

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

MINUTES

April 11, 2025

Online Only via Teams

RECONVENE: 9:09 a.m.

PRESENT: Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Tasha Kama, Vice-Chair (In 9:58 a.m.)
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member (In 9:10 a.m.)
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member (In 9:10 a.m.)
Councilmember Nohelani U'u-Hodgins, Member

EXCUSED: Councilmember Alice L. Lee, Member

STAFF: Kirsten Szabo, Legislative Analyst
Pauline Martins, Senior Committee Secretary
James Krueger, Senior Legislative Analyst
Peter Hanano, Legislative Attorney
Richelle Kawasaki, Deputy Director
Jarret Pascual, Legislative Analyst
Clarissa MacDonald, Legislative Analyst
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

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

ADMIN.: Lesley Milner, Budget Director, Office of the Mayor
Tiare Horner, Budget Specialist, Office of the Mayor
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel
Kristie Wigglesworth, Deputy Corporation Counsel, Department of the Corporation Counsel
Richard “Remi” E. Mitchell, Director, Department of Housing
Saumalu Mataafa, Deputy Director, Department of Housing
Jolie Jenkins, CDBG Program Manager, Office of the Mayor

OTHERS: Debbie Cabebe, CEO, Maui Economic Opportunity, Inc.
Douglas Bigley

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Others (5)

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

CHAIR SUGIMURA: . . .*(gavel)*. . . This meeting is now called to order. Welcome to the BFED meeting. It is now 8:00...9:09 a.m., and we are continuing on with the recessed meeting that started yesterday, and we got through Human Concerns. And thank you very much, Director of Housing and Human Concern *[sic]*, Richard Mitchell, and Deputy Director Mataava *[sic]*, for adjusting your calendars to accommodate us as we proceed today with the recessed meeting. So, at this time, I'd like to welcome the Members to start. My name is Yuki Lei Sugimura, I'm the Chair of this Committee. And I'm going to...I'm going to call you based upon what I can see on my phone. Member U'u-Hodgins, good morning.

COUNCILMEMBER U'U-HODGINS: Good morning. I am at home, and my husband is home as well. He just got home. Koa Hodgins is with me, but other than that, we are alone.

CHAIR SUGIMURA: How nice. Member Cook, good morning.

COUNCILMEMBER COOK: Aloha and good morning, Chair and everybody. I'm in the South Kihei Regional Office, and I'm on my side, and Bill Snipes is in the meeting room available for testifiers, but nobody's currently here. And I'm looking forward to this meeting and our afternoon flight to Moloka'i.

CHAIR SUGIMURA: Yes. Member Rawlins-Fernandez? Oh. Okay. I just lost her.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka.

CHAIR SUGIMURA: Oh, there you are.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR SUGIMURA: Aloha. Thanks for sending that picture of your flight back to Molokai. That was a nice family shot.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. Okay. Aloha kakahiaka, mai Moloka'i Nui a Hina. Made it back to Moloka'i. Our OCS Staff was about two hours delayed, so make sure to bring snacks and drinks in case you're delayed because there's no food at the commuter terminal. There are vending machines, but it is expensive and very limited. Okay. And check, because two planes are down, like I said. So that...so, you may not have gotten an email, because OCS did not get an email, and they were two hours delayed. Okay. I am at my private residence in my casual Friday. Ulu...ka Ulu Malu o Lele. And I'm alone, and there are...well, we're not taking testimony. So, I'm here alone.

CHAIR SUGIMURA: Yeah. Member Paltin.

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COUNCILMEMBER PALTIN: Aloha kakahiaka kākou. I'm here alone on this side of the Chamber. There's plenty of folks on that side of the Chamber, and we're ready to work.

CHAIR SUGIMURA: Yeah. So, Staff, can you tell me if I'm missing anybody? Oh, Member Sinenci popped up. Good morning.

COUNCILMEMBER SINENCI: Hey, aloha kakahiaka kākou, mai Moloka'i Nui a Hina. I'm here at the condo. Can you guys hear me?

CHAIR SUGIMURA: Yes.

COUNCILMEMBER SINENCI: We...we got to jump on an earlier flight since the morning flight was delayed. So, luckily, we were...I'm able to jump on this morning's meeting.

CHAIR SUGIMURA: Very good. Well, enjoy Moloka'i after this meeting. Am I missing anybody, Staff?

COUNCILMEMBER JOHNSON: Yeah, Chair. Gabe is here.

CHAIR SUGIMURA: Oh, okay. Member Johnson --

COUNCILMEMBER JOHNSON: Gabe's talking.

CHAIR SUGIMURA: -- good morning.

COUNCILMEMBER JOHNSON: Gabe's talking about himself in the third person. I am alone in my...in my...I'm alone in my workspace, and Gabe's ready to work. Thank you, Chair.

CHAIR SUGIMURA: All right. That's the English major speaking. All right. Member Kama will be joining us. Chair Lee is excused, and I think we're ready to go. So --

COUNCILMEMBER PALTIN: Oh, Chair?

CHAIR SUGIMURA: -- as you know, this is a recessed meeting...

COUNCILMEMBER PALTIN: Did you want me to do --

CHAIR SUGIMURA: Wait. What?

COUNCILMEMBER PALTIN: -- the summary from last night?

CHAIR SUGIMURA: Oh, please. That was a wonderful West Maui experience. Please do.

COUNCILMEMBER PALTIN: Oh, okay. So, approximately 30 individuals provided oral testimony last night. Written testimony was also received from several individuals. The meeting was called to order at 6:00 p.m. and adjourned at 8:02 p.m. In summary, the testimony received was generally in support of the following: West Maui Hospital

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Foundation, Lahaina Head Start, MEO Head Start, Boys and Girls Club of Maui, as well as specifically the Lahaina Clubhouse and how they adapted to...you know, that they will continue on even without a clubhouse, but they're very happy to return to their clubhouse. The Lahaina Honolulu Senior Citizens Club and MEO Transportation for getting the kids to their activities and the seniors to...that maybe shouldn't be driving for all of our safety to their activities as well. Lahaina Community Land Trust was a big theme. West Maui Taxpayers Associations support for playgrounds, Lahaina Aquatic Center upgrades, bus services to and from Kahului for the various hotel worker shifts. Also, support for MEMA and a little concern about their cut in funding, but it really was the security contract that ended, which was about, you know, \$10 million. There was big support for West Maui Green Cycle, Kaiāulu Initiatives, Lahaina Restoration Foundation historic groundskeeping, and Office of Recovery grants. Assistance for houseless individuals that were indirectly affected by the fire, losing their employment and then losing their homes. I mean, not wanting to go into debt with the foreclosure...or sorry, eviction moratorium. Affordable housing, permanent affordable housing, park improvements, continued funding and support for all kūpuna and keiki programs, Lahaina Resiliency Hub, Lahaina Community Center, shelters and bus stops, and environmental and cultural programs via West Maui economic development funds. And anecdotally, they were a little disappointed that Hawai'i Community Foundation did not fund Kaiāulu Initiatives and Lahaina Community Land Trust. But other than that, it was a great night in West Maui, and everyone that was hungry was fed.

CHAIR SUGIMURA: That's true. . . .*(inaudible)*. . . Thank you very much. . . .*(inaudible)*. . . I see no hands and no questions, so we'll proceed with the meeting then. Thank you very much. Staff, I can't see any scripts. I'm going to guess that there's the Legislative Analysts, James Krueger, Kirsten Szabo, Jarret and...Jarret Pascual, and Clarissa MacDonald. Pauline, I'm going to guess you're sitting in your secretarial seat on the side there. We probably have Kristina Toshikiyo as our Corp. Counsel person. I don't think I saw that other Wriggleworth's name on the sheet there. And who am I forgetting? Okay. So, thank you, everybody.

**ITEM 1: PROPOSED FISCAL YEAR 2026 BUDGET FOR THE
 COUNTY OF MAUI**

CHAIR SUGIMURA: We're going to continue on with questions that you may have for the Department. As you know, we all have a huge concern for housing. Thank you very much for answering the questions that were received. And Staff, I wonder if you can tell everybody on Granicus what numbers they can reference if they want to look further into the responses that were received. Kirsten or James?

MR. KRUEGER: Yes, Chair. The first letter to Housing, HO-1, that's number 18 in Granicus. The second one, HO-2, we...we don't have a response yet, but if you want to see the letter we sent, that's number 122 in Granicus.

CHAIR SUGIMURA: Okay. So, Members, you got that. I do hope that...we...we were late in sending it, I think, to the Department. But in response to the \$11 million Affordable

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Housing Fund that came before my Committee and the Department said they were going to submit in writing why those projects were not carried forward, did we ever get that correspondence?

MR. KRUEGER: Yes, Chair. That correspondence was received under a different Committee item, BFED-20(7), but Staff can distribute it under this item too.

CHAIR SUGIMURA: I wonder...because it's all relative to many of the questions, or some of the questions the Members may have because it's \$11 million that will be put back into Affordable Housing Fund. Could you distribute that? Could you send Members a copy by email, as well as print it and distribute it today?

MR. KRUEGER: Yes, Chair.

CHAIR SUGIMURA: Okay. Thank you very much. I also heard...I also...yesterday, we heard that the affordable housing, your plan was ready, Director, and so that we would like to share with the Committee at the appropriate time also. Director?

MR. MITCHELL: I'm sorry, Chair. Was that a question of whether the affordable housing plan was...our plan was transmitted to you?

CHAIR SUGIMURA: Yes.

MR. MITCHELL: Yes. It was transmitted on the 10th.

CHAIR SUGIMURA: Okay. So, Staff, can you also make that available to the Members? And I don't think we're going to have time to review it today, but it is valuable information in terms of resource for future information for you. So, at this time, then, I would like to ask for...I'm going to go by who I see on my phone, so Member U'u-Hodgins, then Member Cook, then Member Paltin, then Member Johnson, Member Rawlins-Fernandez, and I guess Sinenci. Please proceed, three minutes.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Hello. Good morning, everyone. While we didn't have testimony today, we did have some yesterday, and one of the concerns is the status of the 'Ohana Assistance Program. I'm wondering if you could provide us an update on those funds and where they are, and if we could make that a reimbursable program for the people who qualified, but didn't receive the funds during the construction period.

MR. MITCHELL: Thank you, Member U'u-Hodgins, for the question. In response to the second part of the question, the answer is yes, that is going to be our intent. Because for the individuals who were notified by Lokahi Pacific that their applications were complete and that they were recommended to receive a grant of up to \$100,000, for those individuals, we've indicated, as we're working through the grant agreement and contract, that they should proceed with their construction. And so, yes, those individuals can pursue reimbursement for the costs expended. With respect to the first part of your question, if I could just take a quick brief moment to remind the Council of

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the process we've had to go through to reorient the program. If you may recall, when we transitioned to the new department, we learned subsequently that the contract with Lokahi Pacific was a professional services agreement, and it should have been a grant agreement. And as a...and we also learned that all of the funds related to the program were incumbent under the professional services agreement. So, we had to discuss with Lokahi Pacific initially an amendment to their agreement to allow them to grant the funds and go through a process of disencumbering the funds under the professional services agreement and then re-encumbering the funds under a grant agreement. That process took some time, and subsequently, we concluded that Lokahi Pacific was no longer interested in participating in the program, and their executive director was planning on retiring. So, we then, to reduce the time that it would take to go out through another RFP process, pursued a Code amendment to allow the Department to then issue the grants, and we did that step. And then finally, we began working on the grant agreement itself, and the general conditions and special conditions, and it was that process that took, again, some more time. As we were working through that, it became clear to me that I needed to take over that particular project...program, so it's now squarely in my camp. The Staffer who was working on it has a planned retirement at the end of this month, so it is now in my court, everyone can call me. I have reviewed all the documents, I've completed all the . . . *(inaudible)*. . . documents, and I've recently sent . . . *(timer sounds)*. . . them all to Corporation Counsel for review. So, as soon as we get some edits back and we can tighten up those documents, we will be ready to move forward. And I am not implying in any way that Corporation Counsel has been delayed in their response because they just recently received our RFLS. So, that's where we are with that particular program.

COUNCILMEMBER U'U-HODGINS: Okay. And then when do you think the people who qualified are going to receive some of their funding?

MR. MITCHELL: Well, it is my hope when I've had a chance to chat with Deputy Corporation Counsel assigned to reviewing the documents that we can turn them around as quickly as we can. Because I know folks have been waiting for quite some time, and it has...this particular program has gone through an inordinate number of adjustments and changes to try to get it up and running. But I can't give you a firm date, I can only say I'd like to hope we can do this quickly now that the documents have been cleaned up and returned to Corporation Counsel.

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

CHAIR SUGIMURA: Thank you. . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: Mic, Chair.

CHAIR SUGIMURA: Oh.

COUNCILMEMBER PALTIN: And I did have a point of information. When Staff said 122 has the questions, when you press on that, it says this document has been removed or something.

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MR. KRUEGER: I'll double-check on it.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR SUGIMURA: Okay. Thank you. Thank you, Members, for allowing me to pull a Member Rawlins-Fernandez, by driving, or flying, or doing something miraculous--for me anyway--to start this meeting. So, here I am in the Chambers, and I see that, Director Mitchell, it looks like you have more to say.

MR. MITCHELL: Thank you, Chair. I just realized, Member U'u-Hodgins, that I do have a little more information to give to you. So, with individuals who have been calling about the status, Staff has been responding to them, and I have been taking over those calls as well. And I've spoken to Mr. Moreau prior to his testimony yesterday at least two times, in addition to Staff responding to him. I know he has reached out to the Mayor's Office. I also know he's reached out to Chair Lee's Office. And I've clarified with everyone who's...else he's reached out the frequency of our contacts with Mr. Moreau. I also followed up with him this morning in light of his testimony yesterday. He's currently busy at work, and I will follow-up with him again after the hearing today...meeting today. Thank you.

