

MINUTES

of the

COUNCIL OF THE COUNTY OF MAUI

November 20, 2020

THE REGULAR MEETING OF THE COUNCIL OF THE COUNTY OF MAUI, STATE OF HAWAII, WAS HELD ONLINE ONLY VIA BLUEJEANS, ON FRIDAY, NOVEMBER 20, 2020, BEGINNING AT 9:04 A.M., WITH CHAIR ALICE L. LEE PRESIDING.

COUNCIL CHAIR ALICE L. LEE: Will the Maui County Council regular meeting of November 20, please come to order. The time is approximately 9:05.

And before we begin roll call, I would like to say good morning to all of our Councilmembers in Cambodian; arun suasdey. Arun suasdey, Members.

Mr. Clerk.

DEPUTY COUNTY CLERK JAMES G.M. KRUEGER: Chair, proceeding with roll call.

ROLL CALL

PRESENT: COUNCILMEMBERS G. RIKI HOKAMA, NATALIE A. KAMA, MICHAEL J. MOLINA, TAMARA A.M. PALTIN, SHANE M. SINENCI, YUKI LEI K. SUGIMURA, VICE-CHAIR KEANI N.W. RAWLINS-FERNANDEZ, AND CHAIR ALICE L. LEE.

EXCUSED: COUNCILMEMBER KELLY T. KING.

(Councilmember King was not present when roll was called; however, she arrived at 9:14 a.m.)

CHAIR LEE: Arun suasdey, actually, everyone. And thank you so much for coming. And we, I'm sure we'll see our, our colleague, Member King, shortly.

Alright, we're ready to begin. We have, what, eight Members present, one excused for now.

Mr. Clerk.

DEPUTY COUNTY CLERK: Yes, Chair. A quorum is present to conduct the business of the Council.

Also present for today's meeting is myself, Deputy County Clerk James Krueger; County Clerk Kathy Kaohu. And from our offices' Legislative Division; Joyce Murashige, Lauren Saldana, and Dell Yoshida. And also joining us from the Department of the Corporation Counsel is Corporation Counsel Moana Lutey.

CHAIR LEE: Thank you. Or First Deputy Richelle Thomson, right.

Our opening remarks today, we're asking officer, Pro Tem Officer Kama to please provide the opening remarks. Member Kama.

OPENING REMARKS

The opening remarks were offered by Councilmember Tasha Kama.

CHAIR LEE: We thank you for being on the Council for those beautiful remarks as well.

Now, please join me with the Pledge of Allegiance to the flag.

PLEDGE OF ALLEGIANCE

The Members of the Council, rose and recited the Pledge of Allegiance.

CHAIR LEE: Thank you.

Mr. Clerk, please proceed.

DEPUTY COUNTY CLERK: Chair, proceeding with the presentation of testimony on agenda items. Members of the public may testify by connecting to the Council's online meeting by phone or video conference through the information posted on today's agenda.

Individuals connected by phone are currently on mute and will be unmuted when it is their time to testify. Individuals connected by videoconference should keep both their video and microphones muted and should unmute them when it is their time to testify.

Testimony is limited to the items listed on the agenda. Individuals may testify for three minutes per item. When testifying, please state your name and the name of any organization you represent, as well as the items on which you will be testifying. Please also identify to the Council if you are a paid lobbyist.

After your testimony has concluded, please disconnect from BlueJeans. Once the testimony period is closed, only the Councilmembers, staff, and designated resource persons will be connected to the meeting. All other individuals will be disconnected.

The remainder of the meeting can be viewed on Akaku Channel 53 or on mauicounty.us. Individuals may also be disconnected from the meeting at any time for breaking decorum.

Chair, the first person we have signed up to testify is Annette Niles. To be followed by Jason Economou.

COUNCILMEMBER KAMA: Alright.

CHAIR LEE: Good morning, Annette. We can't hear you. Can you make sure, can you unmute her, Mr. Clerk?

DEPUTY COUNTY CLERK: Chair, we do see Annette Niles in the meeting, but she is muted on her end. She has to unmute herself. We cannot unmute her.

CHAIR LEE: Annette? Annette?

PRESENTATION OF WRITTEN OR ORAL TESTIMONY

MS. ANNETTE NILES (testifying on Committee Report 20-149):

Okay, how's that?

CHAIR LEE: Oh, we got you. Okay. Perfect, perfect.

MS. NILES: Got it? Oh, okay. No mind me, I'm not used to, to this. I'm trying my best and I live off the grid; so no more lights, lights, you know. So, it's, it's kind of rough. But anyway, I'm just wanted to, well anyway, aloha to all of you. And congratulations for all of you back.

CHAIR LEE: Thank you.

MS. NILES: But anyway, I'd like to go on with I, I'm Annette Niles. I'm testifying for myself on CR 20-149.

CHAIR LEE: Okay.

MS. NILES: I just wanted to kind of go ahead with the, the thing on, wait let's see, the creating, wait I'm sorry, hang on. The long-term rental.

CHAIR LEE: Yes.

MS. NILES: The long-term, it's up for, okay. I, I just had some few questions on that, on the long-term rental. I am a landlord and I've been for the last 25 years. But some of the stuff on this, I, I don't agree with, cause I've been through so much with renters. I've had good renters, but I also had really bad renters. And so, my point of this is apparently, it's supposed to be like a 12-month rental and all of that. But I don't rent, I rent for six months, month to month thereafter. So, if any problems, I can literally remove them from the house is what I do. So, I don't like the one year, you know, unless it's somebody that, you know. Like, I had construction guys that did a one year, but they took care of the house. You know, they were really good. As men, they were spectacular, you know.

So, I just want to go back to some of the stuff on that and then trying to, you know, it's like a burden to us. I mean, it's like trying to pay the mortgage, trying to get, I, I've had a tenant in my house for eight years and I never raised the rent since the day they moved in. But because of the property tax going up, I had to raise the rent, and I didn't want to. Eight years, it was without having to raise any rent because they were good tenants, you know. But it, it pushed me through the property tax of having the property tax go up and then of course me having a mortgage to try and repair these houses when people move. I've gone through so much expense, and I literally can show you guys the expense I have on these rental homes, you know.

And it's not that I invested in these houses. It's, it's generations of my father giving it, us the property and having the house put up for us. And what he paid for my house, I literally, my poor husband, had to repair the house and cost me just as much as he paid for the house, you know. So, we've been through a lot. My husband is not getting any younger. He works construction. He works 3:00 in the morning, he leaves, he gets to Lahaina he's done at seven, and weekends all on the houses. And it's just tiring, tiring, tiring. We had to, like my parents one, it was so bad that we had to repair that, and we just sold it. And I don't want to do that. I need my houses for my children. They're in the mainland right now, and I'm hoping for them to come home, you know.

