

Budget, Finance, and Economic Development Committee (2025-2027) on 2026-04-22 10:00 AM

Meeting Time: 04-22-26 10:00

eComments Report

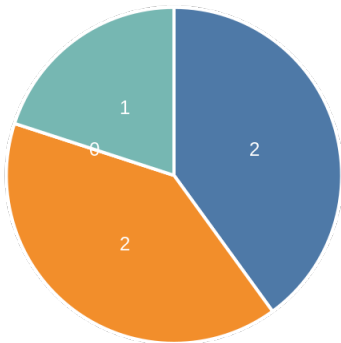
Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Budget, Finance, and Economic Development Committee (2025-2027) on 2026-04-22 10:00 AM	04-22-26 10:00	2	5	2	2	0

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment

Support (40%) Oppose (40%) Neutral (0%)
No Response (20%)



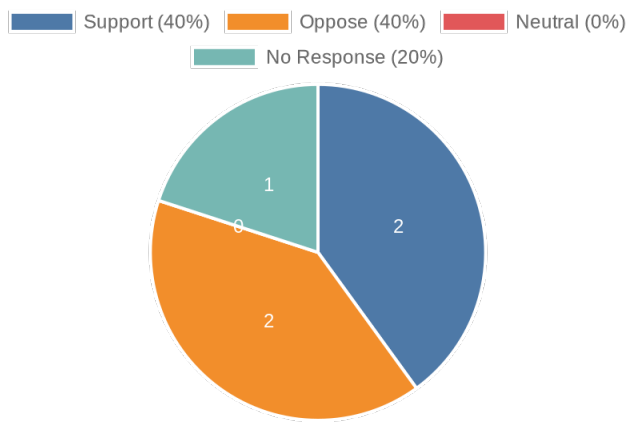
Budget, Finance, and Economic Development Committee (2025-2027) on 2026-04-22 10:00 AM
04-22-26 10:00

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	2	1	1	0
BFED-1 PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1)	3	1	1	0

Sentiments for All Agenda Items

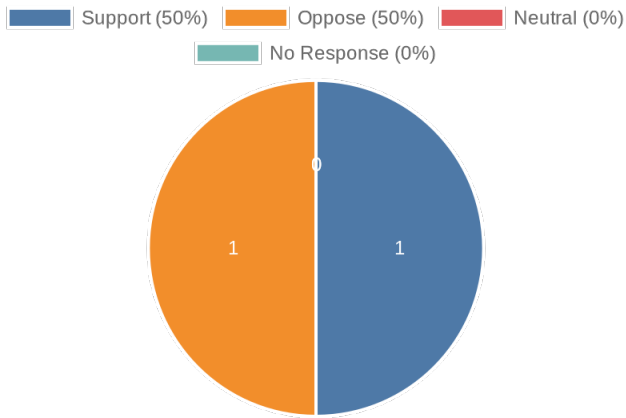
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for A G E N D A

Overall Sentiment



Edward Codelia

Location:

Submitted At: 9:37am 04-22-26

In reference to today's continued Council debate on the FY-2027 County budget, I have attached my written testimony in opposition to the proposed budget.

While the discussion has focused on small reductions, the larger issues remain ignored: rising shipping costs driving the cost of living higher for Maui residents and a County budget that continues expanding progressive policy programs, nonprofit grants, and discretionary spending outside the core responsibilities of government.

Bill 9 should require Maui County to ****tighten its structure and refocus on essential departments****, not expand progressive spending initiatives.

My attached testimony explains why this budget requires deeper cuts and a return to core government functions.

Guest User

Location:

Submitted At: 10:20pm 04-21-26

My name is Sara Mason Baker and both of my children and I have greatly benefited through attending the PIDF T_t_ and me program since 2022.

The Department of Education submitted a \$0.00 budget for the Native Hawaiian Education Program (NHEP), removing it from the federal budget in the next fiscal year (2026-27). This lack of funding would directly impact T_t_ and Me Traveling Preschool programming on Maui, forcing sites to close.