COUNCILMEMBER U'U-HODGINS: Thank you. Thank you very much.

CHAIR SUGIMURA: Okay. So, at this time then, I'm going to...I'm going to now go by the...the Members that I see on the screen, so it might be a little bit off. I will ask for Member Cook, then I'll go to Member Rawlins-Fernandez, Member Johnson, Paltin. I think Chair Lee is...is not...well, she's excused. And then Member Kama will be joining us, and then Sinenci. Okay. Please proceed, Member...Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. And good morning, Director. Thank you for coming back today and being available. My question is regarding...it's for the 'Ohana Program. Some of the people who may want to put units in their...on their property, local homeowners who have the space and...and it's applicable, is the Department...has and will the Department be working with Planning, Public Works, and some of the other departments to have a program and be able to facilitate getting these units approved for construction? Because this is a new program, and I'm just curious how that...how the government is working to assist people and utilizing the program with zoning and permitting. Thank you.

MR. MITCHELL: Thank you, Member Cook, for the question. I think what you mean by program is, is the Department going to work collaboratively to bird dog these particular projects to ensure they are moved forward? And the answer is yes. The reason why I pulled this program into the Director's Office is because of the history and the challenges with getting it off the ground. And so, yes, I'm going to stay focused on helping everyone that we grant monies to, to coordinate with various departments as necessary. But we don't have a standalone program, if you will, to do that. I'm simply taking it on until such time that the Department is adequately staffed, and that we can hand over

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management of the program to a staffer. And as I indicated in the early testimony, the staffer who was managing this particular program has a planned retirement. And so, I intentionally took over the work in advance of the retirement so I could be certain that there was a smooth transition, that someone was watching what was going on with it. So, I'm going to stay on point until we are adequately staffed and I can hand it off.

COUNCILMEMBER COOK: Thank you ...*(inaudible)*... for the answer. That is...that...through that process, you will be hands-on helping to formulate the...the policy and the program, and make it functional. So, that's...that's good news. Thank you for that. My next question was on the housing program, 346. I was curious about the County funds transfer out of Experimental and Demonstrative Housing Fund for FY '26 projects. Funding proposed for projects under Chapter 16.28. 4 point...\$4,750,000. . . .*(timer sounds)*. . .

MR. MATAAFA: Thank you, Councilmember Cook, for that question. And thank you for recognizing that the Department did put \$4.75 million into its FY '26 Budget to fund the experimental and demonstration housing projects. As we mentioned in our opening comments yesterday, the Department's budget really represents our ability to build capacity within the Department, and then to also allow our...our Department Staff to have the tools necessary to both develop existing housing projects, new housing projects, and then creative housing projects that may come up in the future. So, the addition of the \$4.75 million in our Department's budget really is reestablishing the fund, and allowing the Department to explore new creative ways to develop housing in the County.

COUNCILMEMBER COOK: Thank you very much for that answer, and that's exciting that that's...that's moving forward. My time's up, and thank you for that, Chair.

CHAIR SUGIMURA: Please proceed. Director has more to add.

MR. MITCHELL: Thank you, Chair Sugimura. And Member Cook, just to supplement that answer, we are aware of several project proponents who approached us in...at the beginning of Fiscal Year '25 to discuss ideas around experimental projects. And I asked them to wait until the next fiscal year when we could actually be in a position to move forward with an RFP proposing responses for experimental projects. And one in particular was sort of a poured-in-place housing structure that was very similar to homes that we saw when we were at the NACo conference last year in, I think, Austin. And so, given that we have this awareness of folks' interest in that particular section of the Code, we've asked them to wait, and we've put some money in the budget to facilitate getting an RFP out to see what happens, and whether we can move forward. Thank you.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER COOK: Great follow-through. Thank you very much, Director. Thank you.

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

COUNCILMEMBER COOK: Thank you, Chair.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Chair. Just to let you know, sometimes you freeze on my end. Okay. Member U'u-Hodgins is experiencing the same thing. Wasn't sure. Maybe it was my computer only. All right. Aloha again, Director Mitchell, Deputy Director Mataafa, and Budget Director Milner. Mahalo for coming in today to be with us and answer some questions. Okay. So, some of the questions I have are regarding the Lānaʻi Affordable Housing Project, and I think Member Johnson's after me, so he can follow-up with any of those. So, I see 10 million in grant subsidy on page 346. I think it was 7.2 million in Affordable Housing Fund...let's see, and that's on page 51 of the Appendix A, Part II, 7.2...yeah, 7.2. And then I...I didn't see any in the GET surcharge. And I understand Member Johnson had mentioned there was a congressional earmark in direct spending for five million. Do you know how much the total cost of this project is estimated to be? And I saw Mr. Bigley on, I just saw him sign on. And then from what funding sources, and are...are...is the funding coming from and how much from each source? And then if you need me to repeat any of those questions, I'm very happy to.

MR. MATAAFA: Yeah. Thank you, Chair Sugimura. And thank you, Councilmember Rawlins-Fernandez, for the question. Regarding overall costs, I would like to defer to Mr. Bigley, if he is on the call, to explain that piece to the Committee.

CHAIR SUGIMURA: Mr. Bigley?

COUNCILMEMBER RAWLINS-FERNANDEZ: This Chamber...the Chamber Internet is terrible. Mr. Bigley? Are you able to turn on your mic and camera?

CHAIR SUGIMURA: Do you see...I see him. Okay. He's there.

MR. BIGLEY: Yes, I can --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, there he is.

MR. BIGLEY: -- do that. Hi, how are you?

COUNCILMEMBER RAWLINS-FERNANDEZ: Did you hear my questions? And then I don't know if you know our County source funding and all the congressional spending, but maybe. So, okay. I'll let you have at it.

MR. BIGLEY: I can...I can certainly do that. I'll...and what I'll do is I can also send you a...a one-sheet, probably that would be helpful. And then what I can tell you is a couple of things. Is one is the...there's two parts. There's the infrastructure component, and there is the...there is the vertical component. Okay. So I'll just be very brief. The goal of the project is to get...the biggest hurdle, and that is, people are unable to build on Lānaʻi, probably not surprising to you, is infrastructure. So, once we get through the

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infrastructure, we'll open the potential for DHHL, and our project to be developed. So, the funding sources that . . . *(timer sounds)*. . . we're looking to right now is...I'm sorry, I used my time. Or can I...

CHAIR SUGIMURA: Please proceed.

MR. BIGLEY: It's...it's the 10 million, plus we have the Federal funds, which it doesn't look like we're going to get the first round of the Federal funds, so we need additional funding there. We have DHHL that's going to participate in the funding. The Affordable Housing Fund is going to participate in the vertical construction. And then we have tax credits. So, it's like probably five or six layers of financing. We're also working with Pūlama Lānaʻi, which also just finished a project over there. They did their project, and we're going to have our contractors see if they can actually reduce the cost associated with the...with the overall project, so...because they've already been through it. So, that's...we're working with everybody, to be honest with you, is what we're doing. But the infrastructure that we're developing out there will open up the potential for all future development to the County parcel. So, we're not just doing the infrastructure for the first phase, which is our phase.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo for that explanation. I look forward to seeing the one-pager.

MR. BIGLEY: I'll do that. I'll do that.

COUNCILMEMBER RAWLINS-FERNANDEZ: And infrastructure...

MR. BIGLEY: It'll probably be two. Two pages.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I'm happy to receive two.

MR. BIGLEY: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: That'd be great. And then we can make it public for everyone to see.

MR. BIGLEY: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair, for letting him continue. And Mr. Bigley, it's not just infrastructure. It's land ownership, and the hoarding of land, and not sharing with the rest of the community, by Ellison. Mahalo.

MR. BIGLEY: Yeah. And it'll be a ROPS project too, which means it's...a big portion of it will be rent with option to buy. You know, so it's going to be proper ownership.

COUNCILMEMBER RAWLINS-FERNANDEZ: That's wonderful. I support that 100 percent. Mahalo.

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CHAIR SUGIMURA: All right. Next, this sounds like this is your segue, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. And you know, I'm...I'm so...I...it's been a long time coming.

COUNCILMEMBER RAWLINS-FERNANDEZ: It's at 12:00.

CHAIR SUGIMURA: I hear voices.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, around 11:00, I might have my...my...

COUNCILMEMBER JOHNSON: Okay. There we go.

UNIDENTIFIED SPEAKER: Then we'll see you...

CHAIR SUGIMURA: Oh, strange.

COUNCILMEMBER JOHNSON: Okay. I just, you know, want to thank the Department for, you know, moving forward with this affordable housing project on Lānaʻi. We haven't had one in over 30 years for sale. Ikaika 'Ohana and Doug Bigley guys have been great partners with this County, building across our County. You can look at the results. These guys know how to build. So, let me jump into the question. Director, Deputy Director, the...the funding source is...you know, because we didn't get congressional funding, how does that affect how we're going to stack? And I'm curious of how...some of the restrictions on the fundings, can we widen the scope a little bit to include the infrastructure?

MR. MATAAFA: Thank you, Chair Sugimura. And thank you, Councilmember Johnson, for the question. As an update, before I jump into answering your question, we are currently working with the Department of Management on how to retool the scope of the Lānaʻi Affordable Housing Project funds that didn't make it for the FFY 2025 Budget in Congress, and preparing a new scope for the project in our request for FF...Federal Fiscal Year 2026 funding. So, that piece is ongoing with the Department of Management right now. I will say that for the Department and the County, when we look at the Federal fundings, because there is a lot of uncertainty there, we would be putting in the part...as part of the scope, looking at nonessential components to the project for that, and relying on the County funds to fund the...the meat of the project, which is infrastructure, which is the vertical construction. So, we're still working on the scope for our request in FFY '26, and we'll keep you updated as we hear more.

COUNCILMEMBER JOHNSON: You know, thank you for that update. And as you know, I'm pretty passionate about this project. I remember when I first got on, Chair Lee's not here to defend what she said, but she said that this project's not shovel-ready. Well, these funds are that shovel, right? We know it's expensive to build on Lānaʻi. We know we're at the end of the supply chain. The train...the boats go back empty, right? So, this is so important to us, and I'm really happy that the Department and the Administration is...is on board with this because my community's been asking. And

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they're so...they're...once we start building, they're going to be so happy. And the fact that it's rent-to-own model is exactly what...when we went door-to-door, that's exactly what my community want. We interviewed over 400 households on the island of Lānaʻi. I really would like the Administration to look at the GE funds, and I'm...I'm curious if you guys would support going up to 15 million, because I would support going up to 15 million for that...for that project. Director, Deputy Director? . . .(timer sounds). . .

MR. MATAAFA: Thank you, Councilmember Johnson, for that question. As you know, the Department doesn't have control over GE funds in our Department, so it would be a conversation that we would need to have with the Managing Department and also the Mayor's Office to determine if that request could be made. And we would support more funding for the project to help with the road infrastructure piece. So, thank you.

COUNCILMEMBER JOHNSON: Thank you for your response. And my time's up. Thank you, Chair.

CHAIR SUGIMURA: Thank you very....oh, Member...I'm sorry, Director Mitchell has more to add.

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Deputy Director Mataafa, for the last sentence in your statement, which is, yes, the Department--and I wanted to reinforce that point--the Department is supportive, we would like to see this project move forward. We're not in control of the GET funds, so whatever is decided, know that we are supportive of seeing this project get finally built. Thank you.

CHAIR SUGIMURA: Thank you very much.

COUNCILMEMBER JOHNSON: Thank you so much.

CHAIR SUGIMURA: Thank you. Next, we have Member Paltin, followed by...when Member Kama comes, or myself next.

COUNCILMEMBER PALTIN: Thank you, Chair. We heard from choke people about the rental assistance, and it seems that it's kind of flat at 3 mil and already all allocated. And we also heard from folks about the difficulty of not getting the rental assistance for 90 days, and then within the 90 days, they said they have 7 days after getting it to find a place to rent, and then if you don't find a place to rent within 7 days, you go back to the end of the list and you got to wait another 90 days. And, you know, this is from, like, a former veteran, lost his job in the fire, didn't want to take advantage of the eviction moratorium that was in place because of credit rating, been living at Olowalu, Camp Olowalu. They only allow 14 days a month. He got two beautiful German shepherds. We heard other people saying that 90-day wait is...is not manageable. Catholic Charities said they had more capacity, but not any more money. And it was also pointed out by folks that, you know, the fire didn't only impact Lahaina, and although there is a lot of Lahaina people falling through the cracks, the DMC...DCMP program isn't turning out to be all that it was cracked up to be, and just, you know, people are having fatigue from dealing with all the acronyms. So, it's Lahaina people falling through the cracks, as well

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as other people that were impacted indirectly by the fire. And it seems that, you know, if housing is the Administration's biggest goal, but the Affordable Housing Fund is getting less money, Rental Assistance Program is getting similar amount of money, we're leaving a lot of people to fall through the cracks and not get housed, even though housing is the priority. Any response?

MR. MITCHELL: Thank you, Chair Sugimura, and Member Paltin, for the question. I'm not exactly sure what...what part of the question you'd like us to address first. If we can...

COUNCILMEMBER PALTIN: Well, you can address any one you want first, but I guess the 90 days. I mean --

MR. MITCHELL: Okay.

COUNCILMEMBER PALTIN: -- if somebody applies for rental assistance, why does it need to take 90 days, or how should they apply for rental assistance so that, you know, they can get it in a timely way?