So, that is my thing on, on putting the kind of a burden on, on a long, on the owners of these properties. You know, I can see the County's point, cause some of them is ridiculous. But, but there's got to be a different scenario to this.

CHAIR LEE: Okay.

MS. NILES: And then, also, I, okay.

CHAIR LEE: Can, can you conclude your testimony, Annette, please?

MS. NILES: Okay. On this one, or can I get to the other one? I need to go on one more.

CHAIR LEE: Okay, do you have anything more to say on this one, before you--

MS. NILES: No, no. This is, yea, okay, no, no.

CHAIR LEE: This one is pau? Okay, then go on to the next one then. Alright.

MS. NILES: Okay. It was about the condominiumizing, you know. Yes, I totally believe that it should be where it's, it's not where people coming from the mainland, buying out the properties, taking our agriculture, and slicing and dicing it into condominiumize, you know. And I really would like to see something done about that, you know. When they live here for years, and they do it, it's okay.

You know, like, like I was, you know, we had our meeting and it was like talking about having it for our, our people, our local people to do something like that. Cause with the water meter issues, this would, that condominiumize would be a great way to get the, the local people to get, you know, to condominiumize their place to have their children and relieve some of the rentals. Cause I know of a lot of people that renting houses that cannot even get on their family land because of this water meter issues. So, that, that is my, my thing and that was what I wanted to kind of run by.

CHAIR LEE: Okay.

MS. NILES: I don't want it to go away, but I wanted it to be where we could take care our families. Thank you.

CHAIR LEE: Thank you. Are there any questions for the testifier?

Ms. Rawlins-Fernandez.

MS. NILES: Hi.

VICE-CHAIR RAWLINS-FERNANDEZ: Aloha, Ms. Niles. Mahalo for your testimony.

MS. NILES: . . . Thank you.

VICE-CHAIR RAWLINS-FERNANDEZ: So, question for clarification on the long-term rental rate bill. Is that something that you support, but you just disagree with the length of time?

MS. NILES: Well, yea, the, the time and also the amount. You know, what is it going to be? You know, like if people have mortgages and people have to repairs, you know, yea, I understand it. I didn't even know about the section, cause like I remember, I said about the Section 8 and about the damage I had in three months from it, which not knowing that you had some place to go. Cause the County doesn't let you know what kind of programs you have to fix things, you know. So, it's out of pocket, you know, and stuff like that.

But, but yea, it's the length. Cause it's, it's scary for people to rent. Yea, you cannot rent them three months, yea, but six months is perfect. That, and that's how I've been doing it. And from there on, month to month thereafter. And my tenants stayed eight years, you know what I mean, in the house. So, it, it was fine. But, but it's just a, I don't want to see us getting into something that we got to flip. You know, we get some tenants that wouldn't even let us in the house to inspect, inspect my own house.

VICE-CHAIR RAWLINS-FERNANDEZ: Right. Okay. So, as long as it's the same tenant for 12 years, then you would qualify if you would want to participate in that program. But it, it's, it's also optional. You don't--

CHAIR LEE: Twelve months. Twelve months.

VICE-CHAIR RAWLINS-FERNANDEZ: Oh, what did I say? Twelve years?

CHAIR LEE: Yea. Yea.

VICE-CHAIR RAWLINS-FERNANDEZ: A year or 12 months. Mahalo, Chair. Okay, I think we may have lost Ms. Niles. Mahalo, Chair.

COUNCILMEMBER SINENCI: Chair, you're muted. I also--

CHAIR LEE: Any more questions, in case she comes back on? Or has she left the call.
Alright.

VICE-CHAIR RAWLINS-FERNANDEZ: I think she--

CHAIR LEE: Shall we go on with our next, Mr. Clerk?

(Councilmember King arrived at the meeting at 9:14 a.m.)

COUNCILMEMBER SINENCI: Chair, I, I see Member King.

CHAIR LEE: You do? Okay.

COUNCILMEMBER KING: I'm here.

CHAIR LEE: At this time, we'd like--

Good morning, welcome.

COUNCILMEMBER KING: Good morning.

CHAIR LEE: Let the record show that Member King has joined us this morning.

Mr. Clerk.

COUNCILMEMBER KING: Yea. Sorry, for being tardy, but it was the only time I could get a meeting with the Parks Department, so.

CHAIR LEE: Okay. Mr. Clerk. Is someone timing the testimonies?

DEPUTY COUNTY CLERK: Yes, Chair.

CHAIR LEE: Okay. Alright. Just checking. It seemed a little long--

DEPUTY COUNTY CLERK: The next person signed up to testify--

CHAIR LEE: Okay, let's go to the next one.

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is Jason Economou.
To be followed by Nicholas Winfrey.

MR. JASON ECONOMOU, REALTORS ASSOCIATION OF MAUI (testifying on Committee Report 20-149):

Good morning, Chair Lee. Good morning, Councilmembers. Thank you for the opportunity. I am Jason Economou. I am representing the Realtors Association of Maui. I'm testifying on their behalf in my capacity as their Government Affairs Director. And I would like to address Committee Report 20-149, the real property tax bills.

Now, I've submitted oral testimony before. I've submitted written testimony. I just want to supplement that a little bit and I'd like to focus first on the Finance Director's bill. Now, this bill, as I've said, it's got a lot of unintended consequences that everybody needs to watch out for. I've listened to the fact that, you know, it's probably going to cause an increase in cheap short-term rental availability, because if people are being taxed as short-term rentals, they might as well rent out their properties to offset the taxes. So, you're going to see that. That'll bring in cheap tourists.

You're also going to see people that can't absorb the cost. They will likely sell. The, the most competitive folks in the market right now for condominiums are offshore investors. And those are the people that will likely be drawn to these properties, because they may use it part time of the year and then they'll rent it out the rest of the time of the year. Thus, more cheap short-term rentals, bringing in more tourists. So, that's something to consider.

And, you know, at the start of the pandemic everybody was saying we want higher quality tourists stuck in a resort area, not spread out through the island. This will make the opposite of that. You're going to get a whole bunch of low-quality tourists. So, that's the one main concern.

But the flip side of that is you still have that demand for properties that people can use only part of the year. So, those condominiums that are most affordable, the ones that are non-short-term rentable, which make the most sense for people buying their first property, there is going to be an increased demand for those condominiums for people who intend to only use those properties for part of the time of the year. So, now you're making the housing market more competitive for the residents here because the demand for those properties will increase. So, those are a few of the unintended consequences that we're really concerned about.

Now, to, to move to some other concerns. First off, with Councilmember Rawlins-Fernandez' bill, that is a better bill than the Finance Director's bill, because it takes more time. It allows for long-term rentals to, to put people in a different class. And, and it will give some room for public feedback. If you get a whole slew of folks over

the next year telling you, hey this isn't going to work, then you could still amend it before it goes into effect. But the Finance Director's bill, it's just really short notice. Few people really recognize how quickly this is going through. And even the Finance Director admitted that this is the shortest possible timeline for him to push this bill through.

