable housing inventory is never going to displace them. We need to be...be focusing on the people that are being displaced by the market forces that are left unchecked, that this commission...this Council has an opportunity to make a change, and to change the direction, and to be really responsible in the way our affordable housing dollars are being spent, and make sure that they're going and lasting for as long as possible, and helping to turn and reverse that. Go down to any shopping center. Go down to your grocery store. Go see every single place still has help wanted signs. People can't hire because the people can't afford to live here. What is that going to do

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to our economy? I think it's really important that this Council take a very, very wide view, and one that looks beyond our shores, for solutions. If...if Andrew and his friends have only studied Hawai'i, they need to look beyond our shores and study these solutions. They're actually not at risk. There will . . .(timer sounds). . . still be plenty of building opportunities. And so with that, thank you so much for hearing my testimony. Thank you so much for considering the real needs of our community and not a...not a sub...subset of stakeholders that actually have a vested interest and, in my opinion, a conflict of interest on this issue. Thank you for hearing me today.

CHAIR KAMA: Thank you, Ms. Auwelo. Members, any questions for the testifier? Oh.

COUNCILMEMBER COOK: Chair, I just want to let people know, I have an extremely stiff neck and I'm not being rude if I close my eyes or how I'm not --

CHAIR KAMA: Yeah.

COUNCILMEMBER COOK: -- being fluid today. I just want people to know that. Okay. So, if it's like --

CHAIR KAMA: Yeah.

COUNCILMEMBER COOK: -- what's up with Councilmember Cook. I have a neck --

CHAIR KAMA: You have a stiff neck.

COUNCILMEMBER COOK: -- that I can't move. I'm using a straw to drink and thank you for your patience with me. Thank you.

CHAIR KAMA: You're welcome. Member Paltin.

COUNCILMEMBER PALTIN: Thank you. Thank you for your statement. I just was wondering the statistic that you had said as in ten years the 109 percent increase. I was wondering if...if you could share with us that source.

MS. AUWELOA: Yeah, sure. That came out of research that we put together for our community outreach. And I believe it came from the Maui County Data Book. But I can double check and I can confirm that with...via email.

COUNCILMEMBER PALTIN: Thank you.

MS. AUWELOA: No problem.

COUNCILMEMBER PALTIN: Oh. Can you send that to the Housing and Land Use Committee? It would hlu.committee@mauicounty.us.

MS. AUWELOA: Sure thing.

CHAIR KAMA: Thank you. Any other questions, Members? Seeing none. Staff?

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MS. MCKINLEY: Chair, there's currently no one else signed up to testify. If anyone would like to testify--would you like to go ahead with last call, Chair?

CHAIR KAMA: Yes, please.

MS. MCKINLEY: Pardon me.

CHAIR KAMA: Thank you.

MS. MCKINLEY: Thank you. Okay. This is last call--oh, we do have a testifier. We need to promote Kai Nishiki. Just one moment, please.

MS. NISHIKI: Aloha, Chair --

CHAIR KAMA: Aloha.

MS. NISHIKI: -- Committee Members. Thank you for bringing this important item into this Committee. We really need to have increased deed restrictions in order to protect our housing inventory. And I know that you guys have lots of work to get done today, so I will just rest on my testimony that we need deed restrictions to last as long as possible. And thank you for taking this issue up. Mahalo.

CHAIR KAMA: Thank you, Ms. Nishiki. Members, questions for the testifier? Seeing none. Thank you. Staff?

MS. MCKINLEY: Chair, no one else has indicated a desire to testify. If anyone would like to testify, please raise your hand on Teams to let Staff know. Chair, seeing no one.

CHAIR KAMA: Thank you. Members, seeing as how there is no one else here to testify, I'd like to be able to close testimony on these items.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY . . .

CHAIR KAMA: Thank you. So, Chair would like to be able to give you all a morning break. But I think we...can we...can we break now, James? Do we need to have some discussion? (Audio interference) --

MR. KRUEGER: Chair, the --

CHAIR KAMA: Yeah.

MR. KRUEGER: -- the Committee is able to recess right now, but it...it will just mean that we'd have to reopen testimony after the recess has concluded.

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CHAIR KAMA: Okay. Thank you. If that's okay...you all? Have discussion, okay. You have a question, Miss...I don't know if that's a discussion, but what's your question?

VICE-CHAIR U'U-HODGINS: My question is, what can we do to have a TIG? I do appreciate everyone's different opinions on how this makes sense for everyone. I think there's a good discussion to have to balance the emotional welfare of our people, and ensuring our workforce stays home, and the reality of building some, not like a whole bunch, new homes in order for our people to purchase and, obviously, make a deed restriction possible. I don't want to have too long of a deed restriction. I'm not saying I know what the number is, that it makes it difficult to build and finance. So, I'm using this time to start a discussion on how we can create a TIG.

CHAIR KAMA: Okay.

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

CHAIR KAMA: Member Sugimura.

COUNCILMEMBER SUGIMURA: In connection to that, that there is a bill--I wonder if Staff could look this up. And I got this from Albert Perez, over the weekend, talking about deed restrictions, House Bill 739, and Senate Bill 490 is a companion bill. But it talks about deed restrictions using Vail as an example of what they've done because they have the same problem that we do of the workers can't live in the area and that only the wealthy can. And, therefore, what this bill has done, and it's passing through the Legislature, is providing an opportunity for counties to create housing in perpetuity by providing loans to the homebuyer...or funding to the homebuyer so that when the homes flip that it can be purchased. The...the...I'm sorry if I'm not --

CHAIR KAMA: It's in Legislation.

COUNCILMEMBER SUGIMURA: -- explaining it correctly. Yeah, but it's a way of doing that. And then just listening to the testifiers, when you talk about 99-year leases, that's...to me, reminds me of Hawaiian Home Lands [*sic*], that opportunity in...in that structure, as well as, you know, going back to the 600 million now, I think it was three legislative sessions ago, that was given to Hawaiian Home Lands so that more homes could be built. So, all of that...I think all of this contributes to this conversation. And there's, I think, bills in the Legislature that we should be interested in because if that bill...House Bill 739 passes or Senate Bill 490...490, it would provide opportunities for us and the County to create some kind of funding source to keep this in perpetuity with homeowners. But there's more bills like that passing through the Legislature.

CHAIR KAMA: Oh. Member Paltin.

COUNCILMEMBER PALTIN: Thank you to Member Sugimura for that update. I just wanted to go back to Nohe's question. Maybe a lawyer, or somebody, would be an appropriate person.

CHAIR KAMA: We'll ask Carla.

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COUNCILMEMBER PALTIN: Okay.

CHAIR KAMA: Carla, could you respond to Member Hodgins' [sic] questions of a TIG?