MR. MATAAFA: Thank you, Chair Sugimura. And thank you, Councilmember Paltin, for that question. So, before I can get to that point, I just want to reiterate the goals of the Rental Assistance Program is one, to provide temporary rental assistance for those in need; and the second piece, the big piece of the program, is also to instill program participants . . . *(timer sounds)* . . . with the tools needed to become economically self-sufficient. So, I can go through really quickly just the eligibility criteria, which I think that might help the...the Committee kind of understand who's eligible for these program...for this...for the program, and might be able to help you guys with guiding you with some of these concerns that you're getting. So, overall...

CHAIR SUGIMURA: One moment. Members, I hope you'll allow the Department to explain this further. Because we all heard this last night, and we've been concerned...and especially Member Sinenci, I think he's probably going to ask you this question also. So, will you allow them to finish this? It's going to take a little bit more time than the three minutes. So, please proceed.

COUNCILMEMBER PALTIN: I will.

CHAIR SUGIMURA: Yeah. Okay.

MR. MATAAFA: Okay.

CHAIR SUGIMURA: Thank you.

MR. MATAAFA: Perfect. So, some of the eligibility criteria, one of the big ones is it's meant for participants making 80 percent of the area median income and below. So, that's one of the program's eligibility requirements. The program participants also have to demonstrate that they have a need, so providing an eviction notice to the entities that do administer the program is another part of the requirement. And then one other big

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piece of this is, they must also demonstrate that they're living in substandard housing, which is either living on the beach, in outside...or in the outside, or experiencing crowded living conditions. So, those are the general program requirements that are in the Rental Assistance Program guidelines that the entities that we contract with follow as part of their grant agreements from the County. And to kind of address your 90-day question, Councilmember Paltin, there is a section in our guidelines that talks about participants seeking the full amount of rental assistance available to them, which is capped at 24,000 within three months, which is 90 days. And if they're going to exercise that option, what's required is, they have to demonstrate that after the 90 days is up, there is a plan to...to scale down the funding after that point because they're only allowed to have 24,000 for the whole year per participant. So, in order to...so, I don't know if this is what you guys heard at the Committee...at your hearing yesterday, but that 90-day piece, there is something in our guidelines that says if you're asking for the whole amount up front for the three months, the 24,000, you have to show to the entities that are administering the program that after 90 days is up, that you have a plan moving forward to be economically self-sufficient because you won't be eligible to receive any funds after that point.

COUNCILMEMBER PALTIN: I guess, you know, perhaps that worked, or somewhat worked before the fire, but with the 80 percent and below and all of that, it seems we're going to be losing a lot of our professionals, you know, like a teacher and a firefighter, or a police and a, you know, Public Works secretary or something like that. Because the need in Maui post-COVID, post-fire, goes well beyond the 80 percent AMI group, and...and the availability of housing and the prices of housing post-fire and post-COVID go way beyond 2,400 [sic] annually. I mean, that could be blown through in one month easily. So, is there any programs being supported that fit the post-COVID, post-fire, current Trump era that can help our professionals stay? Because, you know, that's a lot of our essential workers that we need those services from. Like I mean, our Managing Director, until he gets his pay raise, doesn't own his own home, and...and if he left, we'd be up some creek.

MR. MATAAFA: Thank you, Councilmember Paltin, for that question. And to answer your question, no, there isn't a program that's currently under the Department of Housing that addresses rental assistance for 80 percent and above. With our current program, we do issue the grants on a two-year cycle. So, we started in FY 2025, and we have an existing grant agreement that goes through FY 2026. That's pending the approval of the funding that we're putting in our FY 2026 Budget for the Rental Assistance Program. I will give you a quick update too, on where we at currently with funding in this current year. So, we've expended, to this point, \$2 million. We have some pending actions that we've taken to amend some of the grant agreements to add additional funding to some entities. And what's left over right now for the Department is about \$150,000 for the remainder of the year. And we haven't received any notification from any of the entities that we contract with that there is a need for more funding at this point. So, that is why the \$3 million request was...was continued in our FY 2026 Budget.

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COUNCILMEMBER PALTIN: Thank you. I understand what you're saying. It's a bleak outlook for the reality of our people though, and I'm not...I'm not equipped to solve that particular problem. Thank you, Chair.

COUNCILMEMBER JOHNSON: Chair, I have a point of information.

CHAIR SUGIMURA: Yes, please.

COUNCILMEMBER JOHNSON: I've been working with the Maui United Way to craft a program that kind of addresses the...addresses these problems that the Deputy Director was just mentioning about helping folks a little bit higher in wages. It'll be one of my priorities, so just giving you guys a heads up.

CHAIR SUGIMURA: Okay. Please, Director.

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Paltin and Member Johnson, for both your questions and a reminder of your priorities. And I would be remiss if I didn't say it's really important for the Department to communicate that, as you can tell, we're working furiously to get our current programs functioning properly, and we are severely understaffed. So, as we talk about a much-needed additional program for folks 80 percent of AMI and up, that we understand that that requires additional Staff and the time it takes to onboard them and to develop the program. And as you can see with the 'Ohana Assistance Program, the pilot program, it's been a challenge to get that going. So, I just remind folks that if another program is created, it's going to take some time, and there'll need to be some staffing related to that, and funding. Thank you.

COUNCILMEMBER JOHNSON: I would like to put it under Department...a different Department of Human...totally. So, Department of Human Concerns. Thank you, Chair.

CHAIR SUGIMURA: Oh, instead of Housing. I guess we got to find out what your details are, right? All right. I...all right. So, next...Chair Lee is excused. Member Kama's not here. Member Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Chair. And yeah, just to add to the conversation, I did meet with Director Mitchell, as well as Deputy Mataafa, and they did express to me their...their challenges with having enough Staff to issue...or to create another...I guess, an agency or criteria to get more rental assistance out there. Director, we did...again, we did hear the need in this last couple meetings from the Maui Housing Hui, just how inflation and high living costs are really stressing some of these houseless individuals, and how people have to decide to either pay their car tax or pay their...their rent. And...and we're also anticipating those that...that are falling off of FEMA. And so, if FEMA ended, it'll take another two months before mediation starts getting some of these FEMA guys in mediation. So, that'll be in probably May...May or June that they're going to see another spike of...of homeless that...that need more rental assistance. Maui Mediation is seeing, from the Governor's eviction moratorium, that if the...the landlords

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are allowing them to stay, they're only going on a month-to-month basis. So, that doesn't help to...to have rental security for more. So, you're saying 90 days, but they need at least six months to have rental security so that they can kind of catch up with those rents that are in arrears. So...and...and we did speak about those agencies, Family Life Center as well as KHAKO. So, increasing those numbers...because Deputy Mataafa said this goes...the three million is already spoken for, for the 2025-2026 allocation, so those funds have been already spoken for. If these agencies have the capacity, is it okay to increase the three million to anticipate some of these additional homeless issues?

CHAIR SUGIMURA: Deputy Director?

MR. MATAAFA: Thank you, Chair Sugimura. And thank you, Councilmember Sinenci, for the question. In recalling our conversations with you previously, what you're describing is almost a completely new program that does address the needs for . . .*(timer sounds)*. . . a different population than the current program serves.

COUNCILMEMBER SINENCI: Well, yeah. Knowing that what you mentioned, you don't have the capacity, just increasing it for the current programs--Family Life Center, Ka Hale A Ke Ola, Women Helping Women, and MEO--I believe Director Cabebe is...is willing to...to assist with...with getting these out to more families. Can we do that?

MR. MATAAFA: Thank you, Councilmember Sinenci, for that question. And the Department hasn't had the opportunity yet to discuss whether...with the agencies that we contract with whether they could accept more funding in FY 2026.

COUNCILMEMBER SINENCI: Yeah. Debbie said she...she's willing.

CHAIR SUGIMURA: Director. And we have...we have Director in the audience, Debbie Cabebe, if you...that would help?

COUNCILMEMBER SINENCI: Oh.

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Sinenci. I just want to make sure the Department is clear that it isn't simply about putting more money in the existing programs. The existing programs have their existing guidelines through the end of Fiscal Year '26. We're talking about a new program for a different population, and then we would have to find a grantee to assist with managing that program. So, it isn't just about putting money in the existing programs and having those existing grantees.

COUNCILMEMBER SINENCI: Okay. Well, we'll wait...we'll wait . . .*(inaudible)*. . . We'll just...we'll just go look for another venue then to...to get more monies to these people. Thank you, Chair.

COUNCILMEMBER PALTIN: Chair, point of --

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CHAIR SUGIMURA: Member Paltin?

COUNCILMEMBER PALTIN: -- information. Ms. Cabebe just shared that they're working with a private foundation to secure five million to support rental assistance for the gap group. They anticipate securing funds in the next two months, which is great news. Thank you very much, Ms. Cabebe, because it's sorely needed.

CHAIR SUGIMURA: Okay. So, will they be working with the Department? Well, we have Director Cabebe here. Do...do you all want to hear from her what you just read from a text?

COUNCILMEMBER PALTIN: Sure, if she's willing.

CHAIR SUGIMURA: Yeah, would you come down and share? Maybe we can put some glue to this.

COUNCILMEMBER PALTIN: And she also shared some stuff regarding yesterday's, but I'll...I'll send it to the Committee.

CHAIR SUGIMURA: Okay. So, Members, if you allow to have --

VICE-CHAIR KAMA: Yes.

CHAIR SUGIMURA: -- Director Cabebe be a resource to add to this conversation.

MS. CABEBE: Good morning, Chair.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: No objections.

CHAIR SUGIMURA: Thank you.

MS. CABEBE: Good morning, Chair. Good morning, Members. So, we have been...we were in preliminary meetings a couple of months ago with a private foundation, and I don't want to say who it is right now until it's finalized, but about the rental assistance situation. And we did make it clear that...that there's a gap group, you know, that are people above that 80 percent that need help. So, we also still have the TANF program, which is the Temporary Assistance for Needy Families. And they have rental assistance money in there as well. So, we can help people with short-term rental, but they have to have a dependent child. So, we can help people with short-term rental, and then long-term rental. So, if they came in initially and we gave them assistance for three months or less, if they get a longer-term lease later, they can come back and get additional rental assistance, but they have to have a dependent child. And there's some other criteria. And there's a lot of money in there. The State has indicated that they're going to give us another contract for this next fiscal year, and with the option of potentially three extensions to that. So, they have the money in hand, and they are

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willing to fund that. So, that's one pot. I think in the County rental, for the current program, we just are in the process of getting another 150,000. So, we would be about 1.1 million giving out this year. It's all obligated already. We have a waitlist. So, if there could be additional funds put into the basic housing, the regular housing program for the 80 percent, I think there's still a need. And I don't think that...and I'm not speaking for the other agencies, that it's going to be a lot of additional work because the mechanics...or the mechanisms are already set up. So, it would be a matter of putting more money in that fund that you could use to support more people following the current guidelines, so they wouldn't have to rewrite the program. Then this private foundation fund is \$5 million to address that gap group. Thank you.

CHAIR SUGIMURA: So, fabulous. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you. Yeah, just how much would the Director need for the...the current program?

COUNCILMEMBER PALTIN: Or suggest.

CHAIR SUGIMURA: Deputy...Director Mitchell or...or Deputy Director Mataava [sic].

MR. MITCHELL: Thank you, Chair Sugimura. Director Mataafa will take this question.

MR. MATAAFA: Thank you for...

COUNCILMEMBER SINENCI: Director Cabebe.

CHAIR SUGIMURA: Oh.

COUNCILMEMBER SINENCI: How much...how much would MEO need?

CHAIR SUGIMURA: Oh, MEO. Sorry.

COUNCILMEMBER SINENCI: Or...or suggest?

MS. CABEBE: For an entire year, I'd say maybe 1.5 for our agency, and I don't know what the other agencies that are in the group would need. Thank you.

COUNCILMEMBER SINENCI: Thank you, Director.

CHAIR SUGIMURA: Okay. Are you done, Member Sinenci? Okay. So, let's continue with that. So, you...you have a completely new program which you will administer, which will not then involve the Department of Housing, right? Those are going to be AMI above the 80 percent --

MS. CABEBE: Yes, ma'am.

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CHAIR SUGIMURA: -- to help with housing. And then...but your question is, Member Sinenci, how much more would the Housing Department need to continue or provide services to --

UNIDENTIFIED SPEAKER: The 80 percent and below.

CHAIR SUGIMURA: -- yeah, 80 percent and below. And it sounds like the current amount is not enough, the 3 million. Or do you think it is?

MR. MATAAFA: Thank you for the question, Chair Sugimura. And I will say that we currently have 150,000 left over that hasn't been spoken for yet in this current year's fiscal year allocation. Director Cabebe is correct that there is another 100,000 that is coming to her through a grant agreement, but that doesn't affect the leftover balance right now, which is 150,000.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: But it...it --

CHAIR SUGIMURA: So...

COUNCILMEMBER PALTIN: -- sounded like she had a waitlist that could go through on top of that 150,000, the 100,000, another 250,000 worth, because she said 1.5.

MR. MATAAFA: Yeah. So, this is the first time I'm hearing that piece. To date, I...I know that there is a pending grant amendment that's happening to give her the initial funding request that she asked for...actually, the second funding request that she asked for. The additional amount that was stated today, I'll have to work with MEO to see what that additional amount is, and whether we can use the existing allocation that we have now to fund that piece.

COUNCILMEMBER PALTIN: And have you checked with the three agencies that you disbursed the rental assistance program to, if they have a waitlist that hasn't been serviced?