Everybody that testified last year at this same time of year when you guys were pushing property tax reform, their single complaint across the board was, why are you rushing this; why didn't you give us more opportunity to give public input, to get education? So, you followed that up by doing the same exact thing a year later. So, we're against that.

And also, just one last comment, or two last comments if I may? Please make it easier for people to enter the homeowner classification. If you have local purchasers that want to owner-occupy, it takes, you know, potentially a year for them to be able to take advantage of that classification and that tax rate. If you're going to potentially cut off lower tax rates for, for those people, then make it easier for them to get those lower tax rates at the offset.

And also, that one-year lease, that is tricky. Most of the time, people advise their, you know, as an attorney, when I was an attorney dealing with landlord-tenant matters, we advised people to do six-month leases. And that's for the benefit of both the tenant and the landlord, because after six months if they don't like the property then they can leave. But, after six months if they do like the property, it automatically turns into a month to month lease.

CHAIR LEE: Thank you. Are there any questions for Mr. Economou?

Mr. Hokama.

COUNCILMEMBER HOKAMA: Good morning, Mr. Economou.

MR. ECONOMOU: Good morning.

COUNCILMEMBER HOKAMA: Thanks for sharing your thoughts with us this morning; appreciate it. So, what I got from my perspective within me, I liked, because what I thought I heard you saying is, in a way, for me, is that we should just stick to zoning then, forget the permits? Stick to zoning. And if we do that, we know what is a permitted use in every category and we tax accordingly. And you want to do a different use, you apply for a change of zoning and see if you can get it granted by Council and the departments. I can go with that. I got no problem with that.

MR. ECONOMOU: Councilmember, I, I respect your interpretation of my testimony. However, that is not the message that I'm trying to send. What I'm trying to send is spend some more time on this. I, I get that that sticking to zoning is a much easier way to administrate the tax system. However, it will have bad consequences in the very near term for the rest of the island, so.

COUNCILMEMBER HOKAMA: Yea. No, and I agree with you. Because if we believe short-term rentals does not bring the quality or type of visitor we want, then we should just get rid of short-term rentals.

MR. ECONOMOU: That's a different issue altogether, Councilmember and I'd be happy to discuss that with you.

COUNCILMEMBER HOKAMA: Thank you, Mr. Economou.

MR. ECONOMOU: Thank you, Councilmember.

COUNCILMEMBER HOKAMA: Appreciate your . . . this morning.

CHAIR LEE: Are there any other questions?

Yes, Ms. Paltin.

COUNCILMEMBER PALTIN: I kind of see what Member Hokama is saying. Like, to clarify, this bill is to improve stability because although the owners in this category have the legal right to do short-term rental, you're saying don't tax them at that rate. You want it to be taxed at actual use, that's what you're saying?

MR. ECONOMOU: Yes. For, well, to a certain extent. So, what I am saying is just because somebody has the right to do something doesn't mean that they're actively engaged in that right. You know, I have the right to start a Fortune 500 company, however, you do not have the right to tax me as though I owned a Fortune 500 company, because I don't actually make that income and I'm not actually doing that. You know, you can tax people based on their potential rights, but that's different than what their actual uses are.

Currently, our setup allows for people to live in properties that can conduct short-term rentals. But it allows those people to not conduct short-term rentals and still pay a different tax rate. That's the reason why they bought those properties, that's how they're using them. That's how they've been using them for years under many circumstances. And this wouldn't be taxing people because they're using their properties as short-term rentals. It's taxing them because maybe they weren't

sophisticated enough to realize that when they bought those properties in the first place, they could conduct short-term rentals. So, even if they're conducting long-term rentals, the Finance Director's bill would not provide the same level of relief as say the Vice-Chair's bill would.

COUNCILMEMBER PALTIN: I guess the part that I'm not clear on is that this is what already occurs on all the other properties that aren't condominium or planned development. And the other part is, if they're actually owner-occupied, it doesn't affect them, so that's based on use.

MR. ECONOMOU: In part. That's why I gave my, my feedback about allowing people into the owner-occupied class sooner. So, so there are some property owners. But yes, you're absolutely right; for the most part, if you're owner-occupying, this won't impact you. And that's a good thing. I like that part of the bill.

But what I'm saying is, this isn't a terrible bill. There aren't, you know, there are valid reasons to do the things that you want to do. However, doing it in this fashion is, is not advisable. That's really what I'm saying. The, especially the Finance Director's bill with the short timeline that it's on and the lack of, of real, you know, transparency to a certain degree, I would highly advise against that bill.

COUNCILMEMBER PALTIN: Yea, I get we're going to get a flood of emails again during tax time. But given the situation with the pandemic, if everybody chooses to declare that they're not doing short-term rental again, then we won't be able to provide for the County in the same ways, right?

MR. ECONOMOU: I am, I'm not sure. I mean, that that would take knowledge of the budgetary, the County's finances that I don't have off the top of my head. So, so I don't know if you'd be able to cover the budget differences that you need for next year by, by other means. You did an excellent job of taking a conservative approach to the budget this year so, you know, I think that you guys have the talent and skills to do that without increasing taxes on a whole bunch of property owners just to get \$9 million more.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR LEE: Any more questions? If not, thank you very much, Mr. Economou.

MR. ECONOMOU: Thank you very much.

CHAIR LEE: Mr. Clerk, may we have the next testifier, please?

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is Nicholas Winfrey.
To be followed by Dick Mayer.

MR. NICHOLAS WINFREY, MAUI UNITED WAY (testifying on County Communication No. 20-569):

Mahalo, Chair Lee and Councilmembers. My name is Nicholas Winfrey. I am the President and CPO of Maui United Way. I wanted to chat to you all briefly about Councilmember Sugimura's resolution looking to extend the moratorium on mortgage and rental evictions.

The data that we're seeing at Maui United Way isn't great. The calls that we're getting isn't great, aren't great. And we're seeing really the potential long-term for a lot more issues to be facing our community regarding their rental and mortgages. Right now, the calls that we're getting via 211, which is our resource list, a lot of the unmet needs that are actually being seen right now are actually via mortgages as well. So, we do see this as a really pressing issue. And not to, you know, throw fuel on the fire, but it is a, we're on the, basically, the edge of a canyon regarding this.

I just want to educate and let you all know that this is a very pressing issue within the community that we're seeing firsthand. We're getting calls on a daily basis about people that haven't been able to make it through the State program for those rental and mortgage assistances. And really, there is a fear coming 2021 about what will take place within Maui County, let alone the entire State.