More background information can be found here: <https://pidf.org/pidf-2026-faq/>

We kindly ask for your support to sustain T_t_ and Me sites on Maui because it provides phenomenal early education and child development through crucial and fundamental life building skills in language, communication,

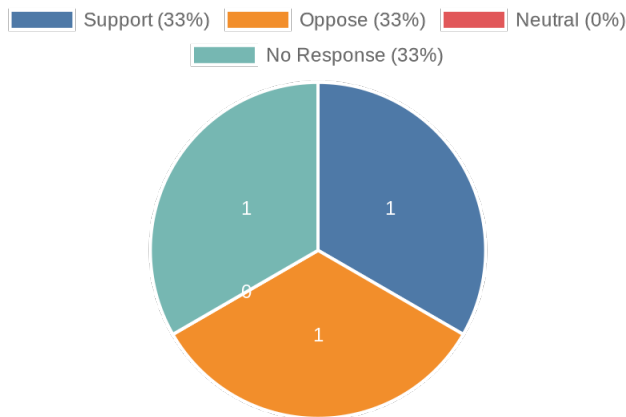
social/emotional and cultural(to only name a few).

This support through the critical years of early childhood is deeply impactful. I am and will forever be immensely grateful for the opportunity to be a part of such an incredible program.

T_t_ and me gifted my family the opportunity to connect, learn and grow together. We became part of a kind, supportive and respectful community. T_t_ and me has been and continues to be the primary early childhood education and socialisation that my kids and I and countless families rely on. It truly takes a village and this is ours.

Agenda Item: eComments for BFED-1 PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1)

Overall Sentiment



Lore Menin

Location:

Submitted At: 10:11am 04-22-26

Testimony in Opposition

The report submitted in support of the PARUS program actually raises serious concerns about whether additional County funding is justified.

According to the report, the program has organized approximately \$7.6 million in combined capital to produce just 15 housing units statewide, with more than half of that funding coming from government subsidy. At that scale, the cost per unit approaches roughly half a million dollars. For a County facing a housing shortage affecting thousands of residents, this level of output is extremely small relative to the amount of public subsidy involved.

The report also explains that the program's strategy is to purchase existing homes in the open market and convert them into nonprofit-controlled rental housing. That approach does not increase housing supply. Instead, it removes homes from the ownership market while relying heavily on taxpayer funding to do so.

Maui County should prioritize policies that increase the total housing supply, reduce barriers to construction, and support infrastructure needed to build new homes. Using public funds to acquire a small number of existing homes does not address the scale of the housing crisis facing this island.

For these reasons, I respectfully oppose additional County funding for this program.

Lore Menin, Kihei Resident

BFED Committee

Location:

Submitted At: 9:32am 04-22-26

Testimonies received from BFED Committee as of 4/22/2026 at 9:30 a.m.

Guest User

Location:

Submitted At: 3:17pm 04-21-26

Aloha Chair, Vice Chair, and members of the BFED committee, thank you for considering my testimony in support of Bill 55.

My name is Ken Cheung from Oceanit in Honolulu. We are Paia Mantokuji Mission's engineering consultants, and we have been working with Paia Mantokuji to stabilize their eroding shoreline to protect their historic temple grounds for almost a decade.

Our goal is not only to protect the Paia Mantokuji's structures, but to preserve Mantokuji Bay for its use as a habitat for wildlife and recreation for residents and visitors.

We have exhausted our resources in the latest round of repairs of the emergency shoreline protection structure, and are humbly asking for the County's support to design, permit, and construct a long-term solution to preserve the bay.

The long-term plan is in the concept stage, and it involves two elements:

1. Dune restoration via beach nourishment: to stabilize the eroding escarpment and restore a sandy beach. The erosion is currently causing red clay soil to discharge into the ocean, causing chronic severe turbidity and damaging wildlife.
2. Wave dissipation by building an off-shore artificial-reef structure, also referred to as a "living breakwater": this will reduce the amount of wave energy reaching the shore and removing sand

Paia Mantokuji is currently compliant with Federal, State, and County regulations. The Mission is maintaining the emergency protection structure under an emergency CDUP issued by DLNR. We also have a Special Management Area (SMA) permit and Shoreline Setback Approval (SSA) from Maui County, and are fully compliant with Federal regulations.

Paia Mantokuji was hoping to be provided some relief from some (not all) regulatory requirements in proposed 2026 legislation (SB3169 / HB2490), but the bill did not make it through the final House committee and is effectively dead. This means that the potential time and cost relief that we were hoping for will not be realized. We are prepared to comply with the required Federal, State, and County regulations.