MS. NAKATA: Chair, in order to create the TIG, we first need to post correspondence that would suggest the establishment of the Temporary Investigative Group indicating who the chair and the members of the TIG would be, what their roles and responsibilities would be, providing for a deadline for the TIG's report, and so on.

COUNCILMEMBER PALTIN: Can --

CHAIR KAMA: Yes, Member Paltin.

COUNCILMEMBER PALTIN: -- can you clarify as to parameters for membership? Like --

CHAIR KAMA: Total numbers.

COUNCILMEMBER PALTIN: -- less than a quorum, odd number, even number, member mix with community mix. Do you have that information available?

MS. NAKATA: Chair, apologies. I need to reacquaint myself with how we've established TIGs in the past. However, I think we've generally recommended an odd number for voting purposes but --

COUNCILMEMBER LEE: It's less than a quorum.

MS. NAKATA: -- I don't believe that's...oh.

COUNCILMEMBER LEE: So, four.

MS. NAKATA: Oh. But I don't believe the odd number is an absolute requirement. Yes.

CHAIR KAMA: Oh, okay. Interesting, yeah --

COUNCILMEMBER PALTIN: So, if...if it would be four, for less than a quorum, you would need either a three-one or unanimous vote to move things forward? Two-two would be just move on --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- not...no decision.

CHAIR KAMA: Yeah.

MS. NAKATA: Yes, Chair, it would still be a majority vote of those present.

COUNCILMEMBER PALTIN: So, three-one would work?

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CHAIR KAMA: So, Carla, if...if we posted the discussion for a TIG, would all of the questions that Members have be part of that discussion to be able to create the parameters around the TIG?

MS. NAKATA: Again, Chair, I'd like to refamiliarize myself with the TIG rules. But I believe, generally speaking, you, as Chair, would be able to put forward correspondence that outlines the roles and responsibilities, the scope of the TIG's discussion, as well as rules of practice for the TIG to proceed. And then the Committee would be able to discuss that once it's placed on an agenda.

CHAIR KAMA: Okay. So, did we all understand what the process is? Member Lee.

COUNCILMEMBER LEE: Yes. Oh. And why don't we take a recess, and then you can work with Carla to reacquaint herself with the rules. And then come back with actual...you know a --

CHAIR KAMA: Okay.

COUNCILMEMBER LEE: -- a guide.

CHAIR KAMA: Yeah. Okay.

COUNCILMEMBER SUGIMURA: So, Chair?

CHAIR KAMA: Okay. Members --

COUNCILMEMBER PALTIN: Oh.

CHAIR KAMA: Yes, I'm sorry.

COUNCILMEMBER PALTIN: Member Rawlins --

COUNCILMEMBER SUGIMURA: Yeah --

COUNCILMEMBER PALTIN: -- Fernandez had her hand up.

COUNCILMEMBER SUGIMURA: -- had her hand up also.

CHAIR KAMA: I don't...okay. I...okay. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, I was going to explain how the TIG works because I created two TIGs. But I'm happy to also just take a recess. But, basically, you would have to post a formation of the TIG. At that meeting, you would have to select the membership, and the roles, and responsibilities. You would outline what the scope of work is in the establishment of that TIG, and the...the deadline for the final report. When you post the final report, you can't discuss it until the next...because you have to receive it first. So, you have to...you'd have to post it, the findings, and then at the...at

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a subsequent meeting, you would be able to discuss the findings.

CHAIR KAMA: Huh. Thank you for that quick and dirty information about the TIG. So --

MS. NAKATA: Chair?

CHAIR KAMA: Yes.

MS. NAKATA: Staff would just note that because the correspondence is not on today's agenda --

CHAIR KAMA: Yeah.

MS. NAKATA: -- you know the discussion should be pretty limited.

CHAIR KAMA: Yeah.

MS. NAKATA: You know, no one was on notice of the potential TIG discussion today.

CHAIR KAMA: Right. Yeah. Okay. Thank you. Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. I would just like to share with the body that I was on Elle Cochran's TIG as one of the experts in building when . . . (inaudible). . . contracting. It was a great process. I've worked with Autumn. I'm very familiar with that. Think a lot of really good ideas came out of that, very supportive of it. I just wanted to share that, that aspect of it. And, hopefully, during this dialogue, we have an opportunity...I'd like to share some of my feelings about all of this and I don't know when the process is. So, after our break, I'll find out when I can share my mana'o.

CHAIR KAMA: So...so, what Carla said was the discussion of a TIG was not on today's agenda, so we might want to save all of that goodness --

COUNCILMEMBER LEE: Chair?

CHAIR KAMA: -- for later.

COUNCILMEMBER SUGIMURA: Chair?

COUNCILMEMBER LEE: Specifically, the TIG is not on the agenda.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: But we are discussing it as a possible --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- solution to coming to a final decision --

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CHAIR KAMA: About deed restriction.

COUNCILMEMBER LEE: -- on this -- on the bills on deed restrictions.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: So, we don't have to talk about the exact composition now, but whether we would like to have one and, generally, what would that include. And we still need to have a recess. Thank you.

CHAIR KAMA: Yes. So, Members, it is now 10:36. I'm going to take your advice, Chair Lee. We're going to take a 15-minute break which brings us back at 10:51. So, we are in recess until 10:51. . . .(gavel). . .

RECESS: 10:36 a.m.

RECONVENE: 11:01 a.m.

CHAIR KAMA: . . .(gavel). . . The HLU Committee meeting of February 5th, 2025, will now come to...will reconvene. It is now 11:01 a.m. So, Members, welcome back from your break. We left off, before we took a break, having a conversation about a TIG as it relates to our deed-restriction bills that we have before us. So, couple of things that we can do, we can continue to talk about the three bills for the next, maybe, hour. Or I could defer them and then post for next week...next Committee meeting's agenda the putting together of a TIG. So, Members, it's up to you.

COUNCILMEMBER PALTIN: Can we try and --

CHAIR KAMA: Member --

COUNCILMEMBER PALTIN: -- discuss it for, like, maybe half hour and then --

CHAIR KAMA: Sure.

COUNCILMEMBER PALTIN: -- go on to the TIG thing so we're making the best use of our allotted time?

CHAIR KAMA: Sure. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I just wanted to clarify, so you're saying that...okay. So, Member Paltin requested a half hour to discuss the bills and then we're going to discuss having a TIG?