So, I would ask just that the Council continue to press as much as possible for support in this arena. And also, begin planning for capacity building in this space if and when additional funds do come in via CARES Act to where we can really funnel those, those resources into the community in a better fashion. We've seen a lot of issues with systems in place, whether it's via unemployment or the State-run program for rental and mortgages assistances that have caused more issues than we would have expected. So, we are going to be planning for the future about how we can build the administrative side.

But please be aware of that in the long-term about best ways to support our community on this, this issue that's really kind of slapping us in the face at this point right now. We're going to continue to, to provide as much information as we can on the frontlines to our nonprofit sector, as well as the Council. And continuing to work with our partners both at Aloha United Way and Catholic Charities regarding the State programs and allocations.

So, thank you, Councilmember Sugimura for sending that to the State. It is a huge issue that we're seeing right now, and we do not see an end sight right now. Mahalo.

CHAIR LEE: Yes, Ms. King. You're muted.

COUNCILMEMBER KING: I'm trying, yea, I, I tried, I pushed the button three times before it worked. Thank you, Chair. Thank you, Mr. Winfrey for your testimony. I just wanted to clarify. You said you were building up your administrative capacity. Is that so that United Way might be in a position to possibly disseminate some of these grants?

MR. WINFREY: We're pretty familiar with it. And thank you, Councilmember King; it's a great question. I think it's more about planning with our partners, like MEO and Catholic Charities. Our team is very limited as far as bandwidth right now, as you can imagine as, as everyone's is. But the skillset that we can bring to the table is connecting the nonprofit sector as well as volunteers, and really the experts in the arena. And that's what we're looking at doing, is more of a working group. And, and that's the best way that we see that we can facilitate right now.

COUNCILMEMBER KING: Okay, great. And then in the, when you do the working groups, are you also including some of the landlords in that, so that you can, you know, I mean we heard a concern from somebody who is actually a landlord about what happens when we keep extending it. So, having them as part of that conversation I think is really valuable as well.

MR. WINFREY: I agree with you. I think for, for our perspective though it's, it's really about how we can get the money to the landlords in that best and fastest way if and when those additional funds do come in. I think that we can most likely, you know, ask those questions to the landlords, but really we're looking at a step before that in, in, prior to the moratorium, it's really how do we get the funds to where there wouldn't need to be a moratorium long-term.

COUNCILMEMBER KING: Okay. Great. Thank you. And we'll, we'll all have our fingers crossed that there will be more funds coming in shortly. Mahalo. Thank you.

CHAIR LEE: Member Sugimura.

COUNCILMEMBER SUGIMURA: Yea, thank you. Thank you, Mr. Winfrey, for being here. I got a question. Somebody asked are, are you still accepting applications? Aloha United Way or Catholic Charities.

MR. WINFREY: That is a great question. Just to clarify; Aloha United Way is different than Maui United Way. We've had a lot of confusion in that space--

COUNCILMEMBER SUGIMURA: Oh, sorry.

MR. WINFREY: --as far as who's operating this. No, you're correct in your statement. I just want to say that for the public record. Right now, the program is on hold. I believe the numbers that came through via that program were 200,000 without the capacity to process those. I think right now they're processing about \$1 million a day right now. I caught up with Aloha United Way yesterday. So, long answer short, the program is on hold right now. For those that have applied, they can check basically the status of that via Catholic Charities website as well as Aloha United Way's website. But I don't see that opening back up again because of the timing with the deadlines for the CARES Act funding.

COUNCILMEMBER SUGIMURA: Okay. Thank you. Thank you very much.

MR. WINFREY: Mahalo.

CHAIR LEE: Are there any more questions for Mr. Winfrey? Okay. Mr. Winfrey, you know, related to the children of homeowners and tenants and everyone else, we will be supporting your holiday toy drive; November 27 through December 11. Good luck with that too. Thank you.

MR. WINFREY: Mahalo, Chair.

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is Dick Mayer. To be followed by Michael Williams.

MR. DICK MAYER (testifying on Committee Report 20-149):

Thank you very much. My name is Dick Mayer. Can you hear me?

CHAIR LEE: Yes. Good morning.

MR. MAYER: Good morning to everybody. And congratulations to all of you returning to the Council. And I want to wish Mr. Hokama a happy retirement from the Council for a while. Get a, at least after 10 years get a break and we'll see whether you come back again or not. But in any case, enjoy your next two years.

I've been before the Council several times this week and I'll make it very short. I support the two measures to take care of the long-term rental situation. Just wanted to say that I support that, and I'm very pleased the Committee reported those out

unanimously. And I urge you to adopt those at first reading and eventually at second reading. And I'll keep it very short, I think that's something we need to do. We need to do everything we can to promote long-term rentals. So, that, keep it very short.

CHAIR LEE: Thank you, Mr. Mayer. Are there any questions? If not, have a great weekend.

MR. MAYER: You too. Thank you very much. Good luck.

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is Michael Williams. To be followed by Lucienne de Naie.

MR. MICHAEL WILLIAMS, MAUI TOMORROW FOUNDATION (testifying on County Communication No. 20-576 and Committee Report 20-149):

Good morning, Councilmembers, Chair Lee. I'll be very brief. I'm Michael Williams, President of Maui Tomorrow Foundation and I'm testifying on both my own behalf and on behalf of the organization this morning on two matters.

First, on the property tax bills. I know you all voted unanimously for both these bills at the Committee two weeks ago. And I would, I just want to commend you on the long-term rental bill. That's a very important step to take toward our long-term reform of the property tax policies. And I'm glad that both the department and the Council are willing to postpone the implementation of it for another year, because there's some tweaks you need to make. One is to create tiers, which I think everybody agreed on at the Council meeting, I mean, at the Committee meeting. And also, I think you need to do some tweaking on the problem of tenant turnover. You know, you're going to have a lot of people can't rent out to the same tenant for 12 months in a row, because tenants change. And so, you need to, but you got a year to figure that out and, and, and I'm sure you can do it.

The other bill, I think the, first of all, it's just good equity practice to not let people opt out of taxation at the highest and best use of their properties. And you're, you're also at risk of, the reason to do it quickly, I, I hear Mr. Economou's plea to take a year to figure out how to do this better. But if you don't fix it now, you could have several thousand more of these condo owners who have lost their short-term rental chances during the pandemic opt out of the short-term rental tax class and into the non-owner occupied class and take a pretty big hit on your revenues next year. So, it's, one, it's a bill for equity and it's a bill you need to pass in order to preserve your revenue options.

If, if the owners come before you next April and May and say, oh our property values are down, well you'll see that in, reflected in the assessments you get in March. And

if you want to take advantage of, if they say we don't have enough income, well you can adjust the rates if you want to. Remember that the property tax division can't use income as a measure of market, of, of property value. It's not allowed by the Code. You can only use, for these kind of condos, market value.