Thank you for your consideration, and I will be present at the hearing to answer any questions.

Aloha.

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Dear Council Members,

We are writing to bring attention to a growing concern affecting building maintenance staff in our buildings. Specifically, the safety risks and biohazard exposure associated with the increasing presence of unhoused individuals around the county building and surrounding properties.

Maintenance workers are frequently tasked with cleaning areas that have been used as makeshift shelters, trash dumps and restrooms, often without proper warning or adequate protective resources. In these environments, staff may encounter hazardous materials such as human waste, used needles, drug paraphernalia, and other potentially infectious substances. These conditions pose serious health risks, including exposure to bloodborne pathogens and other communicable diseases.

Beyond the physical hazards, there are also safety concerns. Maintenance personnel may be required to enter confined or poorly lit areas where individuals are present, sometimes leading to unpredictable or unsafe interactions. Many workers feel unprepared, unsafe and unsupported in handling these situations.

We respectfully urge the council to consider the following actions:

- Provide funding for overnight Security Officers to deter unhoused individuals from frequenting the area
- Improve coordination with outreach services to address homelessness in a humane and proactive way.

Addressing these concerns will not only protect workers but also contribute to a healthier and safer environment for the entire community.

Thank you for your time and attention to this important issue. We would appreciate the opportunity to discuss this matter further or provide additional information if needed.

Sincerely,

The Maintenance Staff of the Kalana o Maui Campus

200 South High Street Wailuku, HI 96793

(808) 270-7769

May A. 

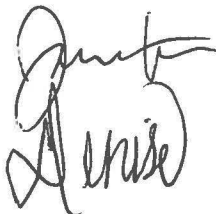
Castillo

Vern Foster

Kaloni Kaula

Ramon P. 





BFED Committee

From: BFED Committee
Sent: Wednesday, April 22, 2026 9:21 AM
To: BFED Committee
Subject: FW: April PARUS status report
Attachments: 042226 Maui County - AHP PARUS Report FIN Kit.pdf

Please process as testimony

From: Robin Danner <robin@hawaiianhomesteads.org>
Sent: Wednesday, April 22, 2026 4:35 AM
Cc: Kara Chow <kara@hawaiianhomesteads.org>
Subject: April PARUS status report

Good morning Nayleen,

Attached is the HCDC April 2026 status report on its PARUS portfolio of rental housing work.

Kara and I have gather the data requested, and will be available virtually today at 10:00 am.

May we ask that the attached report be provided to each of the Maui County council members?

We appreciate any consideration for AHF resources, to:

1. Add PV roof top solar to PARUS rental units on Maui to directly reduce utility costs for tenants
2. Add up to 2 additional acquisitions in 2026-2027 and potentially 4 depending on the current interest rate and property valuation environment in 2026.

Mahalo nui for any consideration of Maui County Council. We do understand the demand for resources for affordable housing inventory, whether perpetual affordable rental like PARUS or homeownership like self help and community land trust models.

Robin Puanani Danner, Senior Advisor

Sovereign Council of Hawaiian Homestead Associations and Nonprofit Corporations
808-652-0140

Supporting Sovereignty & Prosperity on Hawaiian Home Lands

Permanently Affordable Housing Unit Strategy PARUS – Status Report: April 2026

HCDC Organizational Background

Founded in 2009, HCDC is a statewide nonprofit 501c3 corporation focused on affordable housing, economic development to create local jobs, and community capacity building governed by Native Hawaiian community leaders residing in each of the county jurisdictions in the State. Its staffing level is at 16 Full Time Equivalents with offices on Maui, Oahu and Kauai, including a dedicated team to affordable housing.

In 2021, HCDC launched in the County of Kauai, an innovative affordable housing approach to put into play and a proof of concept, a strategy to address the investor owned housing that attracts capital typically from off island to maximize highest rents and therefore returns for owners.

In 2023, at the request of Maui Council Member Tasha Kama, HCDC began working with County officials to expand its affordable housing solutions to Maui County for local working families, including households displaced by the Maui Wildfires.