MR. MATAAFA: Thank you for the question, Councilmember Paltin. We haven't checked on whether there's a waitlist or not, but we do have another pending grant amendment for another agency in the amount of \$60,000 that also doesn't affect that 150,000 piece. So, we haven't followed up with them if there's an additional waitlist, but the requests that have come in for additional funding, we were able to grant in this...with the \$3 million that we currently have. And there's 150,000 left over in the pot that hasn't been spoken for yet.

COUNCILMEMBER PALTIN: And the 60,000 you mentioned, is it to one of the three agencies you're working to?

MR. MATAAFA: That's correct.

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COUNCILMEMBER PALTIN: Okay. Maybe follow back. Because if...if they need additional because of a waitlist, now would be the time we need to know.

CHAIR SUGIMURA: So...go ahead.

MR. MATAAFA: If I could just follow-up really fast on this part. So, another piece of this is that the funds have to be expended by the end of this fiscal year as part of this grant agreement. So, if they accept funding and they're not able to use it by the end of this fiscal year, they'll have to return that...those funds back to the County.

CHAIR SUGIMURA: Sounds like it might be something that they need. But --

VICE-CHAIR KAMA: Whether they can make it happen.

CHAIR SUGIMURA: -- but maybe what...maybe what we can do is, you won't need a letter from us...or do you need a letter from us just so we can understand all of this, or you're fine? Are...are...are the Members fine hearing this information? Or you need it in...oh, Member Kama, thank you. Welcome. Sorry we didn't welcome you earlier.

VICE-CHAIR KAMA: Thank you. Sorry, I thought we started at 10:00. But nonetheless, I'm here. So, it seems to me that the 5 million from the new program that MEO's going to be administering for those that are 80 percent above AMI, and then there's the other program, the TANF, that supports those who are 80 percent and below that you need to have a child. But in the program that we have on the County is 80 percent and below AMI, and it doesn't matter if you have children or no children, right? Okay. So, it seems to me that the pot of money for 80 percent and below should be larger than the 80 percent and above because, to me, we have more people at 80 percent and below who are behind in their rent, as opposed to those who are 80 percent and above. But I don't know that for sure. But it just seems that the money should be more because they're probably behind in their rent more than one month. That's my comment, Chair.

CHAIR SUGIMURA: Okay. All right. So, we started with Member Sinenci about this. Are you done with your question?

VICE-CHAIR KAMA: Sorry, Mr. Sinenci.

CHAIR SUGIMURA: Oh, no, no. It sort of is, everybody has a contribution. And when Member Johnson has your turn, I hope you will share what you're thinking because it sounds like you're thinking something totally different. Members, if you would allow...oh, here's Director Cabebe.

MS. CABEBE: And I apologize. I just want to clarify, the 1.5 I was speaking to was for the next fiscal year, for July 1st, not for the current year. I think the money that the Department has funded us right now, it was a conversation, it was based on our waitlist, and that will take care of it. And as they said, we have to spend all the money by June 30th. So, I would be...it would be hard, I think, to take on more money right now, and

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not show that I could spend it down. So, the 1.5 I was speaking to would be for July 1st, 2025. Thank you.

CHAIR SUGIMURA: July 1st, 2025. Okay. So, Members, if you would...anybody else have any questions for Director? I'm so glad you're here. All right. Thank you.

MS. CABEBE: Thank you.

CHAIR SUGIMURA: So, if you would allow, because Member Johnson has a whole thing going on, as well as Member Sinenci. Do you want to talk about your...what you're thinking with Maui United Way; is that right?

COUNCILMEMBER JOHNSON: Certainly, Chair, if you guys will allow it. We want to focus on the ALICE population, 53 percent that can't meet the basic needs and save...save any kind of money. So, funds to the Maui United Way to distribute basic needs, like food, rental assistance...you know, the food cards, rental assistance, medical assistance, the gas cards that folks have been...remember, they were getting gas cards? Dental, utilities, school supplies. But ultimately, it would be a collaboration with the Maui United Way. And those kinds of things are so important for our...our folks who are struggling under the ALICE, you know. I think, really, it would be basically working with partners to...to distribute it. And remember, after the fires, a lot of this infrastructure is already in place. There already are...you know, Maui United Way has done a lot for the ALICE...ALICE community, so we want to just, you know, give them a pot of money that they could, you know, help distribute that.

CHAIR SUGIMURA: Okay. So, that's your program that you're thinking of. Members, anybody have --

COUNCILMEMBER JOHNSON: Right.

CHAIR SUGIMURA: -- thoughts on it? Or Department, do you have any thoughts on it?

COUNCILMEMBER JOHNSON: Remember, it's going to a different department, but you can ask them, Chair.

CHAIR SUGIMURA: Oh, it's not going...oh. Oh --

COUNCILMEMBER JOHNSON: It's going to go to --

CHAIR SUGIMURA: -- . . .*(inaudible)*. . . sending it to Human Concerns.

COUNCILMEMBER JOHNSON: -- Human Concerns, yes. I think they have a very good working relationship with Maui United Way, as opposed...as opposed to these guys, who just told us they got way too much work on their hands. So, I want to try...you know, be like Bruce Lee and be like water, go where...go where the flow will go. Because if we don't...if we...if we give it to Department of Housing, they're going to tell us just what they told us. They've got a lot on their plate, and they don't want any more new

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programs, where Department of Human Concerns, I think, has a relationship with Maui United Way. And, you know, I'm just trying to be like Bruce Lee here, guys.

CHAIR SUGIMURA: Okay. Okay. All right. And nobody has any questions on that. I'm just concerned that people are going to receive like double dipping, get rental assistance, and then they're going to receive all this money from Maui United Way, and I just...that's my one thought.

COUNCILMEMBER JOHNSON: Remember, this is going to be for the...the gap in the higher-ups, the 80 percent AMI and above. Remember, Debbie Cabebe guys and Department of Housing have all been talking about 80 percent AMI and belows. And there's still a lot of...a lot of...a lot of people who aren't getting there. There's people falling through the cracks that make a little bit too much, and can't seem to make ends meet...you know, the ALICE population that we constantly talk about.

CHAIR SUGIMURA: So, MEO just said, Gabe, in case you didn't hear it, is that 80 percent that they're getting this 5 million...I mean, it's not 80 percent. 5 million is for the 80 percent and above. So, it's the same group that you're talking about. So, can you guys converge just to spend wise? All right. Sorry. Thanks for letting us kind of go out of track. So, in my turn, I would just like to ask, on Kaiulu [*sic*]...Kaiulu [*sic*] o Nāpili, we recently had a bill appropriated and approved in the BFED Committee, gone through first reading, for \$650,000 for pre-development costs for housing. And the land that is being used for this project is, as you know, Open Space, as it was designated. And now the County is...has taken this bold step of using it for housing without, to me, authorization because it was provided and bought with Open Space Funds. So, my question is, when is the Department--maybe it's Budget and...and Housing, as you must merge--when are you going to pay back the Open Space Funds?

MS. MILNER: Thank you, Chair. Part of this pre-development that the funding will be used for that the Council just authorized, is going to determine what the potential size of the project may be. At the time, we don't know how much of the Open Space parcel is being contemplated for the use of this, so it didn't feel appropriate at this time. As soon as the pre-development is done, and we know how much needs to be reimbursed, that will happen. As we stated, I believe it was in OM-4, the Office of the Mayor spoke to the Department of Housing, and if the Council would like to add additional conditional language to the Nāpili project to state that that grant...that loan cannot move forward until the Open Space Fund is reimbursed, we're all open to that. Thank you, Chair.

CHAIR SUGIMURA: Okay. Very good.

UNIDENTIFIED SPEAKER: . . .(*inaudible*). . .

CHAIR SUGIMURA: Well, it would be under, right, the land use, so we can...we can do that. Can you make a note of that? Yeah? Okay. Also, on...in the Affordable Housing Fund, can we add Kilohana Makai Workforce Housing Project for \$1 million? Department?

UNIDENTIFIED SPEAKER: . . .(*inaudible*). . .

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CHAIR SUGIMURA: It is in there, but it's not in the Affordable Housing Fund. I want to put it where it belongs, with your permission. It is on page 10 in Bill 41. Is it 10? Yeah, page 10 on Bill 41. Check that out on the left-hand side. Department?

MR. MATAAFA: Thank...thank you, Chair Sugimura, for the question. So, I just also wanted to explain how the Department--because I think this will help you guys understand how the Department developed our budget, and why projects are in certain areas. So, going back to October 2024, the Department released a request for applications for the Affordable Housing Fund, and we closed that application process in November 2024. When we received the applications, the Department set up an independent review committee to review and rank those applications. And they came up with a determination that was later forwarded to the Mayor's Office for consideration in the Mayor's FY 2026 Budget. After the Department completed and closed the application process in . . .*(timer sounds)*. . . November 2024, there were priority projects that were identified by the Administration that the Department collaborated on with the Administration to put into our budget, and those are the projects that are identified as grant line item subsidies. And I don't have the page number in front of me. Page 10 in the budget. So, that's kind of how we separated those projects. And Chair...Chair Sugimura, you're asking whether the project for Kilohana Makai, which is included as a grant line item subsidy, can be moved to the Affordable Housing Fund?

CHAIR SUGIMURA: Yes.

MR. MATAAFA: And the Department doesn't necessarily have an issue with that. I think it would be up to this body to decide whether it would want to move the project from a grant line item subsidy into the Affordable Housing Fund.

CHAIR SUGIMURA: Yeah. The...yesterday we had the developer come and testify, and I think it was just a matter of communication with the County, and so he probably missed your...I'm...I'm gathering he missed your particular deadline. But the need is there, and I think it belongs more in the Affordable Housing Fund rather than to use General Funds, and to put it in...in, you know, one of the pots. I think it makes more prudent sense in terms of fiscally responsible. I don't think there was any malice in terms of the deadlines and things like that, and they were so familiar with the project. So, the Department would be okay if we put it in the Affordable Housing Fund?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Yeah. There's funds, so... Go ahead.

MR. MITCHELL: Thank you, Chair Sugimura. Obviously, the decision of where to move the project is the body's to make, and I would just reinforce that, what Deputy Director Mataafa said is, the Department was very focused on reinstituting the RFP process for the Affordable Housing Fund, and developing a review process that we felt very good about, one hadn't been done in some time, and get back to a practice where the Department actually managed the fund, as opposed to the fund being largely earmarked.

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And I hate to repeat what he said, but I think it's worth repeating. We set up an independent body of reviewers that largely were outside of our Department to critically evaluate the projects for readiness. We looked, I think, at 19 different projects. I think we had 19 applications. And then there were some that were ranked, that were excluded for a variety of reasons, because we didn't deem them ready enough, and they made it into the Affordable Housing Fund portion of our budget. But ultimately, if you wish to move something to the Affordable Housing Fund portion, that's your choice. We're just describing why we went through the process of reinvigorating the RFP for the Affordable Housing Fund. Thank you.

CHAIR SUGIMURA: Okay. Thank you. Thank you for doing that and, you know, explaining this to us, and I'm just...I'm just looking at General Funds, and I think it fits--to me, anyway--better in the Affordable Housing Fund. It's not a brand-new, unknown developer, or unknown project because they have come through your process before. So, anyway, that's...that's...that was my question on that. Do they have any...I don't have my sheet, so do they have any rates and fees or anything of interest? And I'll just take the...the next Member. Member U'u-Hodgins, and we'll go to Member Cook, Member Rawlins-Fernandez, and then Member Johnson, and when we get to 10:30, I'm going to take a break. Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. I'm looking forward to seeing your folks' responses to all of our questions. I know Member Cook asked about the experimental and demonstration housing, and I know that we had it in our budget for a while as a fund. It just hasn't been funded for a really long time since the creation of 201H, and all its former letters that came before the H, and 2.96 and 2.97. So, I'm very curious how this is going to go. A couple of my questions include, we've been talking a lot about incentives for County employees. The unions move a little bit slower than I think we would like them to do when it comes to paying our employees well, except now we have you guys, and all of our County employees need housing. So, when we start developing housing on our own lands, how can we prioritize our County employees getting housing first, and what can we do...and what can we do to help you folks? I think housing as an incentive for our employees would be fantastic. I don't necessarily need that now, but maybe we can work on something in the future because I think that's going to be a long time coming, but I just wanted to say that. I wanted to talk about...Planning had monies in their budget for professional services to hire somebody who's going to help rezone some of our County-owned lands. And I...when I asked that question with them, they said they're going to work in collaboration with you folks. On page 341 in our Program Budget. Goal number 1, number 2...I don't know, I think this is probably a typo, but it's interagency, interdepartmental collaborations, and we have estimated at ten for this upcoming fiscal year, which is less than once a month. But when we start the ball rolling and when we start having all of our lands being redeveloped, can you guys meet more than just less than once a month with Planning?

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member U'u-Hodgins. Absolutely.

COUNCILMEMBER U'U-HODGINS: Okay. Good.

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MR. MITCHELL: And despite the number in our budget documents, we...we meet frequently anyway, so --

COUNCILMEMBER U'U-HODGINS: Okay. Good.

MR. MITCHELL: -- that's an easy yes.

MR. MATAAFA: And then...

COUNCILMEMBER U'U-HODGINS: Okay. Good. I'm going to change that number to 40 and make that number look better for me in the budget.

MR. MATAAFA: And then, if I could just supplement his response as well. What is included on page 341 is the interagency and --

COUNCILMEMBER U'U-HODGINS: Yep.