CHAIR KAMA: We going to not discuss having a TIG because I think we...we kind of, like, potentially spoke about it and then at my...so, next week I have to post to actually do the TIG at the next Committee meeting where all of that discussion takes place.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, just for the record, I don't support --

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CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- doing a TIG because I don't see what the purpose of having a TIG would achieve. And it wouldn't save time because there's nine of us and it would just be like four people having a discussion amongst themselves with whoever they deemed the experts that they want. And then we would still have to have a discussion with all nine. So, I don't really see a TIG achieving any meaningful purpose. I think the nine of us should just set aside time together, decide who our resources will be, and then...and then talk it through. Like just have like a...like a few days of being in your Committee, like a full day, like maybe three days, or something, and invite resource folks. And I would be willing to set aside time to do that. I don't see a TIG coming up with their own recommendations, coming back to the Committee, really achieving what we...what folks think that it would achieve. It wouldn't save any time and it wouldn't necessarily hold, like, credibility, if that's what we're thinking.

CHAIR KAMA: Okay. Thank you. Member Paltin.

COUNCILMEMBER PALTIN: I...I'm open to that as well. You know, I guess, the reason for less than a quorum is so that there's not a pre-decided outcome. And so then...I mean, I'm...I'm down for using a few Committee meetings to just hammer it out in the open regular process as...as well. Also I...I think this is an important enough subject to take a few Committee meetings on, personally, or a whole day here and there. So, I'm...I'm okay with that course of action and...and getting a balanced slate of resources and experts. And maybe...also in the formulation of who you would like to be our resources, have pre...pre-prepared questions for resources, not just to identify resources that we want but to identify the questions that we want answered by resources on either side of the issue.

CHAIR KAMA: Okay. Anyone else have anything to say? Yes, Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Thank you. I'm going to be honest, I...and I always say this, I'm not necessarily married to how we do it so long as it gets done. Whether we make a TIG or we have lengthy Committee discussions, I am totally cool with whatever makes most sense for everybody so long as, I agree with Member Paltin, we do get a balanced Committee or resource peoples because this a very...I don't know how to say this word, but more than just an emotional conversation. It is an emotional conversation, of course, but we need to get somebody who's built homes, we need somebody who's researched other places so we can take example of what failed deed restrictions looks like, and what successful deed restrictions look like, and we need to get...take advice from people who have built homes here in Hawai'i --

CHAIR KAMA: Uh-huh.

VICE-CHAIR U'U-HODGINS: -- and all of the above. And, of course, that's not just limited to just this.

CHAIR KAMA: Uh-huh.

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VICE-CHAIR U‘U-HODGINS: But --

CHAIR KAMA: You're right.

VICE-CHAIR U‘U-HODGINS: And I don't necessarily have anybody at the top of mind, but I'm just saying we...we would need a full slate for resources to have a --

CHAIR KAMA: Absolutely.

VICE-CHAIR U‘U-HODGINS: -- very good discussion and I'm open to do whatever makes sense for everyone. Thank you, Chair.

CHAIR KAMA: You're welcome. Chair Lee.

COUNCILMEMBER LEE: Okay. Good. I'm glad everybody's open to other ways of addressing this matter. I think...I think recessing this meeting and then setting something up in a real longer meeting would be very helpful because we've heard the...the testimony already. It's time for us to make decisions based on facts. Now, we haven't had a whole lot of facts, you know.

CHAIR KAMA: Uh-huh.

COUNCILMEMBER LEE: So, that's where the resource people have to be informed and not...and not emotional about this. They have to, you know, bear down and they have to be logical in...in the sense that this issue of deed restrictions is one of about 30 items that contribute to the creation of affordable housing. This, by itself, does not.

CHAIR KAMA: Uh-huh.

COUNCILMEMBER LEE: There are many, many, many, many other things and...and we have to recognize that coming out of the gate.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: Because let's not put all our eggs in this basket because it's...it's not realistic. It's a gross oversimplification of the...the main problem, which is maintaining...creating and maintaining affordable housing. So, I can support the idea of not necessarily, needing a TIG and, maybe, just having Committee meetings in succession...recessed meetings so we can get down to work. And then I trust that you would invite, you know, people who are experienced to be the resource people. And that I'm sure you would be open to taking suggestions --

CHAIR KAMA: Absolutely --

COUNCILMEMBER LEE: -- but I would certainly trust your judgement and...and that we would have a balanced group. But...but a group that we're going to talk facts, and business figures, and so forth, and not somebody...some advocate who's going to come

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and just, you know --

CHAIR KAMA: Uh-huh. Uh-huh.

COUNCILMEMBER LEE: -- go on, and on, and on about the need for affordable housing, we already know that. Thank you.

CHAIR KAMA: Uh-huh. Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. I agree with the testimony from Mrs. Burke, the description of generational wealth. Well, her description of generational wealth. And the question is what's the most effective, realistic way to meet that goal. I, personally, am opposed to flipping homes, raw speculation of real estate. I've gone on record for that many times. It's not just talk. It's the way I've lived my life. There are various types of restrictions or conditions, owner occupied, lease-hold land, subsidies being repaid. So, having a broad discussion on this with people who are mutually agreed upon by the Members that have experience, I'm...I'm an advocate of that. And I just want to share, higher prices do not benefit construction workers or contractors. Higher prices limit work. And affordability for us to...for us, as a group, to hammer out and establish functioning, workable policy that enables people to get review and approval for house...housing permits, whether it's an individual or whether it's for a development with conditions that limit the speculation without limiting people's ability to do what they...you know to be able to get second mortgages, et cetera. So, I think I'd like us to focus on what we have in common during this process. It is emotional. I don't think I can take the emotion out of it, but I'd like to be not us versus them mentality through this process. Because I feel that we, genuinely, share the desire for our local residents for us to remain a community and the...what's been happening be changed in the future.

CHAIR KAMA: Member Paltin.

COUNCILMEMBER PALTIN: One other distinction that I think is important to note is the...kind of the clarification that I asked Ms. Alapai. Like with our residential workforce housing formula of 25 percent of market rate is affordable, that's...that's a resource. And then you look at a project like Kilohana Makai in South Maui, which is a 28 home, single-family project. And they committed, I believe, to a...a 20-year deed restriction. And they have received a lot of benefit from the Affordable Housing Fund for various things. Like when we estimated drywall, concrete going up, I think we gave them up to five million additional to make a secondary exit out for safety. I think we gave them 800,000 additional. And at no point did we really calculate the per house subsidy, or anything like that. It was kind of, you know, they're right here knocking at the door of finishing an affordable housing project, give them what they need to finish it. And for me I was supportive of that, especially because they were agreeable to the longer deed restriction. And so I...I think we have to at least require more from those that we...we do spend County taxpayer dollars on, at least require significantly more. I...I think the threshold should be high. But some of the folks that I would like to request to be a part of the resource that we have is our Housing Director, if he can make it; as well as Simon Windell. He...he has a big background specifically in...he's like an expert in community land trust and long-term affordable housing. He has studied that model

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across the nation and could bring that expertise. So, those are two of the folks that I would request, Housing Director Mitchell and Simon Windell of the --

CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: -- I think he's part of the Northwest Community Land Trust [sic]. But he studies deed restrictions in areas that have that sort of inelasticity of housing where it doesn't matter if you created 20,000 affordable homes tomorrow. They'd be snapped up, if not by our residents, people that love Maui because I guess we told everyone Maui No Ka Oi and they believed us.