Permanently Affordable Rental Unit Strategy (PARUS) Overview & Results

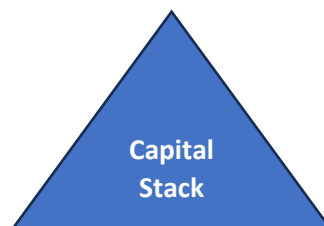
PARUS, developed by HCDC during COVID is a nonprofit acquisition and preservation model that converts existing residential properties often bought and sold between Investors seeking highest return on investment, into permanently affordable workforce rental housing.



The central tool of PARUS is a strong nonprofit corporation organizing capital stacks that include conventional bank debt, philanthropic capital and government subsidy capital. In short, housing costs are at levels where bank debt cannot be the only source of capital to convert residential units to affordability – philanthropy and government subsidies cannot be the entire source of capital either. It requires a mixed capital stack to leverage each source of capital to its greatest impact.

PARUS approaches a comprehensive analysis of economic indicators such as interest rates on debt capital and market swings in property values to determine equity and subsidy requirements to match debt coverage to affordable rental rates. PARUS capital stacks include three core types of capital.

#1 Financial Institution Capital



#2 Philanthropic Capital

#3 Govt Subsidies Capital



To date, the HCDC PARUS portfolio has organized the following sources of capital totaling \$7,615,656 to convert previously investor owned housing to nonprofit stewardship and dedication to affordability:

Capital Stack Sources to Date on 15 Units	Amount	% of Total
#1 Financial Institution Debt Capital	\$2,635,000	35%
#2 Nonprofit/Philanthropy Capital (Purchase/Improvements)	\$768,000	10%
#3 Government Subsidies (Federal/County)	\$4,212,656	55%
Total Combined Capital Stack	\$7,615,656	100%

The proof of concept began in 2021, and through 2026, PARUS has proven an important tool in the overall affordable housing eco-system and equation, particularly in systematically converting high rental properties to affordability in perpetuity. PARUS is proving to be an excellent tool for States where there is high engagement of investors acquiring properties for maximum return on investment.

PARUS is an affordable rental housing acquisition approach, and is one solution, among the many that are necessary, whether Self Help and Community Land Trust models that focus on homeownership, or new construction of rental projects with affordability conditions that focus on rental housing.

HCDC has successfully converted residential units statewide, the majority on the island of Maui, with the following key characteristics:

- Permanent nonprofit ownership and management with expertise in affordable housing modeling.
- Long-term affordability and preservation of rental units for local workforce households with incomes up to 140% Area Median Income (AMI) as defined in the published HUD Annual Income matrix, which includes “Gap” households, a priority shared by Maui Council Members in 2024.
- Rental revenue is 100% dedicated to debt service, maintenance, repairs, insurance, property management, funder compliance, and allocations to housing asset reserves.



- Rental rates are inclusive of necessary property costs and reserves with total rent levels tested against generally accepted affordability standards of 30% or less of gross annual household income.
- Characteristics of PARUS units to date:

# of Units	Location	# Bedrms/Bath	<80% AMI	>81% AMI	Fire Impacted	Vacant
6 Units	Lihue, Kauai	6 Bedrooms 6 Bathrooms Parking	6	0	n/a	0
3 Units	Wailuku, Maui	8 Bedrooms 4 Bathrooms Parking	2	1	3	0
3 Homes	Kihei, Maui 2 Under Reno	8 Bedrooms 4 Bathrooms Carports	1		1	2 Reno
1 Home	Lahaina, Maui	3 Bedrooms 2 Bathrooms Enclosed Garage	0	1	1	0
2 Units	Lahaina, Maui	6 Bedrooms 4 Bathrooms Parking	0	2	2	0
15 Units	40% Kauai 60% Maui	31 Bedrooms 20 Bathrooms	9	4	7	2

**Maui County Council emphasized affordability to include Gap Households up to 140% AMI, except for no AMI limitation on Fire Impacted Households*