MR. MATAAFA: -- interdepartmental coordination within the Housing and Community Development Division. So, in the division alone, in FY 2025, that was the number that we used, and we are, as you know, continuing . . . *(timer sounds)*. . . to staff up, but Director Mitchell and I have had way more than ten interagency and interdepartmental meetings or partnerships, discussions throughout the fiscal year. So, this really only applies to Housing and Community Development as it's currently staffed, but that number is going to go way up in the future once it fully is --

COUNCILMEMBER U'U-HODGINS: Okay. Good.

MR. MATAAFA: -- it's moving forward. And so...

COUNCILMEMBER U'U-HODGINS: I would assume...I mean, less than once a month is...is as if you don't talk to anybody, and I hope that's just not the case, so I wanted to just make that a point. I did hear the bell. I do have a lot of questions, and we had a quick sidebar there, so I'll wait until my next turn.

CHAIR SUGIMURA: Next, we have...Member Cook had to leave for a little while. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Chair. I...I...I have a couple other questions, but your question about moving the \$1 million of Kilohana Makai money from grant subsidies to Affordable Housing Fund. Since we have the Department before us, and I assume that's going to be a motion that you're going to make in decisions week, I'd like to have the discussion now since the Department's here. My question to you, Chair, is, what is the purpose of moving the Kilohana Makai request for \$1 million from grant subsidy to Affordable Housing Fund when Affordable Housing Fund has been...what's generated has been allocated in all the projects that they have before us? I believe there's like some...like a...like a million dollar buffer, which...so my question is,

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what is the purpose, one; two, is it your intention to use what is currently under the Affordable Housing Fund, which is estimated for FY '26 to be 43.5 million, or would you add a million, making it 44.5 million, in order for Kilohana Makai to receive the \$1 million? Because my...my understanding is that there...there...there wouldn't be enough, and I think the motivation behind this...behind your intention is to decrease real property tax. Because, as we all know, Charter mandates 3 percent of real property tax revenue in any given year, which is \$650.8 million this year, which actually comes out to 19.5 million. So, the 43.5 million that they're estimating is actually more than the 3 percent, Chair.

CHAIR SUGIMURA: Great explanation. I'm actually looking to exactly what you said, not use General Funds, which means raise property taxes, and use a pot of money that is existing that was set up for this purpose. It is not a brand-new project to us. It's not like we're saying, oh, let's go and, you know, fund this brand-new development project.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. While we're...while we're...while...while we have Director then with us, because I...so my --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- understanding of your motivation behind doing that was correct. What is left of the 43.5 million, Director, that was not...that is not already allocated for in...in Appendix A, Part II, that you submitted to us?

CHAIR SUGIMURA: Department?

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Rawlins-Fernandez, for the question. You're asking what is the residual left in the fund based upon the estimated revenues, and . . . *(timer sounds)*. . . I don't have the...the precise number directly in front of me, but we approximate it to be about a million or so.

COUNCILMEMBER RAWLINS-FERNANDEZ: Correct. Okay. Because when we met in the office, I remember you approximating about a million in the...so, we would have to increase, and would still use General Fund if it doesn't reach that amount. So, the...the goal, or the purpose of moving Kilohana Makai from grant subsidies to Affordable Housing Fund, we wouldn't really...it wouldn't...it would defeat the purpose, is...is basically what I'm saying. Okay. Mahalo, Chair.

CHAIR SUGIMURA: Okay. All right. So, Members, do you mind if we take a ten-minute break? Okay. 10:35. . . . *(gavel)*. . .

RECESS: 10:26 a.m.

RECONVENE: 10:41 a.m.

CHAIR SUGIMURA: . . . *(gavel)*. . . It's now 10:41. Welcome back to the BFED Committee. And Director would like to add to the conversation that we had before the recess.

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MR. MITCHELL: Thank you, Chair Sugimura. And if I could just follow up with Member Rawlins-Fernandez's line of questioning about the remainder in the Affordable Housing Fund. And thank you to Director Milner for getting the precise amount for us. It's actually 1.4 million. And as Member Rawlins-Fernandez indicated, 3 percent of real estate tax revenues would be 9.5 million. And the Mayor allocated 5 percent for the Affordable Housing Fund. In last year's budget, there was...the Mayor allocated 8 percent, and the Council amended that to approximately 9.6. But with respect to the 1.4 million, the reason why there's a little overage there is because invariably, there are projects that need additional funds as they get towards the end of their project. And then there are last-minute requests. If they're modest enough, we can address those. And so, we need a little bit of wiggle room in the Affordable Housing Fund to address the needs of the projects that we're going to fund, the last-minute funding requests for minor things. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Director Mitchell.

CHAIR SUGIMURA: Thank you very much. Next, we have Member Johnson, followed by Member Paltin, then Kama, and Sinenci.

COUNCILMEMBER JOHNSON: Thank you, Chair. This is my second round. Do I have two minutes or three minutes?

CHAIR SUGIMURA: Three minutes. Or do you want two?

COUNCILMEMBER JOHNSON: Okay.

CHAIR SUGIMURA: We can change it to two.

COUNCILMEMBER JOHNSON: I...I'll try to go quick. Director, Deputy Director, I'm going to back up a little bit to the assistant...the rental assistance funds. You basically use four providers for that--Family Life, Ka Ha Ke Ola [sic], MEO, and Women Helping Women. Can you...how's that going? Can you explain the process of the four? I mean, could...would you be willing to expand it? And how do...how do the folks get it? Thank you, Chair.

MR. MATAAFA: Thank you, Chair Sugimura. And thank you, Councilmember Johnson, for the question. So, as we alluded to earlier, the grant was executed on a two-year cycle. So, every two years, the Department issues a grant application to solicit entities to apply for the funding, which would be, in this case, the rental assistance funds that we're allocating. The current cycle that we're in is...we're in the middle of the current two-year cycle, so the same four agencies will be our four agencies that we contract with in FY 2026. And then when we start going out for FY 2027, we'll send out another grant application, and we'll publicize it, and that invites any entity to come in and apply for

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those funds and make a request...and make a budget proposal on what they intend to spend those funds on. And then from that point...

COUNCILMEMBER JOHNSON: Okay. Thank you.

MR. MATAAFA: Oh, okay. I just wanted to add one more thing.

COUNCILMEMBER JOHNSON: Please continue.

MR. MATAAFA: Yeah. From that point, we work with them to put it in the budget, the request in the budget, and to draft the grant agreements, and then ultimately execute the grant agreements once the funding is authorized and certified by the...by the County.

COUNCILMEMBER JOHNSON: Thank you, Deputy Director Mataafa. My follow-up question to that is, how is the feedback going? And I don't just mean from the providers, from the four folks that are getting the grant. I'm sure I'd like to hear your stance on how they feel the grant system's going. But also, how is the end user, the person who receives the grant or the rental assistance, do you guys ever follow up with them, how it worked out for them, working with these four vendors?

MR. MATAAFA: Thank you, Chair Sugimura. Thank you, Councilmember Johnson, for the question. And I want to give kudos to one of our star specialists in the Department who does monitor this program, Jenny Grancha. And she's the one that will work both with the entities and she'll do program monitoring. So, she'll go down from time to time and actually open up some of the books and talk with some of the...the participants when she does her monitoring. She follows-up with quarterly reports, and then she also has the ability to audit. So, she's the one who's really in the trenches here that does interact directly with both the program participants and the grantees. And she's kind of the glue that holds this all together. So, without her, we wouldn't . . .*(timer sounds)*. . . be standing here. But she does solicit that feedback and it's consistent with our request in the budget for \$3 million.

COUNCILMEMBER JOHNSON: Great. So, thank you. And I just want to follow-up because my time's up. Is there enough Staff for that? And that's pretty much a yes or no.

MR. MATAAFA: Thank you for the question. Yes, there's enough Staff to manage the Rental Assistance Program.

COUNCILMEMBER JOHNSON: Great. Thank you so much, Deputy Director. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Next, we have Member Rawlins-Fernandez, followed by Member Cook.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I...I went before Member Johnson. I'm happy to --

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CHAIR SUGIMURA: Oh, okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- share time.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. I have more questions, but I did just go.

CHAIR SUGIMURA: Okay. Great. Thanks for --

COUNCILMEMBER RAWLINS-FERNANDEZ: If others want to...

CHAIR SUGIMURA: -- letting me know. My checklist is off. Member Cook?

COUNCILMEMBER COOK: Thank you, Chair. And thank you for your patience with my brief absence for a meeting in my office. My question, Director Mitchell, what...what are some of the things that the Council can do to assist you in the continuing development of the Department and getting houses built?

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Cook, for the question. Well, if you may recall, in the middle of last year, I said the number one priority is staffing up the Department. We have got to get the Department staffed up. And as you know, we've talked about this issue several times, and we've gone through several iterations. We've gone through two reorgs, and now we're in the process of the union consultation, after which we will need to go through the pricing and evaluation process of the position descriptions with DPS. And so, while I would love to have Council's assistance with expediting that process, the Council doesn't really have a direct role in that. We just need to labor through that. But once we're through that, we really do need the help of everyone to circulate once we start announcing positions are being posted, that those positions are posted through their networks as well. That...that would be the largest help. Because we need to ensure we're getting a lot of applicants so we can achieve the mission the Department has, is providing housing for the community, and to do that, we need staffing. So, once we get to the point where we start announcing the positions, we're going to solicit the help of the Members to communicate that publicly. Thank you.

COUNCILMEMBER COOK: Thank you. So, the follow-up question, how...is...is the Administration engaged, and to your knowledge, to address some of the challenges with Department of Personnel Services? You're one...you're one department of many, and everybody's facing the same challenges. ...*(inaudible)*... higher level to have the Department of Personnel Services procedures modified?

MR. MITCHELL: Thank you, Chair Sugimura, and Member Cook, for the question. I need to defer that question to the Administration, and maybe Director Milner, who's just grabbed her mic, is ready to rock and roll. I'll defer to her.

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MS. MILNER: Thank you, Chair. Thank you, Councilmember Cook. Yes, this is definitely a priority of the Administration. As you all are aware, we have included funding under the Department of Personnel and the Department of Management to try and revamp those policies and procedures. And we're working closely with not only DPS, but also the departments to make sure that everybody's doing what they can to really expedite these processes. Thank you, Chair.

COUNCILMEMBER COOK: Thank you. . . .*(timer sounds)*. . .

CHAIR SUGIMURA: Okay.

COUNCILMEMBER COOK: Thank you, Chair.

CHAIR SUGIMURA: Okay. Just in time. Next, we have Member Paltin, followed by Member Kama.

COUNCILMEMBER PALTIN: Thank you, Chair. I'd like to work off of this lapsed Affordable Housing Fund project stated *[sic]* April 9th, and I wanted to know if this is comprehensive of projects that will not be funded for Fiscal Year '24 and '25 and '26?

MR. MATAAFA: Thank you, Chair Sugimura. And thank you, Councilmember Paltin. I'm assuming you're going off of the affordable housing plan that was transmitted to the Committee yesterday, April 10th?

COUNCILMEMBER PALTIN: No, the lapsed Affordable Housing Fund project --

MR. MATAAFA: Oh, sorry, my mistake.

COUNCILMEMBER PALTIN: -- paper.

MR. MATAAFA: Sorry, could you repeat the question?

COUNCILMEMBER PALTIN: If this is comprehensive of projects that will not receive funding regarding Fiscal Year '24, '25, and '26?

MR. MATAAFA: Thank you for that question. And the letter that you have before you is only identifying the projects that weren't funded in FY 2024.

COUNCILMEMBER PALTIN: Okay. Do you have a list of FY '25 projects?

MR. MATAAFA: As we're currently in the middle of the fiscal year, what's also required in Code, just for everybody's information, is also an annual affordable housing report in addition to the affordable housing plan. So, we would like to be able to give you that report at the end of the fiscal year once the fiscal year's over to identify where we are with all the affordable housing projects that were identified in FY '25 to give you a clearer...a clearer, more transparent picture of where we're at with the Department.

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COUNCILMEMBER PALTIN: Okay. I guess I'm concerned with the Pulelehua 15 and 18 million. I know that the 15 million has been sitting on Corp. Counsel since the end of December or early January, just waiting for review. On Monday night, I spoke directly with First Deputy Kahahane about, you know, permanent affordable housing opportunities in Lahaina--new permanent affordable housing opportunities in Lahaina, which as of right now, there are none, and, you know, it's desperately needed. We lost 4,000 parcels. And what she said--I don't know if you've spoken--is that they don't have any definition of what affordable housing they would exempt or have declaratory ruling. And to me, if it's fully entitled, in the community plan, has a district boundary amendment, has a Change in Zoning, could provide 240, 100 percent affordable housing...I don't know why we're sitting on our hands in light of a disaster where, you know, 10,000 people were displaced, and we're not set to create new government-assisted affordable housing for the next five years. That's like genocide to Lahaina, you know. So, can you please provide an update about that process, and what you and the Administration has done, maybe in writing, to provide . . .*(timer sounds)*. . . new permanent affordable housing for West Maui? I mean, even the Nāpili Bigley project, which I support, is not currently entitled, is not in the correct zoning, is not in the correct DBA, is not in the community plan. We were trying with Sylvia Luke, that project is dead because of no water, and I...I can understand CWRM saying like what is affordable housing to them? And the easiest, simplest definition is 100 percent affordable housing, correct zoning at the County and State level, and in the community plan. And if that can't move forward in the last four years, or three years after...two years after a historic fire that displaced over 10,000 people, then what are we doing?

MR. MITCHELL: Thank you, Chair Sugimura and Member Paltin. We too share in your passion over the delay and the challenges here. I'd like to respond to your statement and question in writing so that we have an opportunity to sit down with the Administration and craft a very clear response, if that's okay.