Anyway, then on the Honokowai Reservoir, Maui Tomorrow is very much encouraging the Council to move as quickly as it can to increase the use of recycled wastewater and stop injecting it into the ocean. And this is a small step in that direction, and we urge you to adopt it. And that's all I have. Thank you.

CHAIR LEE: Thank you, Mike. Any questions, for Mr. Williams? If not, thanks again.

Oh, we have a question. Member Paltin.

COUNCILMEMBER PALTIN: That last item you testified, do you know what number it was?

MR. WILLIAMS: Yea, it's--

COUNCILMEMBER PALTIN: 20, 20-576?

MR. WILLIAMS: Yes.

COUNCILMEMBER PALTIN: Okay. And then, I had a question on the, the highest and best use for the, these short-term rental properties. Would taxing them at that rate preclude the Council from taking away that authority in the future if they so chose to . . . that?

MR. WILLIAMS: No, I think, as Mr. Hokama said, you can use a change in your zoning laws to phase out those Minatoya condo apartments if you want to. The State law allows you to do that as long as you give them a reasonable time. But that's a, that's a debate for another day whether you want to decrease the number of short-term rentals.

COUNCILMEMBER PALTIN: But you don't feel that this action would preclude that action if?

MR. WILLIAMS: I, I don't, no, this action, this action doesn't preclude you from making those zoning changes. This just equalizes the tax rate for everybody in that class.

COUNCILMEMBER PALTIN: Okay. Thank you. Thank you, Chair.

CHAIR LEE: Any further questions? If not, thank you again, Mike. Have a great weekend.

MR. WILLIAMS: Thank you.

CHAIR LEE: Mr. Clerk, are you there?

DEPUTY COUNTY CLERK: Yes, Chair. The next person signed up to testify is Lucienne de Naie. To be followed by Tom Blackburn-Rodriguez. Tom Blackburn-Rodriguez is the last person we have currently signed up to testify.

CHAIR LEE: Good morning, Lucienne.

MS. LUCIENNE DE NAIE [testifying on County Communication Nos. 20-569 and 20-576, Committee Report 20-149, and Bill Nos. 116 (2020) and 117 (2020)]:

Good morning. Aloha. Nice to see you all again. This has been a busy week. And thank you all for all you do. I have a few things to testify on today. And I would like to start by supporting Council Communication 20-569, from Councilmember Sugimura. And that's extending the eviction moratorium into 2021, urging the Governor to take this action. As some of you may know, I serve on the board of Stand Up Maui, I'm the secretary of the Affordable Housing Committee. And I have to say, you know, we're, we're all working hard to find ways to create more affordable housing, but of course, we need to keep people in the housing they already can afford. So, if, if we can extend during these times, when we have such a high unemployment rate, the security that families feel to know that they'll have a roof over their head as they try to get together their finances and be able to afford their rent, I think it's the right direction to go. So, just testifying as an individual in support of that.

Moving on to my next item which is item County Communication 20-567 *[sic]*. This is the purchase of the Honokowai Reservoir. As some of you may know, this Reservoir and another nearby, used to be connected to our County sewage treatment plant, wastewater treatment plant in Lahaina. And the water was gratefully used by Pioneer Mill to irrigate their fields. They mixed it with some water from the Honolua ditch system. And they had a drought proof recipe to have water for their fields when there was no rain.

Well, we have Hawaiian Homes now owning, I don't know, about 800 acres of land surrounding the treatment plant. They just gave a wonderful update to the Board of Water Supply yesterday, saying how much they were moving forward with their ag residences hoping to be able to offer them in the next year or so. So, being able to have this reservoir, fix it up, use it to store R-1 water and make that water available to Hawaiian Homes would really help their plans and get more people in affordable housing on land as well. So, thank you for your support of these, these two measures. They're both helpful for our community for the long-term.

And then moving on to the Council resolution 20-149, that you've heard so much about. I have to say, as a senior and a retiree, many folks in my situation, especially local families, rely on having a little rental so that they can make ends meet and, and actually be retired and not have to have a second or third or fourth job after they retire. So, I do support this idea of creating an incentive for long-term rentals. And I think that eventually it would be great to have a incentive for affordable rentals as the Big Island does. But this is a really good start.

I do agree with those who have said that limiting to 12 months for one tenant, I don't know how many stories that, you know, I've heard of people renting where after six months you just know it's not the right fit. So, I think it's more you want it continuously occupied by a long-term renter for, for 12 months rather than, that it's only after 12 months that a person, the property is considered a long-term rental. So, I agree with Mr. Williams. You know, it could use a few tweaks but, before implementation, but the concept is really sound. Let's support what we know we want to do; and that is provide rentals that our families here are the first in line for.

And then the last thing I'd like to testify on is, I think it's Bill 116 and 117. I think I only listed 117. But it's just the support to move forward on creating an expansion of our Upcountry Agricultural Park. This is something's been talked about for a long time. And I realize this is just kind of, you know, the finalization of what has been discussed. But our community does support having more options for land. This piece of land is maybe not the most ideal in many ways, but it's what we have right now, so it will provide opportunities for folks. And we should move forward and give those opportunities, especially as people might be looking to transition into new agriculturally related businesses. So, thank you for your consideration. And wishing you all a Happy Thanksgiving.

CHAIR LEE: Same to you. Thank you. Questions?

Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. de Naie, for your testimony. My question is in regards to the Honokowai Reservoir. I just was wondering, are you aware if this is in good working order, the reservoir?

MS. DE NAIE: My understanding is it is going to need some repairs, because it's old. The, the toughest part was that there was kind of a breach at the ditch where the reservoir and the ditch sort of had an interface. And I believe, and there was a tremendous leak there, like three, four million gallons a day was just being lost. My understanding is that Maui Land and Pine committed, got insurance money to fix this, and repaired it. So, that's probably the most expensive thing that needs to be fixed.

But I believe I saw a, the Water Commission did a review of, of this idea of the County taking over ownership of the reservoir. And they did do I think some sort of analysis that it would need some repairs. But they weren't astronomical. They were like things that, you know, could be afforded and much cheaper than constructing a brand-new reservoir. So, it's repurposing and reutilizing something that was once part of the system. But there's probably more details that the Water Commission report, that probably is available online.

COUNCILMEMBER PALTIN: And then my last question would be, you know, like, so it looks like from the report on our thing that it's appraised at a lesser amount. And knowing how you feel about compliance with conditions, there's, this property owner hasn't complied with conditions on so many of their projects, is it not something that we should use as a negotiating?

MS. DE NAIE: Well, in your wisdom, if you want to do that, I have long testified about projects this particular property owner has proposed for just that reason, because promises are cheap, and fulfillment sometimes is long in being achieved. They did do some good. They created some affordable housing, they created some parks. But in, in the last, you know . . .