- ✓ 2 of 15 PARUS units or 13% are vacant, due to interior renovations (Kihei, Maui units).
 - ✓ 9 of 13 PARUS units occupied or 69% are tenants at or below 80% AMI. 4 of 13 units or 31% are occupied by 81% AMI and above.
 - ✓ 7 of 9 of Maui PARUS units or 78% are occupied by Fire Impacted Households. All PARUS units test household income up to 140% AMI, except Fire Impacted Households.
 - ✓ PARUS tenants are local working families in the food and beverage or hotel industry, healthcare, airport services, and/or employees of small retail businesses.
 - ✓ PARUS rental rates range depending on amenities, furnishings, size and location, quality of properties, and prudent cash reserves to maintain value, among other factors. Rental rates are compared against HUD AMI Rental Guidelines
- In 2026, the PARUS portfolio will re-position capital stack sources based on current interest rates with local financial institutions, and movement in the property valuations to potentially increase debt capital sources to add PARUS units, which may impact the level of philanthropic and government subsidies in the capital stack.

Long-Term Perpetual Public Benefit



PARUS units remain permanently affordable within the County through the leverage of capital stack funding sources that include local financial institution debt or loans, HCDC unrestricted and/or philanthropic equity funds, and government subsidies, producing lasting benefits to Maui County residents.

In short, public benefits include:

- While new construction of affordable housing is necessary statewide, PARUS provides immediate addition of affordable rental housing without lengthy construction timelines.
- Long term preservation of residential units for local workforce households, creating housing security and stability, including for households recovering from disasters.
- Leverages local nonprofit experience and capacity to steward housing assets responsibly, as well as leverages other capital resources necessary to achieve affordability.
- Compliments broader County housing priorities and initiatives by investing County resources upfront without providing tax or other predevelopment incentives that have short term affordability expirations.

HCDC intends to continue the PARUS program serving Maui and Kauai County residents by adding utility reduction improvements such as Photovoltaic and ADUs at existing PARUS properties where feasible. While PV incentives have been significantly reduced by federal policy, solar based roof top power is considered an excellent strategy to further decrease household expenses directed by families toward utility costs.

Moreover, HCDC intends to continue to acquire Investor owned homes for permanent dedication to affordability for the citizens of Maui and Kauai Counties.



Governing Board & Executive Team

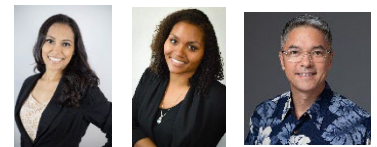
HCDC is governed by a statewide Board of Commissioners, enrolled members of the Sovereign Council of Hawaiian Homestead Associations (SCHHA) representing the five SCHHA Moku-puni regions and other areas of expertise.

Location	Board of Commissioner Name	Position
Oahu	Lilia Kapunia'i, Native Hawaiian Liliak@mac.com – (808) 265-2755 <i>Ms. Kapunia'i is the Executive Director of Papakolea CDC, delivering community services and programs in three homesteads. She is a homestead leader and resident</i>	Chair Term Expires: 2027
Molokai	Kammy Purdy, Native Hawaiian kampypurdy@gmail.com – (808) 658-0444T <i>Ms. Purdy is the owner of a homestead farm operation on the island of Molokai, and a long-time homestead leader and resident of the Hoolehua homestead on Molokai.</i>	Vice Chair Term Expires: 2028
Maui/Lanai	Daniel Ornellas, Native Hawaiian daniel.l.ornellas@hawaii.gov – (808) 264-0783 <i>Mr. Ornellas is an experienced land use planner, state government public servant and a homestead leader and resident in the Waiehu homestead on the island Maui.</i>	Secretary/Treasurer Term Expires: 2026
Kauai	Liberta Albao, Native Hawaiian libertaha@hotmail.com – (808) 652-8290 <i>Ms. Albao is a retired visitor industry executive, with more than 30 years in finance, accounting and fiscal procedures and is a waitlist leader on the island of Kauai.</i>	Director Term Expires: 2028
Hawaii Island	Vacant since August 2025 <i>For Replacement Appointment by HCDC Board.</i>	Director Term Expires: 2027
Maui/Lanai	Janice Herrick, Native Hawaiian mauione@gmail.com – (808) 268-2709 <i>Ms. Herrick works in the renewable solar industry and is a resident in the Paukukalo homestead on the island Maui.</i>	Director Term Expires: 2027
Kauai	Daisha Kuhaulua, Native Hawaiian daisha.k@icloud.com – (808) 639-5087 <i>Ms. Kuhaulua is a small business owner and resident in the Piilani Mai Ke Kai homestead on the island of Kauai.</i>	Director Term Expires: 2027