CHAIR KAMA: Okay. So, Member Paltin, if you could get information...contact information for Mr. Windell to the Staff so that we can make sure that we reach out to him.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Okay. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. I, personally, kind of like the emotion that...that kind of generated this...this discussion, I mean, because it really came from the heart. As...and I wanted to thank all of our testifiers that came up and Ms. Burke, Ms. Alapai, Ms. Ness, only because...and they came with some really...and Ms. Auwelo, they came with some really...they came with facts, they came with a lot of...they shared a lot of their experiences, Chair. And what I got from their testimony was just this...this sense of community and in the...the backdrop being the Lāhainā fires and just re-establishing that sense of community. And so...and...and that we continue to have our families here. Ms. Alapai did say about...you know, even after 30 years her...her young children wouldn't be able to...if...if the deed restrictions were less, children wouldn't be able to afford it when they grow up. And so we don't know if we are continuing the...in the pipeline more affordable housing for the next generation. So, that's...that's one benefit of having a longer deed restrictions. I remember going to the Kahala Hotel and passing all of those huge mansions. And so when we talk about having that as your generational wealth, it looks like those homes have been in their families for hundreds of years. Some of those huge homes are...are over 100 years but they've stayed in the family for that long. So, when we talk about 99 years and having homes like that I'm...I'm sure, you know, that's not a far-off idea, including what Member Sugimura said about the...the Hawaiian homes and having your homes for...for 99 years, so...and you're right, we live on an island. It's not like on the mainland where you can just move from state to state, right, and...and move towards where income levels and affordability is different in each state, and...and different tax structure. So, it makes it...it makes more sense to...to be considering these things, especially in an island community. And again, the backdrop of families leaving, the vacancies in our...in our County Government, trying to keep all of those work...workforce here, as everyone had...had mentioned. So, Chair, I would also want, maybe, the...the Vail example. Some...it looks like Colorado state has some good examples, so part of the discussions, if we can have maybe those examples uploaded to Granicus. Thank you.

CHAIR KAMA: Let me see if I understand what you said and...you know the...your last

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comment. That you'd like information from Vail to be part...okay. So, I thought you were going to ask if, maybe, we can invite some of those people from there to maybe be a resource. Is that --

COUNCILMEMBER SINENCI: That too, Chair.

CHAIR KAMA: Oh.

COUNCILMEMBER SINENCI: Yeah.

CHAIR KAMA: Okay. Okay. Just...I thought you were going there, but you didn't end up there, so I just wanted to --

COUNCILMEMBER SINENCI: We can --

CHAIR KAMA: -- yeah.

COUNCILMEMBER SINENCI: -- turnaround, reroute. . . .(laughing). . . Yeah.

CHAIR KAMA: Okay. Thank you. Chair Lee.

COUNCILMEMBER LEE: Yeah. Thank you, Chair. I would like to suggest two people but I'm sure you have many more to consider. But Howie Kihune is a current developer...builder and can give us current information about the difficulties and the challenges of develop...developing affordable housing. As I said, deed restrictions represent like 1 of 30 different things...challenges with regard to creating affordable housing. And...and let's not think that...elevate its importance more than these other things such as world events, the cost of...the cost of supplies. The time it takes...people don't realize...the average person does not realize how long it takes to get something through the County. And it has nothing to do with deed restrictions.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: Has nothing to do with the Housing Department. You know it...it has a lot to do with other departments. And so, you know, if those...I was thinking of Howard Kihune--I'll get it--Howard Kihune and Linda Schatz. Okay. Linda Schatz...course, for other selfish reasons, she not only had, you know, hands-on experience but she's also connected to, you know, our esteemed --

CHAIR KAMA: Senator.

COUNCILMEMBER LEE: -- Senator in Washington, so maybe she has insights on what's happening in Washington as well. But...but...but she knows...and I spent some time with her talking about housing. And I...I thought she was going to have anxiety attacks trying to finish her project. That's how difficult it is to get anything through the County system...the County and State system, and people don't understand that. They only think about deed restrictions but there's many more things...many more things to consider. Thank you.

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CHAIR KAMA: Thank you. Member Paltin.

COUNCILMEMBER PALTIN: To the developer group or folks, maybe we could also consider Ray Phillips. I believe --

CHAIR KAMA: Oh, yeah.

COUNCILMEMBER PALTIN: -- he did multifamily project.

CHAIR KAMA: Kaiola [sic]. Right, he did Kaiola [sic]?

COUNCILMEMBER PALTIN: Shucks, I can't remember, but I think it was a multifamily project that adopted, like, a 30-year deed restriction. Which I was interested in seeing how it panned out because former...Linda Munsell had said that multifamily with high deed restrictions didn't sell. So, I...I would like to follow up with that project. I'm not sure if they're finished. But it was a multifamily with a fairly high deed restriction and I'd like to see how that panned out, if it...if it finished, and sold, or how...how that worked out.

CHAIR KAMA: Okay. Okay. So --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes, Ms. Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Sorry, you can finish your thought. I just...I've been (audio interference) --

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- I've been raising my hand for a while --

CHAIR KAMA: Oh, I'm so sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and you didn't call on me, so...but...but you can finish your thought first.

CHAIR KAMA: No, I just wanted to make sure that the Staff, if you don't have the information, if you could just kind of like ask. Because I assume that you folks have some information for Linda Schatz and Howie Kihune in your records, but I don't know about Ray Phillips, so...okay. I'm sorry, Ms. Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. Mahalo for inviting Kaua'i County Housing Director Adam Roversi. I...I would love to have him as a resource person for us too.

CHAIR KAMA: Yeah.

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COUNCILMEMBER RAWLINS-FERNANDEZ: As well as Kim Bell Williams. She was the Eagle County Housing Director that was the speaker at HSAC.

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: And, you know, ski towns are really similar to islands in many ways, including just the...the...the limited resources, and how...how far away and costly it is to get construction material to the ski towns. And then I...I wanted to just agree with Chair Lee that it...it does take a really long time to get affordable housing built, which is why we need to keep it affordable and owner-occupied, or at least residential for as long as possible because it takes so long to...to build one. Mahalo, Chair.