COUNCILMEMBER PALTIN: Like for Kapalua Mauka, we haven't received one compliance report in the last 13 years.

MS. DE NAIE: Yea. No, that, that's absolutely unexcusable *[sic]*. I, I, if I were in your position, I would use this as an opportunity to try to leverage for the public as much as could be obtained. I, I think it's to their benefit to sell this asset. They're not really using it. They're not in agriculture. But of course, you know, you need to consult with your attorneys what you're allowed to do. And certainly, I guess the Administration, the Council doesn't do these negotiations, the Administration does. But you could certainly send that message.

COUNCILMEMBER PALTIN: I mean, if they're asking for more than the appraisal, eminent domain seems like the way to go.

MS. DE NAIE: Yea, I, you know, not being an attorney, I don't know much about that. But that is something, you know, the Council should get information on. This is a needed part of moving forward. And it seems to me that Maui Land and Pine is really, should have some incentive to sell. But, you know, I, I think that accountability is very important.

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair.

CHAIR LEE: Any further questions? If not, thank you very much, Lucienne. Appreciate your testimony.

Mr. Clerk.

DEPUTY COUNTY CLERK: Chair.

CHAIR LEE: Yes.

DEPUTY COUNTY CLERK: The next person we have signed up to testify is Tom Blackburn-Rodriguez. To be followed by Tom Croly.

MR. TOM BLACKBURN-RODRIGUEZ (testifying on County Communication No. 20-569):

Good morning, Chair. Can you hear me?

CHAIR LEE: Morning. Yes, we can.

MR. BLACKBURN-RODRIGUEZ: Good morning and, to you and to Members of the Committee. My name is Tom Blackburn-Rodriguez and I live in Kihei. First of all, let me wish everyone an early Happy Thanksgiving. We need it. And congratulations on your election results. You needed it. Also, mahalo to Councilmember Riki Hokama for his service to the people of Maui County, and the honor he has brought to his family with that service. Thank you very much, Riki.

I am testifying in strong support on CO [sic] 20-569 resolution, offered by Councilmember Yuki Lei Sugimura, "URGING THE GOVERNOR TO EXTEND THE EVICTION MORATORIUM INTO 2021 AND URGING THE STATE OF HAWAII TO EXPEDITE ACCESS TO CARES FUNDING BY RESIDENTS WHO APPLIED FOR RENTAL OR MORTGAGE ASSISTANCE PRIOR TO 2021".

In Hawaii, the unemployment rate in October was 14.3 percent. The Maui Food Bank reported that it served 37,900 people with food assistance just last month. For the unemployed, let's face it, the State system is broken. We don't need any more emergency proclamations that run tens of thousands of pages. We need systems that work. Questions go unanswered and . . . are handled by human examiners, because the system is, to review appeals cannot work with existing computer systems. Months passed before questions are answered, months without assistance.

The Hawaii State Rental and Mortgage Assistance Program has money, but not enough staff can process the claims. So, instead of beefing up the staff of the nonprofits that carry out the program, they just shut it down. What a shame. These people are probably in charge of ordering lifeboats for the Titanic. Many people are facing eviction notices the day after Christmas. Landlords are preparing them now. Even the Mayor's well-intended turkey giveaway has had challenges in distribution notices. They're still going to the mailboxes looking for the vouchers.

We owe a debt of gratitude to MEO, the Family Life Center, Feed My Sheep, the Food Bank, and to the many volunteers in community and church distribution centers. One suggestion to you, use money in the Affordable Housing Fund to pay for rent and mortgage assistance in the similar way the CARES funding was used for business rents and mortgage relief. The Affordable Housing Fund says, "It is the intent of this chapter to encourage the provision and maintenance, maintenance of residential workforce housing units were both purchased and rental, to meet the needs of income-qualified households for the workforce, students, and special housing target needs".

I think that in our nation's worst public health . . . I'll conclude with one sentence. This language could be easily interpreted to help with mortgage and rental assistance. I encourage you to explore it. Thank you again for your service. Happy Thanksgiving. Thank you, Mr. Hokama. And thank you all for the opportunity to testify and for the work you are doing for all of us. Thank you very much.

CHAIR LEE: Thank you, Tom. Any questions for Tom?

Yes, Mr. Molina.

COUNCILMEMBER MOLINA: Yes, thank you very much, Madam Chair. And thank you, Mr. Blackburn-Rodriguez and for that thought to look into the Affordable Housing Fund as a possible tool to use to help meet, provide any housing assistance. And you were very instrumental in helping us develop that fund years ago, so I want to thank you for your help with that as well. Elaborate just a little bit more on how we can use this fund, and maybe how to, the distribution of it. It's something worth exploring.

MR. BLACKBURN-RODRIGUEZ: Thank you very, thank you, Council Molina, and I would encourage you to explore it. As we have discovered working with the State, oftentimes there are pots of money sitting around that could be used for something we either didn't know about it, or we didn't think about using it in a innovative way. It is my belief that it is a, it is more useful to prevent people from losing affordable housing than it is to spend 10 years in permits and planning to build affordable housing. The money is

there now. All it takes is a decision by this Council that it falls within the parameters of the enabling language and you can go forward.

Remember, and I think Kelly King mentioned this, and appreciate this very much. This is my representative Kelly King. I would say that she pointed out that we were all hoping for relief from the Federal government. It may or may not come. We, you know, it almost seems to me like the, the old time when New York City was going bankrupt and basically the headline said, "adios", you know. We cannot allow money to sit around and not be used in innovative ways. Thank you for the question, Mr. Molina.

COUNCILMEMBER MOLINA: Yea, thank you. And it's quite timely, because with the recent Charter amendment and passed by the electorate will set aside more funding in that fund. So, so, thank you, Mr. Blackburn-Rodriguez. Thank you, Madam Chair.

CHAIR LEE: Are there any further questions? If not, thanks again, Tom. Have a great weekend. Happy Thanksgiving.

MR. BLACKBURN-RODRIGUEZ: Thank you very much, Chair.

CHAIR LEE: Mr. Clerk, we have one more I believe?

DEPUTY COUNTY CLERK: Yes, Chair. The last person signed up to testify is Tom Croly.

MR. TOM CROLY (testifying on Committee Report 20-149):

Aloha, Council.

CHAIR LEE: Aloha.

MR. CROLY: Tom Croly here speaking on my own behalf. I did talk to you at, in Committee about the changes to the real property tax. And I did not support them at this moment, because I don't think that they have been fully vetted, and I don't think that we have fully considered the unintended consequences that could happen.