Executives

Co-Executive Director, Corporate
 Co-Executive Director, Programs
 Chief Financial Officer

Kara Chow, Native Hawaiian
Jordyn Danner, Native Hawaiian
Napali Woode, Native Hawaiian



Testimony on Proposed FY-2027 Budget

Budget, Finance, and Economic Development Committee (BFED-1)

April 22, 2026

Chair Sugimura and Members of the Committee,

I am submitting testimony regarding the proposed Fiscal Year 2027 County of Maui budget currently under review.

I want to begin by acknowledging the discussion around modest reductions to departmental budgets. Any effort to examine spending is welcome. However, the scale of the proposed reduction does not address the deeper fiscal realities facing Maui County.

A small percentage trim within a **\$1.6 billion budget** does not represent meaningful structural reform. It represents a gesture toward discipline without addressing the real drivers of spending.

If the Council is serious about fiscal responsibility, this budget review must go deeper.

This is especially important in light of **Bill 9**, which this Council adopted as a major policy shift intended to restore residential housing stock and rebalance Maui's economy.

Bill 9 was not simply a zoning decision. It was an economic decision that will have long-term implications for how Maui County generates revenue, particularly from the visitor accommodation sector.

Because of that, Bill 9 requires the County government itself to **tighten its structure and focus on its core responsibilities**.

Instead, the proposed FY-2027 budget continues expanding discretionary spending through a wide network of grants, subsidies, and nonprofit funding programs.

County government exists to provide essential public services:

public safety,
roads and infrastructure,
water and wastewater systems,
planning and land management,
and the administrative functions required to support those services.

It does not exist to operate as a charitable funding mechanism for nonprofit organizations, regardless of how well-intentioned those organizations may be.

For example, the budget includes or contemplates requests such as:

- **\$2,000,000 for Aloha House** to construct what is described as affordable housing but is effectively an expansion of a rehabilitation and transitional housing facility for program clients.

• **\$1,500,000 requested by the Maui AIDS Foundation** to replace federal funding reductions for one of its housing programs.

Both organizations may perform important work. However, the question before the Council is not whether their work has value.

The question is whether Maui County taxpayers should be responsible for filling funding gaps when federal or private funding sources change.

That is not the role of county government.

When the County begins acting as the financial backstop for nonprofit programs originally designed to operate through federal grants or charitable funding, it shifts the cost of those programs onto local taxpayers.

Bill 9 requires the County to rethink its fiscal priorities.

If visitor accommodation activity changes over time, government must prepare for a tighter fiscal environment. That means focusing on essential services rather than expanding discretionary obligations.

At the same time, Maui residents are facing another major economic pressure that this budget discussion barely addresses.

Shipping costs to Hawai'i are rising.

Every increase in ocean freight rates directly raises the cost of living on Maui.

Shipping costs affect:

food prices,
construction materials,
fuel,
household goods,
and nearly every item residents depend on.

When shipping costs increase, it ripples through the entire island economy.

In that environment, the County should be asking a very different question during the budget process:

How can the County reduce the financial burden on residents?

That conversation could include:

reducing unnecessary government spending,
avoiding the creation of new permanent programs tied to unstable revenue streams,
reviewing County fees and tax structures that add to the cost of living,
and prioritizing infrastructure and economic resilience rather than expanding discretionary grant programs.

Instead, the current budget discussion remains focused on relatively small administrative adjustments while ignoring these broader economic realities.

The Council should be asking deeper questions.

If tourism tax revenues fluctuate under Bill 9, how will the County adjust spending?

If shipping costs continue to rise, how will County policy help residents absorb those increases?

How can government reduce financial pressure on working families rather than expanding obligations that ultimately fall on local taxpayers?

These are the structural issues that should be guiding the FY-2027 budget review.

Maui residents need a government that prioritizes essential services, fiscal discipline, and economic resilience.

That requires going beyond symbolic cuts and conducting a serious evaluation of the County's spending priorities.

Bill 9 requires Maui County to tighten its focus.

The budget should reflect that reality.

Thank you for the opportunity to provide testimony.

Edward Codelia, Maui Resident