COUNCILMEMBER PALTIN: Yeah. Because I can't meet with First Deputy Kahahane until we're done with all of this because there just isn't enough hours in the day for...for me. But she was open, you know. I think the whole nation and world knows what happened in Lahaina. And if we have fully-entitled property...I know they haven't submitted certified payroll, and I spoke to them about that, and they said submitting certified payroll, they're ready for it, but doing that isn't going to guarantee their project moves forward. It still could be dead in the water, and they're not down to pay a million dollars for a dead project. And they have a will-serve letter from Hawai'i Water Service. I mean, if we had started this immediately after the fire, 240 families would have housing...affordable housing in West Maui. The people in Ka La'i Ola are very grateful, but basically a lot of them are living in a fishbowl where the water pressure hasn't been dialed in, and sometimes they turn on the spigots and the fixtures fly off in their face. So, I mean...

CHAIR SUGIMURA: Thank you. I hear your passion.

COUNCILMEMBER PALTIN: It's...it's disgusting.

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CHAIR SUGIMURA: We will have...well, the Department said they'll send something to us in writing, right? Okay. So, next, Member Kama.

VICE-CHAIR KAMA: Thank you, Chair. And thank you, Department, for being here. So, I fully understand your wanting to get your Department, you know, standing up and, you know, solid foundation so you can begin to do the job that you know you need to do. But in the meantime, what's the plan to recruit? What is the plan to recruit? Just going through DPS and that's it? And, you know, when the...when...when the RFP comes out, you're going to tell us, and share it, so we can share it? I mean, is there...what other measures? I mean, MEMA was here the other day, and they're able to work really hard with DPS to get the positions needed, and the job descriptions described, and all of that stuff. So, I was just thinking, God, maybe people should be talking to MEMA and say, hey, how are you doing this? What are you guys doing?

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Kama, for the question. So, in addition to--bird-dogging is the phrase of the day for me, I guess--bird-dogging the process with DPS, at the department's, I think, last leadership meeting, or the second-to-last leadership meeting, we've decided to look into two other opportunities to move this process along. One is the Governor's proclamation...emergency proclamation relating to affordable housing, which suspends civil service rules and certain rules regarding collective bargaining to expedite hiring related to affordable housing. We have a pending request for legal services in to Corporation Counsel to assist us in developing a process consistent with the emergency proclamation. We also recently learned that there is another program called recruitment and retention, or R2, where the County has an MOU with the State to work with the Workforce Development Division to identify, and I'm going to use this loosely, "interns" who would join the Department and develop the requisite skills and time of experience to meet the minimum quals. And our Administrative Assistant is looking into that too. So, we're not just sitting on our hands trying to go through the regular DPS process. Several weeks ago, I said, we've reached the point where we need to find an alternate to expedite this process. It's just taking too long. So, we're looking at other opportunities. Thank you.

VICE-CHAIR KAMA: Thank you. So, in the summary of grant award, there's a grant titled 'Ohana Zone, Kahului Affordable Housing for Homeless Families in the amount of \$2 million, which appears to be a continuation of a grant from this current fiscal year. Where's the 'ohana zone, and is it established, or is there...or is there a site selection process to be conducted? And if there's a site selection process to be conducted, would that process include public input?

MR. MATAAFA: Thank you, Chair Sugimura. . . .*(timer sounds)*. . . And thank you, Councilmember Kama, for that question. The inclusion of 'ohana zones in the Department's budget is a State grant that the Department of Housing and Human Concerns received when it developed its Huliau emergency rental project in Kahului, which serves 12 families on the --

VICE-CHAIR KAMA: Yeah.

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MR. MATAAFA: -- cusp of --

VICE-CHAIR KAMA: Okay.

MR. MATAAFA: -- of homelessness.

VICE-CHAIR KAMA: Okay.

MR. MATAAFA: So, the funding that goes into the 'Ohana Zones Program helps pay for property management, for case management, and then we're also working on a landscape management plan too, with those funds, in conjunction with the State.

VICE-CHAIR KAMA: Okay.

CHAIR SUGIMURA: Okay.

VICE-CHAIR KAMA: You mentioned Huliau, I got that. And the buzzer went off so fast.

CHAIR SUGIMURA: So fast, yeah.

VICE-CHAIR KAMA: Thank you.

CHAIR SUGIMURA: Okay. So, Member Sinenci, you're next. There you are.

COUNCILMEMBER SINENCI: Thank you, Chair. And we did send in more questions for the Department, but we can wait for their written response. Thank you. But I did have one request from yesterday's meeting for the Department of Human Concerns. They did share their operations and equipment, all the different grants. And so, if the...Chair, if we can send, if Staff can send them a written request for the Ka Hale A Ke Ola grant for central operations and step-up programs, and if...if we can just get the...the breakdown of that grant. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you, Member Sinenci. You got that? It's...right. Okay. Thank you. So, Members, we just did a couple of rounds, and I...I want to get to CDBG, and we have Jolie Jenkins sitting here, and she's on the other side of my computer, so I didn't see her until I walked during break. But we can either do a round of questions for CDBG, their reso, which would approve the projects that was listed, or we can do another round of questions and go to CDBG. It's now 11:01. Member Paltin?

COUNCILMEMBER PALTIN: Could we do another round, and Members decide if they have a question for CDBG or Housing?

CHAIR SUGIMURA: Okay. So why don't we ask the Members? Do we have questions for CDBG? Yeah, I don't think we do. I think my question regarding what happened to the Lānaʻi fire apparatus, we saw that it's in the budget, and the main thing, that it's there. But anybody else have any questions for CDBG? Okay. Go ahead. No, you don't. All right. So, why don't we do...

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UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Yeah, we can do more Housing. Is that...

COUNCILMEMBER JOHNSON: Yeah, mine's for Housing, Chair.

CHAIR SUGIMURA: Okay. You're all fine then. All right. So, I'm going to go back to Housing, and we'll start off...start off with Member U'u-Hodgins, and go down the row. So, Member Cook, Member Rawlins-Fernandez, Member Johnson, Paltin, Kama, Sinenci, and myself. Go ahead. Shall we make it two minutes each? You want three?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR SUGIMURA: We'll run out of time.

COUNCILMEMBER U'U-HODGINS: I do need time to get to the airport, but other than that, that's...that's all I got.

CHAIR SUGIMURA: Okay. Three minutes.

COUNCILMEMBER U'U-HODGINS: I have a question on page 340 of the Program Budget, which is...again, kind of going off what I was speaking about the last time, about affordable housing opportunities on County-owned land. Number one is percentage of County-owned parcels evaluated for infrastructure...adequate, rather, infrastructure and zoning. And next year, we're looking at 85 percent. I wanted you guys to clarify that a little bit for me. So, are we going to evaluate 85 percent of our County-owned lands for infrastructure and zoning? I hope the answer is yes. And then I'm assuming we don't have infrastructure, and some may have zoning on these County parcels. So, what are the criteria that we're looking for when we evaluate these lands? Are we looking for relative financial feasibility to provide adequate infrastructure, and perhaps the required zoning?

MR. MITCHELL: Thank you, Member Sugimura. And thank you, Member U'u-Hodgins, for the question. If I could just back up a second before directly answering the question, and if I could request that the box that's over your image be clicked so I can actually see your face, that would be great.

COUNCILMEMBER U'U-HODGINS: Oh, not for me, but for them.

MR. MITCHELL: Thank you. So, the backup portion of my response is that, one, we have several lists of County property, one that was generated by former housing section staffer Munsell. Another very long list that we received from the Finance Department that includes every single parcel owned by the County--like every remnant and every parcel that might have some sort of infrastructure on it. And then a third list that seems to have been an effort by the former housing section to identify County parcels. We have not had a chance to take all of those lists, issue an RFP, and get a consultant in

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to help us sort through what are ideal parcels to develop on. Having said that, that is one of our objectives for the next fiscal year. With respect to our criteria, it's...one of the things I've insisted, when we issue that RFP, is that generally, we want to look for infill properties where we're not challenged with trying to find the...making sure they have the infrastructure needed. Then we're going to need property that doesn't raise any environmental issues or raise any cultural issues, particularly if it's sandy lots. And . . . *(timer sounds)*. . . then also, focused on the proximity of those particular parcels to working areas, commercial areas, and transportation. So, we already have a working list in our mind of what would make an ideal parcel for the County to develop on County land. And we just haven't gotten to the point yet where we've issued an RFP to get the consultant services to go through all these lists that we've inherited and...and figure out what makes sense. But when we do, I'm anticipating we'll quickly get to a good number of...of parcels where we think they're...they're good developable lands in terms of flat lots, infill, available infrastructure, don't appear to have environmental or cultural issues that we need to be concerned about. We just aren't there yet. Again, we're ten months into standing up the Department. Thank you, Chair.

COUNCILMEMBER U'U-HODGINS: Sure. No, I appreciate that response. And I'll be honest, it sounds like you're looking for a unicorn in the sky. And I...I would love if we were to have that unicorn. But if...if we did have that unicorn...like we...we did have a parcel, right, that was located next to the hospital. And I think we started working with other people to figure out how we're going to make that happen. But I'm just...and I...I love it if we do have it, but I'm assuming we probably don't have the most perfect piece of land just ready to go in our back pocket. So, in the future, I would like to see some budget allocation to bringing infrastructure to affordable housing projects that the County owns the land, and we can invest in ourselves for the future. But I appreciate your answer. Thank you so much. Thanks, Chair.

CHAIR SUGIMURA: Okay. Next, we have Member Cook followed by Member Rawlins-Fernandez.

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

CHAIR SUGIMURA: Okay. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Chair. Let me grab my questions. Okay. For the Experimental and Demonstration Housing Projects Fund, there's \$4,750,000 listed, which is a pretty specific amount. Could you share with us your idea or plans with that amount of money?

MR. MATAAFA: Thank you, Councilmember Sugimura. Thank you, Councilmember Rawlins-Fernandez, for that question. So, in looking back at previous iterations of the fund, and how much was appropriated, and also the number of requests that came in to us throughout this fiscal year, the Department settled on that amount as a reasonable first start to reestablish the fund. To be able to mirror kind of what we do with Affordable Housing Fund is establish an RFP process where projects can apply for the funding, and then those projects are then later presented to the Council. So, it's

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our best attempt at looking at historical data on how we used the funds in the past, and then also, the number of requests that the Department received in this fiscal year to come up with that amount. That said, that number may or may not change if we come back in a future fiscal year. It just depends on how we do this in FY 2026, and adjusting to the need as it comes up in a future fiscal year.

COUNCILMEMBER RAWLINS-FERNANDEZ: Is there a reason you didn't just make it 5 million instead of 475,000?

MR. MATAAFA: Thank you for that question. There's no particular reason. It was just we're...we're kind of doing math in the back of our head, and we didn't want to go over the amount that we thought we could...we could use the funding for.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. You like more complicated math. Got it.

MR. MATAAFA: More complicated math. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So I created that...I introduced the legislation to create the fund. So, the history of this fund does not go very far back. I think it was in like 2020 maybe when I introduced the legislation to create this fund, and then we, you know, put a million dollars in there to try to get it off the ground. But it didn't seem like the Department was very interested in pursuing projects that could fall under, you know, the...the description of experimental and...and demonstration housing. My understanding is the experimental and demonstration housing was in a State statute created like in the '80s, and that a housing project in Kualapu'u on Moloka'i was built under that statute. But at...but since that time, some of those...some of what was described as experimental and demonstration either became unlawful or, you know . . .*(timer sounds)*. . . recognized as...as lawful. And so, it was no longer considered experimental and demonstration. Anyway, I look forward to see...seeing what you folks want to do. I know the million dollars, there...there was like one person that bid on it. So, it'll be interesting to see if more may be interested with 4.75 million. And yeah, look forward to hearing your report on that. Mahalo, Director and Deputy Director. Mahalo, Chair.

CHAIR SUGIMURA: Very good. Member Johnson, then Member Paltin.

COUNCILMEMBER JOHNSON: Thank you, Chair. Okay. So, one of the very important parts of this puzzle that we have not discussed yet is RPT. So, does the Department have a stance on our RPT rates as related to incentivizing local home occupancy and disincentivizing nonowner ownership or nonlocal ownership that does not contribute to the housing stock for our residents?

MR. MITCHELL: Thank you, Chair Sugimura, for the question, and Member Johnson. Saumalu and I...Director...Deputy Director Mataafa and I were just whispered to each other that we...we don't think we have a response, but I wanted to...I wanted to hear the question again just to make sure that we're not missing something.

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COUNCILMEMBER JOHNSON: Okay. Well, you know, RPT is a tool in the toolbox. And, you know, we...I'm curious how you...the Department has a stance on the rates of RPT. You know, we have different categories, we have different tiers. Do you think there's a way or a pathway for you guys to have a stance on...on how we do our taxes that pumps out housing for our people?

MR. MITCHELL: Thank you for the clarification, Member Johnson. And I do. So, you may recall in...in previous HLU meetings in particular, I've kind of veered a little bit into articulating what I view as more policy and less the administration that...that I should be doing when I say things like the Council could be looking at tiering taxation rates a little higher, concurrent with increasing the exemption for the homeowner occupancy rates.

COUNCILMEMBER JOHNSON: Yeah.

MR. MITCHELL: Because our...our tax rates in, relatively speaking, are inconsistent with other markets, particularly markets that are tourism-heavy. And I've referred to taxation policy as a way of controlling the commodification of our housing market. There are several ways to control that commodification, by disincentivizing the ease with which one can easily look at the marketplace, realize that the taxes are fairly low, and you can buy a second or third home, and displace --

COUNCILMEMBER JOHNSON: Yeah.