However, some questions came up when I, when I testified the last time. And one that I, I'll ask back right now, since the purpose of this legislation is to try to provide greater equity, I'm wondering why you left in the ordinance 3.48.305, section D, which basically says ignore everything else that's in this ordinance, and for this small group of people, treat them differently, okay. So, if the idea of this ordinance is to treat everyone fairly, I would encourage you to look at that section that says ignore everything that, that

preceded this and treat just this small group of taxpayers differently than you treat everyone else. So, that's first.

Second, in terms of highest and best use. I do want to remind the Council that anyone can make the use of a home business, and in that home business they can employ two people. And they can have eight cars a day coming to, to their homes, yet, all of those folks qualify as homeowner. So, again, if we're going to say we want to treat everyone the same, then everyone should be treated as a commercial business, shouldn't they? Because everyone has the allowance to have this home business at, at their home.

So, the, the third thing that I want to make a point is that we actually have a hotel that gets homeowner under the current Code. So, if we're going to treat people the same way, shouldn't we treat that hotel not as a homeowner and, and treat them, you know, as we are everyone else?

That's, I'll leave it at that, because I've probably hit my three minutes. But there is one more thing with respect to the long-term taxation. I believe that a better way we should do that is to be giving the benefit to the renter directly and not to the landlord. So, if we're going to create a long-term tax incentive, it should be directed directly to the renter, and it should be done through their resident State tax return. And the County could refund the State for that through, you know, some type of a fund that they set up that is funded through our real property tax revenues. That way it wouldn't be, we give the, the landlord a break and they may or may not pass that break on to, to the renter. But that would require completely restructuring the . . . have the time . . . restructure the bill next year, because we don't intend for this bill to take effect until the following year. Thank you, Chair.

CHAIR LEE: Thank you. Questions?

Yes, Ms. King.

COUNCILMEMBER KING: Thank you, Chair. Thank you for being here, Mr. Croly, again. I just, the last statement you made about giving the credit to the tenants, how does that encourage more folks, more landlords to rent long-term to residents versus going into short-term rentals, legal or illegal? Which is, the purpose of the bill is to encourage more short-term or long-term rentals to residents. So, if you give it directly to the tenant, how does that encourage the landlord?

MR. CROLY: Okay, so to, most properties on Maui are not allowed to make short-term rental uses, okay. 55,000 units on Maui are not legally allowed to make short-term rental uses. A very small number of properties have gone through the process and gotten

permit, either bed and breakfast permit or a short-term rental permit. And then a medium sized number of properties, about 13,000, are allowed to make those uses in condominium complexes. But the rest are not allowed to make short-term rental uses at all legally, right? So, the idea that you would encourage someone who is not allowed to make that use to not make that use through a tax incentive, I don't think that that accomplishes anything.

Now, if your goal is you're saying I want to take some of the legal ones that are out there, you know, perhaps in this case you're talking about condominiums, and encourage that guy to make this use, again, I don't know that you will achieve that. And, because the ones that you're talking about in that category, the ones that are going to be affected by this, are people who own those condo units as their second homes; that's their primary use of it, that's what they want to continue to make the use of. And they're not going to give away the idea of using it as their second home to gain some advantage, tax advantage.

COUNCILMEMBER KING: Well, we're, right now we're, you know, some of the complaints have been the higher rates on the, on the second homes, which remain empty. So, that is part of it, is hoping that, you know, or if you want to get a tax break, then rent it out long term to a resident. But the other part of the goal of this is, is, you know, possibly giving an advantage to some of the permitted ones who aren't able to rent them out. But also, the illegal ones, you know, to offer not just the stick, but the carrot as well, to do the right thing instead of doing the wrong thing. So, you know, anyway, I just kind of wanted to clarify that cause I'm not sure how giving it to the tenants would accomplish that. But thank you.

MR. CROLY: Thank you.

COUNCILMEMBER KING: Thank you for your input.

CHAIR LEE: Any more questions? If not, Tom, I have a question. Which hotel has a home exemption?

MR. CROLY: So, again, I don't like to speak of specific people in there, but there is a, a series of cottages on South Kihei Road in the north part of Kihei Road. And I think there's I think 10 or 12 cottages there. And the owner has a homeowner exemption and gets a homeowner rate and is allowed to legally rent out those 12 cottages, because his zoning is hotel. So, he's in hotel zoning, he lives on the property and he's allowed to rent out the 12 units and, and pay homeowner rate on that. So, again, establishing equity, which was part of the, the idea of this bill, we should be looking across the board and not granting these exceptions for one person or another because we, we, you know, for whatever reason.

CHAIR LEE: Alright. I think Ms. Paltin also has a question.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Croly, for your testimony; always find it very educational. My clarification was the first part that you were talking about. I think you were saying something like, if you want to treat this group equitably, that we should look back as to why it was originally not equitable. And if you can clarify if that's what you said, and I understood it correctly. And then I don't understand, I mean, I don't think we're going to have time to do a lot of research between now and voting. So, I was wondering if you could just--

MR. CROLY: Right. Sure. So, 3.48.305 is our part of the Code that specifies these are the classifications, right? And then, we have amended that through the years and said, if you're making this use, or you've gotten this permit, or, you know, these are your situations, here's the category you fall in. So, all of that code is there. People can agree with it or not, not agree with it; it is what it is.

But then, at the very end of all that code, we have a Section D, 3.48.305D and with this new change, you're getting rid of C, so it becomes the new C. And here's what it currently says, "Notwithstanding the forgoing, real property tax *[sic]* that does not serve as the owner's principal residence and was, prior to May 23, 2012, granted a conditional permit for bed and breakfast or transient vacation rental use in accordance with the comprehensive zoning ordinance, shall be classified as 'commercialized residential'". So, in one place, we say commercialized residential is only the B&B guys and then we say, oh, except for these guys that we're going to throw in. And that was your concern last week. So, if we are establishing equity and you're taking out a whole section of Code, then take out this section too and then you have equity restored for, for all those folks, okay?

COUNCILMEMBER PALTIN: Okay. It, it is on my list. We are working on it.

MR. CROLY: Okay. Thank you.

COUNCILMEMBER PALTIN: I don't know how soon it'll come about, but I have a PAF in on that.

CHAIR LEE: Alright. Any more questions? If not, Tom, thank you.

MR. CROLY: Thank you, Chair.

CHAIR LEE: Thank you.

DEPUTY COUNTY CLERK: Chair.

CHAIR LEE: Mr. Clerk.

DEPUTY COUNTY CLERK: We do not have, we do not have any other testifiers noted. If there is an individual connected to the meeting who has not testified, but would like to do so now, please, please identify yourself. You can identify yourself in the meeting chat, or we'll unmute everyone on our end too if you want to make yourself known. This is our last call for testimony. If you are connected to the meeting and would like to testify but have not done so, please identify yourself now.

Chair, no one else has indicated that they wish to testify, and we have received written testimony.