CHAIR KAMA: Okay. Thank you. Make sure that Staff gets the contact info for --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, I have Kim...Kim Williams' contact info.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Who should I send it to?

CHAIR KAMA: The Staff so that...because they're going to have to reach out.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, which one?

CHAIR KAMA: HLU.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, Committee...the Committee email.

CHAIR KAMA: Yeah, Committee. Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Oh, sure. Let me see. Anyone else? Member U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: I appreciate the specifics. I don't have any specific, but I'm wondering if you could also consider inviting UHERO so we can have their perspective on long-term Hawai'i data.

CHAIR KAMA: Uh-huh.

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

CHAIR KAMA: Okay. Sure. UHERO. Member Sugimura.

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COUNCILMEMBER SUGIMURA: I wonder, also, if we could include someone from HHFDC because that's the development department...or leg for the State and they might have some contributions. I know that there's...well, there's Dean Minakami, who's the Director and he --

CHAIR KAMA: Right.

COUNCILMEMBER SUGIMURA: -- could probably direct the right person.

CHAIR KAMA: Uh-huh. Okay. Member Johnson, would you like to (audio interference) --

COUNCILMEMBER JOHNSON: Okay. Thank -- sure. Thank you, Chair. I'm trying to find the last name for Cindy from Aspen. But the --

CHAIR KAMA: Oh, okay.

COUNCILMEMBER JOHNSON: -- Aspen model, I think, would be ideal to have in...in these discussions. And maybe Staff can find that. I think she's, you know, public official, should be pretty public. And then kind of...so, that's kind of my ask. But I...I was...I'm not sure how you were of doing this discussion here, Chair, but I...I don't know if this is the proper time but maybe you can direct me on when it is, but I'd like to, maybe, speak to Deputy Director Mataafa in regards to the manage appreciation model, that we already have, that people are making money when they do sell. It's not the...you know, like, so the manage appreciation model is something that I'm curious of what we're doing already. Is...is it now a proper time? Or should we ask him to speak on that during the TIG process? It's really (audio interference) --

CHAIR KAMA: I...I...I called on you because many of the Members in the Chambers have already spoken about their contributions towards...as we move forward. And so, I think, if everybody is okay, they don't have any more things to contribute to the conversation regarding moving forward with our deed-restrictions resources, so on and so forth, that this would probably be a good time for you, Member Johnson, to call on --

COUNCILMEMBER JOHNSON: But I really like--thank you. Thank you, Chair.

CHAIR KAMA: Yeah, go ahead.

COUNCILMEMBER JOHNSON: I really like for that discussion to happen co-currently, that we have deed restrictions but we also have the manage appreciation model that the County does. And I think that having them both in that discussion --

CHAIR KAMA: I agree. I agree.

COUNCILMEMBER JOHNSON: -- is...is important because, you know, sometimes deed restriction gets this thing...is, like, I can't sell it. I lose...I don't make any money. There's no...what's the term...you know, generational wealth that we...actually, when you do sell it's...there's significant money that you'll be entitled to. So...and then let's have that

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talk when we talk about deed restrictions.

CHAIR KAMA: Okay. Okay. Perfect. So, Miss...Member Paltin.

COUNCILMEMBER PALTIN: I'll...I'll try get the information but I know the first time this came up you had one person that was talking about the difficulty of refinancing with deed restrictions.

CHAIR KAMA: Uh-huh. Uh-huh.

COUNCILMEMBER PALTIN: And then, I think, Ms. Ness was saying about Freddie Mac, Fannie Mae you can refinance with deed restrictions. So, if we could get the two sides of the spectrum to...or to...because I don't understand when one side speaks to me but maybe they understand each other's language and we can kind of --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- watch their interaction and then get a better understanding, ourselves, as to how it's done, how it's not able to be done, and like the specifics of it. Because we had one person say, can, and then another person say, no can. And so, like, I think there's a bunch of information in between of the can --

CHAIR KAMA: Yes, that we're not getting.

COUNCILMEMBER PALTIN: -- and no can that we don't have.

CHAIR KAMA: No, I...I think you're right because I think you're talking about lenders and bankers, right? I mean, everybody lends money based upon their own criteria like Freddie Mac, Fannie Mae, right? But even the banks have their own and even the mortgage companies, right, have their own process of what they going lend, and who they going lend, and how long, and whether or not that deed restriction impacts them, so...

COUNCILMEMBER PALTIN: And if we can provide, also, the information for folks that have deed restrictions, that do want to refinance, the pathway to go about it, that's helpful for folks as well. So --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- I don't have that information right now. I'll try get it and then get to Staff on the guys that say, can. And then I will work on the guys that say, no can.

CHAIR KAMA: Okay. I saw Member Rawlins-Fernandez, your hand was up.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. From UHERO, the...the speaker that was at HSAC --

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CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- his name is Justin Tyndall. He's the Associate Professor of Economics at UHERO and is the lead author of the Hawai'i Housing Factbook and provides research and analysis on issues relating to housing in Hawai'i.

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then --

CHAIR KAMA: Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- for Fannie Mae and Freddie Mac, on Maui we have the...Tera Paleka. She does financing. If we could invite her as a resource.

CHAIR KAMA: Okay. Do you have a contact number, or email, or something you could send over to (audio interference) --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, any contact information I can send to Committee.

CHAIR KAMA: Yeah. Okay. Thank you so much. Where were we? Anyone else? Okay. So, I...I just want you all to know that...that this is a really long list but I think it's a good list. And I think it is worthy to have--go ahead, Member Paltin.

COUNCILMEMBER PALTIN: I'm sorry to interrupt but it...it might be good to also include someone from DHHL. Some of the speaking was --

UNIDENTIFIED SPEAKER: So . . .(audio interference). . . study.

COUNCILMEMBER PALTIN: Yeah, because --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- that is an...like we heard about 99-year leases and that's what DHHL runs. And so, you know, they're experience with...I mean, there's a list. People are dying on the list so it works...it works that people want those, so...I mean, it might be...I'm not sure who in DHHL. But, like, you know with the financing end and if DHHL homes are able to be refinanced, and like that might be another perspective that would help us out. Maybe Toni Eaton, Director Remi's new hire. I don't know but maybe she can also direct us to who within DHHL might be if it's not her.

CHAIR KAMA: That's a liaison, right? That's her job to connect. Okay. So, what I was beginning to say is that this is a great list of resources and we're going to hope that they can all come, at some point in time. But...but I think, strategically, we have to figure out who can come and when they come, right, because it's always about timing. And, you know, the way we do stuff, right, today we set up our meetings, and next week we post. So, we're going to ask them, within a week's time, if they can show up, right? So,

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that's not--yes, Member Lee.