MR. MITCHELL: -- local residents. But ultimately, that's a policy choice for the body to make, and it's a tough one, because it's dealing with taxes. I understand that. But I share that with you as...as a student of marketplaces and housing, and see that we have an opportunity to consider, and if we choose not to, that's the choice of the Council. But that's the position I've taken.

COUNCILMEMBER JOHNSON: Thank you, Director. I'm limited on time, but basically, you're absolutely correct. It is a policy decision by this body, but it's important to hear the Department's opinion on it because we kind of lean on you guys as being the experts in the field of housing for our people. So, thank you for that response. I totally agree with it. To Member U'u-Hodgins' response about finding lands that's County-owned without . . . *(timer sounds)* . . . all the drama attached, and I'll just leave it at that, the Lānaʻi Affordable Housing Project is...it sits on 115 acres, and 73 acres is for that project, fully-entitled, ready to go. So, there is a place. There is a lane. We need more on Maui. We need more on Molokaʻi, or--if they want it--but I just want to say that there is a place on Lānaʻi, 73 acres, fully-entitled. Thank you, Chair.

CHAIR SUGIMURA: Thank you. All right. So, next we have Member Paltin.

COUNCILMEMBER PALTIN: Thank you. This may be an in-writing response as well. In the Fiscal Year '25 Budget, we approved at least two pilot programs for affordable housing funds, I believe. One was the Lahaina Community Land Trust, and the other was

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PARUS. We've heard a lot of feedback. We've heard, you know, reports from Lahaina Community Land Trust on their progress. If anything, could you give us a report on the PARUS status in writing, if that's possible, so I can ask more questions?

MR. MATAAFA: Thank you, Chair. And thank you, Member Paltin. Yes, we can give it to you in writing, but I will say that for the Lahaina Community Land Trust, the land acquisition program, we have executed an agreement with Lahaina Community Land Trust on that one. And then the gap (*phonetic*) insurance program, that's currently pending Finance approval, but it's being routed. We got the signatures from the department and from Lahaina Community Land Trust. And then the last one, PARUS, we're also in the process of executing that agreement as well, but we can also follow-up with a response in writing . . .(*inaudible*). . .

COUNCILMEMBER PALTIN: Yeah, yeah, like about what would...where, and what, and the details of the agreement. It would be nice to have a follow-up on that. And then I know the Budget Director said we had wrongly assumed that the 3 million was coming out of the Affordable Housing Fund, and it's coming out of the General Fund, so there isn't necessarily the income restrictions as before. And right now, this moment, people are finding out if they can or cannot rebuild, especially with the uncertainty of the tariffs. So, would you be open to making that be 6 million?

MR. MATAAFA: Thank you, Chair. And thank you, Councilmember Paltin, for the question. We did submit the \$3 million for Lahaina Community Land Trust, and it is general...General Funds grant subsidy. And part of the reason in doing that is to leave it open-ended when we do eventually have the discussions to execute that agreement with Lahaina Community Land Trust in FY '26, to give flexibility on how much funding should be allocated where. The Department is open to receiving more funding for the program.

COUNCILMEMBER PALTIN: Yeah. Because, I mean, we're not building any new permanent housing, and this money isn't to like acquire land for the community. It's really to keep people in their houses. So, it's...it's not...I mean, it's about building houses, but it's about keeping our community more so. And as time goes on, as the tariff questions arise, people are...are...it's...it's kind of too about giving people hope that they will be able to rebuild. And a little bit with those upper AMIs, we can really help more people because a lot of times, the need isn't . . .(*timer sounds*). . . as great.

CHAIR SUGIMURA: Okay. Are you looking for an answer? That's a statement?

COUNCILMEMBER PALTIN: They said they would give it in writing.

CHAIR SUGIMURA: Okay. You got that? Yeah. All right. Next, Member Kama?

VICE-CHAIR KAMA: Thank you, Chair. So, I'm on page 338 on your key activity goals and measures in the Program Budget. So, it says, for Federal Housing Program Division under Goal 1, assist very low and low-income families under Section 8 by providing financial assistance for rent, et cetera, et cetera, et cetera. There is Objective 1, which

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has success measurement of the percentage of vouchers utilized. Does this Department have any indication that the total number of vouchers allocated to Maui County could be reduced under the existing Federal administration's approach to Federal funding?

MR. MATAAFA: Thank you, Councilmember Kama, for that question. And so, we will know what the congressional budget is sometime in May, but we haven't had any indication to this point that that number would be decreased from the Federal Government.

VICE-CHAIR KAMA: You didn't get anything, but do you anticipate?

MR. MATAAFA: We don't currently anticipate that, no. That will --

VICE-CHAIR KAMA: Okay.

MR. MATAAFA: -- our numbers will be reduced. Because the way that the...the formula works...so the way that our Section 8 allocation works is it's based on a formula allocation that takes into account our population size. And so, year after year, it may increase or decrease a little bit, but historically, it's covered around 1,500...a little over 1,500 vouchers that the County receives from HUD for Section 8.

VICE-CHAIR KAMA: Another question, if I have time?

CHAIR SUGIMURA: Yes.

MR. MATAAFA: And sorry, I did want to follow-up one...one really quickly because Director Mitchell just reminded me that we do have a really high utilization rate.

VICE-CHAIR KAMA: Yeah.

MR. MATAAFA: So, out of the 1,533 vouchers that we get, we're currently utilizing 1,531 of those vouchers. So, it's very, very close to the number that we get. Yeah.

VICE-CHAIR KAMA: So, does that mean that you have two vouchers that can be used? Is that what that means?

CHAIR SUGIMURA: That's the amount . . . *(inaudible)* . . .

MR. MATAAFA: Yes. There's two vouchers that we can...we can utilize, and our Staff is exceptional in Section 8. They're constantly turning around those vouchers to make sure that we are fully utilizing them to the best of our ability. Because on the other side of that, if we don't fully utilize them out, they get taken away from us --

VICE-CHAIR KAMA: Yeah.

MR. MATAAFA: -- and given to --

VICE-CHAIR KAMA: Somebody else.

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MR. MATAAFA: -- another county.

VICE-CHAIR KAMA: Right.

MR. MATAAFA: So, our Staff is constantly chugging it along, and I want to give kudos to them.

VICE-CHAIR KAMA: So, how do we know if we can use those two vouchers or not?

MR. MATAAFA: We can.

VICE-CHAIR KAMA: No, how do we know if...how do families know that they can apply?
Because --

CHAIR SUGIMURA: There's a waitlist.

VICE-CHAIR KAMA: -- there's this long list, right?

MR. MATAAFA: So...yeah. So, there is a waitlist. So, our Section 8 Staff has a long waitlist
that exceeds the 1,533 vouchers that we --

VICE-CHAIR KAMA: Correct.

MR. MATAAFA: -- give out. So, they'll go --

VICE-CHAIR KAMA: Correct.

MR. MATAAFA: -- if there's two vouchers available, they'll go to the next participants that are
waiting on the waitlist and offer the voucher to them.

VICE-CHAIR KAMA: So, how old is your waitlist?

MR. MATAAFA: I'd have to get back to you on that.

VICE-CHAIR KAMA: Okay.

MR. MATAAFA: I'm not too sure off the top of my head.

VICE-CHAIR KAMA: Okay. And how...how many people are on that waitlist? Because I feel
like my kid, my 37-year-old kid . . . *(timer sounds)*. . . with Down syndrome has been on
that list for at least as long as I've been on the DHHL list. And God help us with all
these lists. I heard the bell, Chair.

CHAIR SUGIMURA: Okay.

VICE-CHAIR KAMA: Thank you.

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CHAIR SUGIMURA: Thank you. Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair. And mahalo, Director and Deputy. I know in some previous conversations, Director, you've mentioned the Department's mission to increase affordable housing in each district. And so, we have sent our DHHL project for East Maui to Ms. Eaton in your office. So, hopefully, we can continue to work with her. We also sent...we still have a housing crisis, particularly for our police, firemen, and nurses, medical staff, emergency staff that work in East Maui. And so, we did send you whatever housing options that are available in East Maui, and we're hoping that maybe, you know, we'll advocate for...for more housing in...in East Maui.

CHAIR SUGIMURA: Director?

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Sinenci. Just to clarify, you indicated you've sent something to us?

COUNCILMEMBER SINENCI: Yeah.

MR. MITCHELL: Is that...has it been recently transmitted, or has that been some time ago? I don't think either the Deputy Director or I have seen that.

COUNCILMEMBER SINENCI: Maybe two weeks ago, but I'll have Dawn resend it to you.

MR. MITCHELL: Okay. Thank you.

COUNCILMEMBER SINENCI: Thank you. That's all, Chair.

CHAIR SUGIMURA: Okay. Very good. All right. So, we're going to...anybody have any more questions? Member Paltin? Two minutes.

COUNCILMEMBER PALTIN: Thank you. I'm on HO-1. There's no page, but this is --

CHAIR SUGIMURA: What question is it?

COUNCILMEMBER PALTIN: -- 2B. I was wondering, what is the basis for HGEA consultation to conclude in April 2025? You know, I was involved with Ocean Safety reorg, and that dragged on for like three years. So, what is the basis on that April 2025?

MR. MATAAFA: Thank you, Councilmember Sugimura. Thank you, Councilmember Paltin, for the question. As we were speaking here today, we did get a letter from our Administrative Assistant that the union consultation process is over. So, we can proceed with moving on to the next step, which is working with DPS to price and classify our positions that we've included in our reorg process.

COUNCILMEMBER PALTIN: Okay. And then...so, regarding the 18 vacancies, there's, I think, five that are going to remain unfunded or so, but if you can, in writing, provide us with what...for each vacancy, other than that five, what needs to be done to get to the point

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where you post for open recruit...where you're like posted and people can start applying? Like, does DPS...you still have to create the position description? Does DPS have to verify it? Like, how many more steps until we can post for open recruitment? And have you identified folks willing to apply for these jobs?

MR. MATAAFA: Thank you, Councilmember Paltin, for that question. And we will address it in writing, but I will say that the Department had already redescribed all the positions that were included in the reorg process back in the fall of 2024. So, they were already pending, they just had to go through the subsequent processes. So, what we'll be submitting to DPS now are our proposed position descriptions with the changes. And once DPS gets through . . .*(timer sounds)*. . . with, again, reviewing, pricing, classifying, we're good to go on posting.

COUNCILMEMBER PALTIN: And HGEA consultation was favorable? They didn't buck any of your stuff you wanted in the reorg?

MR. MITCHELL: If I could just jump in here. Thank you, Chair --

COUNCILMEMBER PALTIN: Jump right in.

MR. MITCHELL: -- Sugimura and Councilmember Paltin. As Deputy Director Mataafa indicated, we just received the letter, so we actually haven't read it because we're in Chambers, but we understand that there's no issue. But I haven't read the letter, so I can't actually answer the question confidently.

COUNCILMEMBER PALTIN: In writing is fine --

MR. MITCHELL: So...

COUNCILMEMBER PALTIN: -- confidently.

MR. MITCHELL: All right. Thank you.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: Thank you. So, Staff, you got that?

CHAIR SUGIMURA: You got it?

COUNCILMEMBER PALTIN: In writing, like where we stand and how long to get...or how long, or the steps needed to get to open recruitment, where people can turn in applications. Also, in writing, if you have identified candidates willing...ready, willing, and able to apply.

CHAIR SUGIMURA: Okay. Okay. You are done?

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COUNCILMEMBER PALTIN: I could go on for hours, but I know there's a flight to catch. Thanks.

CHAIR SUGIMURA: Okay. Members, for this round, anybody has any more...Member U'u-Hodgins? Raise your hand.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Yeah, thank you. I wanted to quickly discuss the Affordable Housing Fund. I know that, you know, everybody needs a little bit of the Affordable Housing Fund because we are in a housing crisis, but I just wanted to make a quick plug for the Lipoa Apartments, which is 175 multifamily rental project for the 180 [sic] to 120 AMI. They are shovel-ready, and we need housing. So, I just wanted to throw that out there. If there's any leftover funds, if we do have any lapsed funding, they are ready to go, infrastructure in the ground, super shovel-ready. And we need housing, like not even ASAP, but yesterday and last year. So, we can continue to work on this, if at all possible, and we can...I don't need my answer in writing, but we can continue to talk stories as this budget process moves on.

COUNCILMEMBER PALTIN: Could I get a point of clarification on what she said? I heard 180 to 120. Did you mean 80 to 120?

COUNCILMEMBER U'U-HODGINS: Yes. Sorry...sorry if I said one. Yes, 80 to 120.

COUNCILMEMBER PALTIN: Okay. Just I was confused. Now I'm not.

COUNCILMEMBER U'U-HODGINS: No, thank you for...thank you for making me clarify that if I misspoke. I appreciate it.

CHAIR SUGIMURA: Okay. Anybody else have any more questions for Housing?

COUNCILMEMBER PALTIN: Oh, and I also--sorry--wanted to clarify, I'm assuming it's in South Maui because it's called Lipoa. Okay.

COUNCILMEMBER U'U-HODGINS: Yes.

COUNCILMEMBER PALTIN: Okay. Sorry. Thanks.

COUNCILMEMBER U'U-HODGINS: No. Thanks.

CHAIR SUGIMURA: Okay. Oh, Director Mitchell has his hand up, and Member Kama.

MR. MITCHELL: Thank you, Member...Chair Sugimura. And if I could just follow-up with Member U'u-Hodgins' statement. I was just reminded by Deputy Director Mataafa that the Lipoa Investments LLC developer for the Lipoa project was asking for, in their application, \$25 million in grant funds. It was an enormous amount that we really had to take a pause on because it would have meant funding a project almost to the exclusion of a lot of other projects. So, that, among some other reasons --

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COUNCILMEMBER U‘U-HODGINS: Yeah.