COUNCILMEMBER LEE: Okay. I...I think the list is too long and then that's why you're the Chair. You have to whittle it down --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- to something more manageable and so we can get to work.

CHAIR KAMA: Yes.

COUNCILMEMBER LEE: I mean, otherwise we'll be listening to everybody for, like, couple days --

CHAIR KAMA: So --

COUNCILMEMBER LEE: -- before we even get down to business.

CHAIR KAMA: Yeah. So, what we are trying to extract from this list is the...the...the expert in deed restrictions. That's what we are looking for, right? So, we're looking for that golden nugget amongst all these people, if there is one...or someone. Member Paltin.

COUNCILMEMBER PALTIN: And, you know, I...I think on any...like Member U'u-Hodgins said, we want to have like, you know, both sides of the picture. But it seems like the experts that we're asking for, they come in various categories.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: So, if, you know --

CHAIR KAMA: Lump them all on in one, right? All the bankers and lenders in one (audio interference) --

COUNCILMEMBER PALTIN: Yeah, have a day for --

CHAIR KAMA: -- Fannie Mae and Freddie Mac could come in, right?

COUNCILMEMBER PALTIN: -- bankers and lenders so we understand that.

CHAIR KAMA: Right. And then builders, yeah.

COUNCILMEMBER PALTIN: Have a day for developers and not...maybe, even, nonprofit developers --

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: -- and...and that. So, I mean, obviously, we don't want to have all the resources here on one day. That wouldn't be --

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CHAIR KAMA: Oh, definitely.

COUNCILMEMBER PALTIN: -- an effective use of --

CHAIR KAMA: Over a series of time, right?

COUNCILMEMBER PALTIN: Yeah.

CHAIR KAMA: That's what we talked about.

COUNCILMEMBER PALTIN: So, if we focus in on...on one aspect of the issue and learn. Maybe one day or one meeting, we could cover two issues...two aspects of the issue, or something like that. But also how much work we can pre do. Like, maybe, having them provide us, like, a written summary --

CHAIR KAMA: Something in writing, right?

COUNCILMEMBER PALTIN: -- or something. Yeah. Like...or if we pre-prepared questions about the specific issue, that'll save some time.

CHAIR KAMA: We can send it to them. Yeah.

COUNCILMEMBER PALTIN: Like if...if we decide, okay, next Committee week we're....we would like to speak to the bankers. Are they available? Oh, they're not available. Okay. Then let's speak to the...you know whoever, people that study deed restrictions; are they available? Oh, they're not available. And go down the list of who's available. And then as you post, we pre-prepare our questions. Or, you know, if we...we come up with a schedule or even...I don't think we even need a schedule. We can just say, here are the categories, get your questions out as soon as possible so that gives enough time for whenever it is that that sub-group is scheduled, that we have questions and answers to start the discussion from. Got plenty other folks that had...like raised their hands.

CHAIR KAMA: Yeah, I saw.

COUNCILMEMBER PALTIN: So, I didn't keep track.

CHAIR KAMA: Member Sugimura.

COUNCILMEMBER SUGIMURA: I...I like this and the variety of people who can provide...the resources. And I wonder if we can start off with...and what the Members might think, is to actually hear from the Housing Department. It is a brand-new entity, actually, and what their vision is for County of Maui because I think we heard that when Remi was...oh, sorry...Director Mitchell was going through his confirmation. And I would, you know, like to hear what they say because they're going to have a big part in the final decisions of what gets built, and what does not, you know, and what the direction is so --

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CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: -- also if you could add that. And who's that other one from...Joe Kent is from --

CHAIR KAMA: Oh. Grassroots Institute [sic].

COUNCILMEMBER SUGIMURA: Grassroots Institute, yeah.

CHAIR KAMA: Okay. Grassroots Institute.

COUNCILMEMBER SUGIMURA: Because they have a whole thing about how to build houses more efficiently on Maui, came out with a booklet. So, they have thoughts about our successes and non.

CHAIR KAMA: Uh-huh. Uh-huh. Okay. Anyone else? Oh, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I...I just want to follow up this other point that I made about bringing Cindy from Aspen. I found her email --

CHAIR KAMA: Oh, okay. Good.

COUNCILMEMBER JOHNSON: -- thanks to Councilmember U'u-Hodgins. So, I'll just email to the Committee; is that good for you?

CHAIR KAMA: Absolutely. Thank you.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR KAMA: So--Chair Lee.

COUNCILMEMBER LEE: We really don't have a budget to bring anybody here, but they can join online.

CHAIR KAMA: Absolutely.

COUNCILMEMBER LEE: Yeah. Okay.

CHAIR KAMA: That's the idea. . . .(laughing). . . Okay. Members, any other discussion on this? Because I think Member Johnson really wants to speak to Deputy Director of Housing, Mataafa, and we want to give him some time to do that. Okay. Is that okay? Okay. Thank you. So, we have our marching orders. So, I just want to...you to know, we have one more meeting in February. And I think we only have one Committee meeting in March. But thank you...all of you who offered your time, right, and who offered to, maybe, stay a little longer than usual. So, be prepared for that to occur. Thank you. Okay. Deputy Director Mataafa, are you still here with us? Okay.

MR. MATAAFA: Hi, Chair. I'm here.

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CHAIR KAMA: Okay. Councilmember Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for staying with us, Deputy Director Mataafa. May...I really, you know, want to have this discussion pair...you know, deed restrictions paired with manage appreciation. Can you kind of give us like a 101 version of how the County applies that?

MR. MATAAFA: Thank you for the question, Member Johnson. And so this specifically relates to for sale housing that are also residential workforce housing units. And as all of you know, there's a deed restriction applied to above moderate, moderate, and below moderate. And the series goes from ten, eight, and five years, respectively. So, if any point during--oh, sorry, am I frozen? Can you guys hear me?

COUNCILMEMBER JOHNSON: Loud and clear, Deputy Director.

MR. MATAAFA: Oh, okay. I think you guys are frozen on my screen. But at any point, if somebody, who owns a residential workforce housing unit, decides to sell their unit any time during the deed-restricted period they would be required, under Chapter 2.96, to follow a formula in order to resell it at a certain price. And the...the formula is you take an appraisal before the house is...is bought by the original purchaser. You do a second appraisal once the...once you decide to resell during the deed-restricted period. You multiply the difference between those two values by 25 percent and you would add that to the original purchase price. So, in a nutshell, that's kind of how the deed restrictions work in conjunction with the...the...the resale of the home during the deed-restricted period.

COUNCILMEMBER JOHNSON: So, if I can clarify, Deputy Director, in 2020, I bought a house, but now in 2025, I re...or I re-evaluate the value. And then I can add 25 percent off...on top of that? Is...or is that...is that 25 percent above the estimated value of the house?

MR. MATAAFA: Thank you, Chair. And, Councilmember Johnson, if I could clarify, so there's three variables here. There's what the purchaser buys the house from, there's what the appraisal...the original appraisal says the house is appraised at, and then there's a second...a third value of when you decide to sell the home, what the appraised value is at year five, year seven during that deed-restricted period. So, there's three values and those all go into a formula and calculate what the...the purchase price can be for the new seller.

COUNCILMEMBER JOHNSON: So, I guess, the idea here is that when we do...like the way it's set up now, with our deed restrictions, you're not...you're going to get a substantial amount of money back is...is really what I'm trying to get to. Because some people in...I don't know how this talking point came out, but basically, oh, if...I can't sell my house and I won't be able to...or when I sell my house, it's under a deed restriction, I won't be able to make any money. It's a wash. I'm...it's not really any kind of...what's the term we were talking about? There's no generational value. There's no...there's no money that I'll actually be able to take and go on and buy something else. But that's not true because there is a formula that you do...you are going to...when you sell that house

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under a deed restriction, you will get some money back.

MR. MATAAFA: Sorry, was that a question?

COUNCILMEMBER JOHNSON: I mean, is that...am I...am I saying that correctly, Deputy Director?

MR. MATAAFA: Yeah. So, under the deed-restricted period, it depends on, ultimately, what those appraisal values...there's some instances --

COUNCILMEMBER JOHNSON: Sure.

MR. MATAAFA: -- where the second appraisal value might be less if the house severely depreciates where the reverse might happen. But overall, yes, in today's market...in Maui County's market, we have seen that homes have appreciated over time. So, you would see some funding coming back to the original purchaser --

COUNCILMEMBER JOHNSON: Right.

MR. MATAAFA: -- if they decided to sell during a deed-restricted period. And it would be based on that --

COUNCILMEMBER JOHNSON: (Audio interference) --

MR. MATAAFA: -- formula as I previously --

COUNCILMEMBER JOHNSON: Thank you. I...I see some other hands up.

CHAIR KAMA: Yeah.

COUNCILMEMBER JOHNSON: But, basically, that point that you mentioned that there are a few occasions where a house (audio interference) doesn't raise its value every year. And I think...when my discussions in the past, it's only been extreme cases such as a town burning down, such as things like natural disasters. But most of the time, our houses are appreciating every year. Is that correct, Deputy Director?

MR. MATAAFA: Thank you for the question, Councilmember Johnson. Generally, yes.

COUNCILMEMBER JOHNSON: So--and my last question, Chair, if you...if you'll allow it. Has the Department considered other manage appreciation models such as the simple interest per year, like Kaua'i or Aspen like every year a 3 percent in, you know, interest.

MR. MATAAFA: Thank you for the question, Councilmember Johnson. I think we're aiming to explore all possibilities. As described in a previous Committee meeting this week, we're in the process of setting up the Department. So, it might take us a little bit of time to get there, but everything's on the table for the Department of Housing to discuss alternative ways of creating and maintaining affordable housing.

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COUNCILMEMBER JOHNSON: Thank you so much. Thank you, Chair, for allowing me that line of questioning.

CHAIR KAMA: You're very welcome, Mr. Johnson. Member Paltin.

COUNCILMEMBER PALTIN: Thank you. Thank you, Mr. Mataafa. I was wondering if you can just repeat that. And...and I...I was wondering specifically...not repeat everything but the formula for manage appreciation, it...it...because you were saying, like, in the seventh year, at one point. It's always the same percentage for us. We don't, like, each year add 1.5 percent, or something. Like, say the purchase price was 760,000, the appraised value, if it hadn't been workforce, is like a million, and at the time they want to sell it, it's 1.4. Do you...you take 706...you...can you go from there with, like (audio interference) numbers?

MR. MATAAFA: Yeah. But...yeah. Thank you, Chair. And thank you, Councilmember Paltin, for the question. Yeah, so in my previous reference, just as an example, if somebody were to sell it in year seven, they still have that same formula. That same 25 percent applies regardless of where you decide to sell in that deed-restricted period. So, if you decided to sell at year seven or year nine, if you had a ten-year deed restriction, that 25 percent of the difference between the original appraised value and then the value of the appraisal, when you decide to sell, it's still multiplied by 25 percent regardless of where you are in the deed-restricted period.

COUNCILMEMBER PALTIN: Okay. And then with my specific numbers, so you would...if they bought it for 760,000 but it was appraised at a million, and when you sold it, it was appraised at a million four, you would subtract a million four...a million from a million four, that gives you 400,000, times that by .25, and then add that onto 760,000?

MR. MATAAFA: That is correct.

COUNCILMEMBER PALTIN: Okay. Thank you. I...I...I'm more of a visual learner. Thanks.

COUNCILMEMBER JOHNSON: Good public math, Councilmember.

CHAIR KAMA: No, but that's a process, so it was very helpful. Members, any other one of you have questions for any of our resources seeing as how we're coming up to almost pau time? Seeing none. Okay. Thank you so much for today's discussion. Members, thank you for all of your contributions to our future resources that's going to be able to speak to us regarding our deed restrictions and what we're going to come up with. And thank you for the resources that were here. I think we have Autumn Ness and...and Mr. Pereira was here. So, thank you for being with us. And so, at this time, the HLU Committee has no further business. Is that correct, James?

MR. KRUEGER: Yes, Chair, that's correct. Apologies, but...but Staff did just want to raise...there was some discussion about potentially recessing the meeting. So --

CHAIR KAMA: Oh, that's right.

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MR. KRUEGER: -- I'm just not sure what you...how, Chair, wanted to proceed on that matter.

CHAIR KAMA: Yeah, we'll come back on the 19th, right?

COUNCILMEMBER PALTIN: Did you want to try to --

CHAIR KAMA: Okay. I think let's try this --

COUNCILMEMBER PALTIN: -- start the...the first resource group on a recess? Or...I mean, I don't know.

CHAIR KAMA: I know, but if we do that, then I'm going to have to keep recessing all the future sessions? And how many times can you actually recess a recess?

COUNCILMEMBER LEE: Yeah.

CHAIR KAMA: Well --

MR. KRUEGER: Apologies, if I could ask the Committee --

CHAIR KAMA: Oh. Okay.

MR. KRUEGER: -- Attorney to comment. Apologies.

COUNCILMEMBER LEE: She don't know.

MS. NAKATA: Chair, I'm just looking that up in our Council Rules right now. I believe the first recess date would be for a period of 14 days. And then I believe we have an outside time frame under Rule 14. One moment, please.