MR. MITCHELL: -- was why we didn’t move forward.

COUNCILMEMBER U‘U-HODGINS: They’re...I hear you. They’re willing to do some phased projects, you know, knowing that not everything can be constructed immediately, and do some sort of phased construction and phased funding. So...but I hear you, \$25 million is a lot.

MR. MITCHELL: Thank you. Thank you, Member U‘u-Hodgins. And we’ll certainly follow-up with them. If...if that’s their intent --

COUNCILMEMBER U‘U-HODGINS: Okay.

MR. MITCHELL: -- it should have been communicated better in their application. But they appear to be asking for an --

COUNCILMEMBER U‘U-HODGINS: Sure.

MR. MITCHELL: -- enormous amount of money. Thank you.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER U‘U-HODGINS: Um-hum. Housing is expensive. Thank you.

CHAIR SUGIMURA: Anybody else have...anybody else have any more questions for Housing?

VICE-CHAIR KAMA: I just have one.

CHAIR SUGIMURA: Oh, Member Kama, go ahead.

VICE-CHAIR KAMA: I think it’s just one. So, getting back to the Section 8 vouchers. If...how do you...how do you find out if your name is on that list and where you are in terms of...if you’re a high 1,000 or the lower 2,000s? How do you find that out? And then can...and if you’re not on the list, can you apply, or do you have to wait for an open enrollment?

MR. MATAAFA: Thank you, Chair Sugimura. And thank you, Councilmember Kama, for those two questions. If there is somebody in the public who did apply, and they’re wondering where they are on the waitlist, it’s as simple as contacting our Department, and we have Staff that can look up the person’s name and then tell them where they fall on the waitlist. Currently, our application process is closed, but we’ll...we’ll be in constant contact with you folks if we’re able to open the public...open waitlist application process for more people to come and apply.

VICE-CHAIR KAMA: So, when does that usually happen?

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MR. MATAAFA: Thank you for that question. I don't have an answer off the top of my head, but I can go back and talk with Staff and get you an answer in writing.

VICE-CHAIR KAMA: That'll work. Thank you. Thank you, Chair.

CHAIR SUGIMURA: Okay. Anybody else?

COUNCILMEMBER PALTIN: Not for Housing, but at the appropriate time, I have a question for either you or Staff.

CHAIR SUGIMURA: Okay. So, Members, if any of you have...I'm not seeing any more hands, so I'm going to assume that Housing is done. Okay. We are waiting for...thank you. We are waiting for responses, and thank you very much for working hard on that. If you have questions from today that you would like to submit--and I know we're all going to Moloka'i tonight--so would you be okay by...be okay submitting your questions to Staff by 3:00 in the afternoon? Usually it's 9:00. And tomorrow's Saturday, which now we're saying we're going to ask them to work on Saturday, but is 3:00 in the afternoon okay as a deadline for you to submit any more questions for the Department...for Human Concerns, as well as to Housing? Yeah? Okay. Fine. Director?

MR. MITCHELL: Thank you, Chair Sugimura. With respect to your note that you're waiting for responses, I understand that the Department's responses to HO-2 have been posted to Granicus, so they should be available to you.

CHAIR SUGIMURA: Okay. What am I looking at? I think I'm looking at HO-1.

COUNCILMEMBER PALTIN: No, just now. Just now.

VICE-CHAIR KAMA: Oh, just now. Oh, okay.

CHAIR SUGIMURA: Okay. So, HO-1 and HO-2, you have submitted your responses, and you're going to wait for the flurry of questions that'll come after we get this?

MR. MITCHELL: Thank you, Chair. That's correct.

CHAIR SUGIMURA: Okay. And there are questions that Members...I mean the Staff made note of --

COUNCILMEMBER PALTIN: Took down. Yeah.

CHAIR SUGIMURA: -- that we'll send forward too, so...okay. That...thank you very much for--really, yesterday and today--for clearing your calendar for us, and such an important Department for our housing needs, for our employees. Would you like to say a few parting words?

MR. MITCHELL: Yes. If it's okay, Chair Sugimura, I would just like to give the Councilmembers an update on Hale 'O Lā'ie --

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CHAIR SUGIMURA: Oh, yeah.

MR. MITCHELL: -- Haggai Institute. I was anticipating --

CHAIR SUGIMURA: I was going to ask that question.

MR. MITCHELL: -- a few questions. So, as you may all recall, the MOU relating to Haggai Institute predates the fire. The terms of that MOU relate to redeveloping the project. That's what we committed to do, to take over the ground lease on May 31st of 2025 to redevelop the project. After those terms were developed, we had the fires. Subsequent to the fires, the State used...is using now, and began using the facility for the State's Hawai'i Interim Housing Program. In addition, Act...the Legislature passed Act--I think it's 174, if I get the number correct--that required that in addition to providing workforce housing, teacher housing, there had to be public...“public pre-kindergarten.” So, there have been some challenges with moving forward, in part because you need the State legislative act to be revised to remove the word “public” so that we have some flexibility with having private or public, and we've been having discussions with the Bezos Academy to bring their Montessori school into the facility. But more importantly, the challenge has been that if the County were to take over, as initially contemplated under the MOU, the facility on May 31st of this year, we're taking over the facility that has in it a State program, housing fire survivors for free. And that wasn't part of the MOU. And the cost to do that is approximately 400,000 a month, 5 million and change per year. And so, there have been some really challenging discussions with our State partners--the State Legislature, the Governor's Office, and HHFDC--on how to move forward with the MOU and its initial obligations for us to take over the building on May 31st when to do so with a State program in the building could mean, if we're not very clear about who covers the costs, that we're taking on enormous costs. Last Monday, I went...I've already revised the documents once before and sent them back to HHFDC to manage this challenge, and to be cognizant of protecting the County. I've spent time over in O'ahu one Monday meeting with our State partners--the Legislature, the Governor's Office, and HHFDC--to go through where we are. Following that meeting, I revised the documents again, and I've sent them back to HHFDC. And the way I've reframed things is that we will take over the facility on May...the ground lease on May 31st, subject to a couple of things. One is that the State wind down its program no later than August 2028, and that the State cover the costs for its program. And...and during that time, we will continue to work on the RFP that we were already working on that is a month or so away from being ready to go, but we will issue it during that time for redevelopment. I've not received a response back from HHFDC. And I'm...unless I'm directed otherwise to take on the cost of the State's program, the position I'm taking is that I cannot commit the County to paying for that. So, that's where we are in the process. And I just wanted to make sure everyone understood that this is yet another program with the Housing Department that I'm taking on personally to make sure I can manage how this evolves. So, if there are questions that come up, please direct them to me. Thank you, Chair.

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CHAIR SUGIMURA: Okay. So basically, the funding that's in the budget, what is it in there for if you're not going to have access to the building?

MR. MITCHELL: Thank you, Chair Sugimura, for that question. The funding in the budget is for pre-development work, design and planning work. It is not to underwrite the costs for the State's HIHP program. Thank you.

CHAIR SUGIMURA: But you're not going to be ready until 2028? Is that what you're saying?

MR. MITCHELL: Thank you, Chair. We can take over the ground lease, but the contract relating to the property manager of Paramount, who's responsible for the day-to-day of managing the individuals under the HIHP program, we would not take that portion over under the current draft that I've sent back until the program has been phased down. When the program is phased down, if it's phased down sooner, and...and the survivors have transitioned to alternate temporary or permanent housing, we can take over the management contract sooner. But that's really an important portion of it. There are a lot of moving parts, and to be frank, it's a little unfair to staffers to give them these very intense documents and have them working through that, so that's why I've taken over this one and said let me manage it so we can move it forward. So, the position I've taken is, we can take over the ground lease. It has some caveats. We can't take over the management contract until the HIHP program has been phased down. And I've also included that we'd like to go through our own procurement process to ensure that we can comply with procurement rules to bring on a manager, a property manager. And when we've got those two things sorted, we can take on the...the property management contract.

CHAIR SUGIMURA: Okay.

MR. MITCHELL: Thank you.

CHAIR SUGIMURA: So, I...I guess what I'm trying to get to is, do you need the funding in this fiscal year budget? Because it doesn't sound like you would need it until you get further to your RFP process?

MR. MITCHELL: Well, as I indicated...thank you, Chair Sugimura. As indicated, we are completed with that process, and we can still move forward with some preliminary work, but the question is when we start the work. So, my request would be to leave the funding in the budget. Thank you, Chair.

CHAIR SUGIMURA: Okay. So you think you might; is that right? Yes, Member Kama?

VICE-CHAIR KAMA: So...so, you're waiting for the response from your partners?

CHAIR SUGIMURA: HHFDC.

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VICE-CHAIR KAMA: Right. And the Governor's Office, I assume, too. But when you're there with them, and you're talking face-to-face, what's the sentiment? Because you can read the room, right?

MR. MITCHELL: Thank you, Chair Sugimura. And thank you, Member Kama, for that very tough question. Let me just...

VICE-CHAIR KAMA: You can just give it to me in writing.

MR. MITCHELL: No, thank you. Let...let me just say that HHFDC is in a tough spot because the program is with Department of Human Services, and it's being advanced through the Governor's Office. The Governor's Office has sought funding to pay for the program, didn't submit a State legislative request for funding. I understand that the grant funding that they were pursuing hasn't been realized. It's unlikely they'll receive it. So, I see that HHFDC is in an uncomfortable spot. I see the Governor's Office hasn't confirmed how they're going to fund the program. And I see that the State Legislature is unsettled with the County not moving forward quickly. So, it's a bit of a hot room, so to speak, but I'm doing my best to navigate the circumstances, and protect the County at the same time. Thank you.

VICE-CHAIR KAMA: You need more people in the room with you? . . . *(inaudible)* . . .

MR. MITCHELL: Thank you for the question. I...I don't think we need more people. Thank you.

VICE-CHAIR KAMA: Okay. Well, all right. Thank you --

CHAIR SUGIMURA: Okay.

VICE-CHAIR KAMA: -- for your honest answer.

CHAIR SUGIMURA: Oh, my goodness. I was just thinking, oh, maybe you don't need that 5.2 and we can take it back out of the budget because it doesn't sound like you're very close. And Legislature is going to end beginning of May. So, we will definitely find out what their position is, and we can make decisions...appropriately. All right, Members. So, what is going to happen in...on Appendix B, page 20 to 22, if you approve CDBG projects, it'll be added into Appendix B, which is rates and fees under Housing, where it lists all the, you know, different 2.96. It doesn't list all the...it talks about 2.96 and 2.97; is that correct?

MR. KRUEGER: Chair, apologies. It would be in...under the grants in Appendix A, Part I.

CHAIR SUGIMURA: Oh, Appendix A. Okay. Oh, okay. All right. So, not under rates and fees. Yeah.

MR. KRUEGER: For the CDBG grants, yes.

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CHAIR SUGIMURA: CDBG.

MR. KRUEGER: For...for Appendix A, Part I. Yes.

CHAIR SUGIMURA: Okay. Members, any other questions? Member Paltin?

COUNCILMEMBER PALTIN: This isn't for Housing. Is that okay?

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: Okay.

CHAIR SUGIMURA: Oh, who is it for? Just kidding. Go ahead.

COUNCILMEMBER PALTIN: You.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: I just wanted...first one, I wanted to add the caveat about the 3:00 p.m. deadline being contingent on us being able to catch a flight back from Moloka'i at least three hours before that. Because I would still need to drive back and whatnot to get to a computer to do all the things.

CHAIR SUGIMURA: Oh, okay. So, let me ask you then, all of us, what would be reasonable...a reasonable time?

COUNCILMEMBER PALTIN: I mean, it's reasonable if they don't cancel our flights.

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: If...if...if we're stuck on Moloka'i, I'm going to try call for a rescue boat or a jet ski to pick me up because I got to go to the David Malo Day. I already RSVPed, and it's a big thing. But I'm...I'm not going to be able to swim back, so I'm going to ask for transportation somehow. So, that's the first one. As long as we get back at our scheduled time, that's no problem. But if the flights get canceled, it could be a problem.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: Second question is, if you or the Staff could remind me which item in Granicus has the template for our deadlines on the 14th and the 17th.

CHAIR SUGIMURA: Can you...can you share? Go ahead. I don't have that up.

MR. KRUEGER: Yes, Chair. So, I believe the template for the 14th, I don't think we actually have up on Granicus. I think we just emailed that.

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COUNCILMEMBER PALTIN: Oh, okay.

MR. KRUEGER: But perhaps instead, would it...would it be more convenient for Members if we just emailed out both templates again?

COUNCILMEMBER PALTIN: That would be fabulous.

MR. KRUEGER: Okay.

COUNCILMEMBER PALTIN: Thank you. That's super helpful.

MR. KRUEGER: Sure.

COUNCILMEMBER PALTIN: Gold star.

CHAIR SUGIMURA: Okay. I thought I did see it on Granicus, but good. Easier. Can you just send it to each Member, both for the 140,000 and then the priorities? All right. Any other questions? Do you have anything else, Staff, that you want to add? No? Okay. All right. Thank you very much, Department, for allowing us to extend this to your busy schedules. And Ms. Milner, thank you for sitting with us in that corner. You're on the other side of the computer. I didn't see you. All right. This meeting is...the...we're going to defer this item, of course.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: AL).

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: But this meeting is now adjourned, and we'll see you all on Monday.
...*(gavel)*...

ADJOURN: 11:46 a.m.

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Transcribed by: Daniel Schoenbeck


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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 50 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 8th day of May 2025, in Wailuku, Hawai'i



Daniel Schoenbeck