COUNCILMEMBER LEE: Do you need a recess? No...so, I wanted to ask you, Chair, something else.

MS. NAKATA: The...the initial recess...it would be a recess to a reasonable date, time, and place but not for more than 14 consecutive calendar days, and not to a date more than 60 consecutive calendar days from the date of the originally-noticed meeting. So, that's under Rule 14 of our Council Rules.

COUNCILMEMBER LEE: So, Chair?

CHAIR KAMA: Yeah. Yes, Chair Lee.

COUNCILMEMBER LEE: Sounds like you can do what you are planning to do. I was going to suggest that you...you not have this only on your regularly-scheduled meeting day --

CHAIR KAMA: Yes. Oh, yeah.

COUNCILMEMBER LEE: -- yeah. You going to take the off-week days, yeah?

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CHAIR KAMA: Yeah. Well, some people offered, right? And I said, I will take them up on that offer. We just have to check our calendars and check to make sure the --

COUNCILMEMBER LEE: Yeah.

CHAIR KAMA: -- resources...but the very first --

COUNCILMEMBER LEE: Because what --

CHAIR KAMA: -- what I think we do want to invite Director Mitchell --

COUNCILMEMBER LEE: Yeah. I mean --

CHAIR KAMA: -- to at least help.

COUNCILMEMBER LEE: -- it's up to you, but I'm just saying that, you know, I'm sure all of us would be open to coming to your meetings more often than the regularly-scheduled meetings.

CHAIR KAMA: You always come. . . .(laughing). . .

COUNCILMEMBER LEE: Yeah, on the off-week days --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- or other...so we can --

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: -- get through this before budget.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: Yeah?

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: Okay. Thanks.

CHAIR KAMA: Thank you. I see, Member Rawlins-Fernandez, your hand is up.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I agree with Chair Lee. And I was thinking...I...I know we wanted to recess today but we, you know, created a pretty long list of resource folks. So, instead of trying to scramble to get them to try to see if they would be available on the next HLU Committee day, what if we just adjourn today? And then look for an off week. Because next week is an off week but it's...like it's all full and the following week is kind of full --

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CHAIR KAMA: It's (audio interference) --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- already because there's holiday. And so maybe, you know, like the second week of March, I think, is kind of open. But that way, we can give folks, that we're asking to serve as resources for us, more...more advance notice. And then also you, as the Chair, and our, you know, Committee Staff more time to organize the...the conversation because we talked about having panels in different --

CHAIR KAMA: Category.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- subject matter. Yeah, categories. So, if we're going to be doing that, then it...it's not really something that we may want to, like, rush, like, to get done in the next...within the next 14 days. But I...I think if we can, you know, get you some of the questions that we may want to ask the resource folks and then that way they have an idea of, you know, where we're...where our minds are at. So, that when they come, then we can make the most of our time with them. But that's my...that's my suggestion for moving forward.

CHAIR KAMA: Thank you. Any other discussions on this?

COUNCILMEMBER JOHNSON: Chair?

CHAIR KAMA: Yes, I'm...okay. Mr. Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair Kama. I just want to remind everybody we got NACo at the end of the month as well, so throw that into the mix. So, if folks are planning to go to NACo, that's another spinning plate that we have to spin.

CHAIR KAMA: True. That's so true. Okay. Thank you for that reminder of that, okay. Yes, Member Sugimura.

COUNCILMEMBER SUGIMURA: We may want to ask our attorney, but I remember that from other Committee meetings, if the Members have questions that we want to submit, it has to be in public. So, it's not like we can just email you, you know, ten zillion questions, but it should be...and maybe Carla can --

CHAIR KAMA: Carla?

COUNCILMEMBER SUGIMURA: -- verify it.

MS. NAKATA: Chair, I just think preference would be to gather the questions during an open meeting.

CHAIR KAMA: Okay. Okay. So, then this is what I'll probably do --

COUNCILMEMBER SUGIMURA: Okay.

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CHAIR KAMA: -- I'm going to do, we're going to...we're going to adjourn today's meeting. We're going to...we're going to post for the next. Hopefully, Director Mitchell will be available. And it is at that time that we can talk about...little bit more about those. Depending on how we...we word the...the topic, right, for the day, then we can probably bring in all your questions and then...just have them ready, though. You know just have them ready and just shoot them real quick, right, and then we can gather all of them.

COUNCILMEMBER PALTIN: Oh. If we are submitting it at the next meeting, we can submit them in writing, right?

CHAIR KAMA: Oh, yes, that's what I'm saying.

COUNCILMEMBER PALTIN: Oh. I --

CHAIR KAMA: So, I'm telling you all --

COUNCILMEMBER PALTIN: -- when you said shoot them real quick, I thought you meant like say them fast, or something.

CHAIR KAMA: No, no, no. No, but...but...you know the faster you think about it when you go home and write it out and bring it up, then it's easier. Yeah. But I think you're still going to have to read it, right? So...yeah. So...okay. So, that's the plan. So, if...if everybody is good with our...somebody's hand is raised. Oh, okay. Oh, I'm --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: -- sorry. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I...I think that's a great plan of action. I...I just wanted to correct what was just said. I...I don't...I don't think we have to read them out loud if we are going to be transmitting them to you in writing because then it'll be uploaded to Granicus. So, if...if your request --

CHAIR KAMA: (Audio interference) --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- to ask us to transmit them to you in writing, then we don't have to read them out loud. But if we don't have them in writing or if we wanted to add to the list that wasn't --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- on...on our transmittal, then we would have to read them out loud into the record. And then I realized that I didn't complete my thought earlier when I was saying looking for a recessed time in March, I...I was suggesting, you know, like over several days, you know, until we pau. Like --

CHAIR KAMA: Right.

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COUNCILMEMBER RAWLINS-FERNANDEZ: -- we...we'll set aside that time and recess every day until we're...we've exhausted the discussion with all of our resource persons. And then we, you know, have a recommendation to the full Council. Mahalo, Chair.

CHAIR KAMA: Thank you. Okay. Members, if there is no further discussions, the Chair would like to adjourn this meeting at 11:56 a.m. on February 5th, 2025.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR KAMA: HLU is now adjourned. . . .*(gavel)*. . .

ADJOURN: 11:56 a.m.

hlu:min:250205

Transcribed by: Tricia Higa

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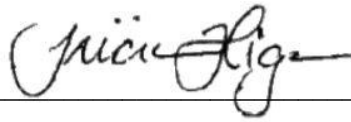
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CERTIFICATION

I, Tricia Higa, hereby certify that pages 1 through 55 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 15th day of February 2025, in Mililani, Hawaii

A handwritten signature in black ink, appearing to read "Tricia Higa", is written over a horizontal line.

Tricia Higa