CHAIR LEE: Okay. Members, are there any objections to receiving the written testimony into the record and to closing public testimony at this time?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: Okay. So, ordered.

THERE BEING NO OBJECTION, WRITTEN TESTIMONY
RECEIVED FROM THE FOLLOWING WERE MADE A PART OF
THE RECORD OF THIS MEETING:

1. Jason Economou, Realtors Association of Maui, Inc.;
2. Sananda K. Baz, Managing Director; and
3. Lori Tsuhako, Director of Housing and Human Concerns.

CHAIR LEE: Mr. Clerk. You need two minutes?

DEPUTY COUNTY CLERK: Yes, Chair, if we could request a brief recess?

CHAIR LEE: Okay. Just a brief rec--

Oh, yes, Ms. Paltin.

COUNCILMEMBER PALTIN: Did, did, I'm sorry, did we accept the written testimony already?

CHAIR LEE: Yes.

COUNCILMEMBER PALTIN: Oh, shoot. I just wanted to make a correction.

CHAIR LEE: Alright. What correction were you thinking of?

COUNCILMEMBER PALTIN: The transmittal that got submitted as written testimony from Director Tsuhako. That wasn't my condition. I'm just the facilitator. It was proposed by Councilmember King. So, I just didn't want the record to reflect incorrectly.

CHAIR LEE: Alright. Mr. Clerk, can we just make that adjustment?

DEPUTY COUNTY CLERK: Yea, it's noted for the record, Chair.

CHAIR LEE: Okay.

COUNCILMEMBER PALTIN: Thank you.

CHAIR LEE: Any objections, Members?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: Okay, now at this time, the Clerk has asked for a two-minute recess. So, please don't go anywhere. He just has to do a couple of things and we'll get right back to business. Okay, recess.

(THE MEETING WAS RECESSED BY THE CHAIR AT 10:12 A.M., AND WAS RECONVENED AT 10:15 A.M., WITH ALL MEMBERS PRESENT.)

CHAIR LEE: Will the Council meeting of November 20, please reconvene.

Mr. Clerk, shall we continue with minutes?

DEPUTY COUNTY CLERK: Yes, Chair. Proceeding with minutes.

MINUTES

The minutes of the Council of the County of Maui's regular meeting of October 9, 2020, was presented at this time.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO APPROVE THE MINUTES AS READ BY THE
CLERK.

CHAIR LEE: Second?

COUNCILMEMBER SINENCI:

SECOND.

CHAIR LEE: Okay. Vice-Chair, moved by Vice-Chair Rawlins-Fernandez, seconded by
Member Sinenci, to approve the minutes as read by the Clerk.

Vice-Chair Rawlins-Fernandez, any discussion? Any discussion, anyone?

Okay. All those in favor, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay. All, nine "ayes", zero "noes"; motion carries.

Mr. Clerk, next.

DEPUTY COUNTY CLERK: Chair, proceeding with county communications.

COUNTY COMMUNICATIONS

NO. 20-562 - JOSEPH PONTANILLA, COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM MANAGER, (dated November 4, 2020)

Transmitting a notice of grant award from the U.S. Department of Housing and Urban
Development, Office of Community Planning and Development for the CDBG-CV2
grant in the amount of \$699,975.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. If there are no objections, may I ask you request the Clerk also call up County Communications 20-563 through 20-565?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: No objections. So, ordered.

Mr. Clerk, could you read the, the county communications, as requested by Vice-Chair Rawlins-Fernandez?

NO. 20-563 - KARLA H. PETERS, DIRECTOR OF PARKS AND RECREATION,
(dated November 9, 2020)

Transmitting the quarterly report regarding Fiscal Year 2020 Countywide Park Facilities for the period of July 1, 2020 through September 30, 2020.

NO. 20-564 - ROWENA M. DAGDAG-ANDAYA, DIRECTOR OF PUBLIC WORKS,
(dated October 22, 2020)

Transmitting a copy of the FFY 2019-2022 Maui Transportation Improvement Program Revision #7 Administrative Modification which includes the Kahana Nui Bridge Replacement Project, Federal-Aid Project BR-3080(009).

NO. 20-565 - SCOTT K. TERUYA, DIRECTOR OF FINANCE,
(dated November 10, 2020)

Transmitting 73 contracts/grants for October 2020.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO FILE COUNTY COMMUNICATIONS 20-562 THROUGH 20-565, EXCEPT FOR THOSE GRANTS AND CONTRACTS THAT COUNCILMEMBERS REQUEST FOR COMMITTEE REFERRAL.

COUNCILMEMBER KING:

SECOND.

CHAIR LEE: Okay. Moved by Vice-Chair Rawlins-Fernandez, seconded by Councilmember King, to file County Communications 20-562 through 20-565.

Discussion? Yes, Ms. King.

COUNCILMEMBER KING: Yea, I had a, I had one that I wanted to pull out. Is this the, is this the time you want to do it--

CHAIR LEE: Yes.

COUNCILMEMBER KING: --before we actually take the vote?

CHAIR LEE: Yes, it is.

COUNCILMEMBER KING: Okay. Let's see. The, the item that I wanted to pull up is, sorry about this, I had it right in front of me. Okay, so I'm sorry about that; sorry about that. The item that I wanted to ask to be referred is G5178, Ka Hale A Ke Ola Mobile Hygiene Unit. And I'm not sure if that goes to the Affordable Housing Committee or the, the HFC Committee, the Healthy Family and Communities. But I think maybe to the Affordable Housing Committee, since I know Member Kama is also interested.

COUNCILMEMBER PALTIN: Oh, now we're getting a--

COUNCILMEMBER KING: Sorry.

CHAIR LEE: I'm sorry.

VICE-CHAIR RAWLINS-FERNANDEZ: Member Paltin.

CHAIR LEE: Ms. Paltin, can you turn off your mic?

COUNCILMEMBER PALTIN: Sorry.

COUNCILMEMBER KING: But anyway, I wanted to, I wanted to ask to have that reviewed since we're having some issues with the, the mobile hygiene units.

CHAIR LEE: Okay. Referred to Affordable Housing Committee. So, that's one.

COUNCILMEMBER KING: And, and Chair does that need to, does that also need a referral for the following, to extend to the following year, or have we, have we done those referrals yet in the housing committee? I can't remember.

CHAIR LEE: We haven't done the housing committee yet.

COUNCILMEMBER KAMA: We're going to do it, I think next, next meeting, I think.

COUNCILMEMBER KING: Okay.

COUNCILMEMBER KAMA: The 30th.

COUNCILMEMBER KING: Okay.

CHAIR LEE: Alright. And then I saw a hand up by Member Paltin.

COUNCILMEMBER PALTIN: Sorry about that. I'd like to pull out C6817-1. And if we could refer it, I'm not sure. It's about the injection wells. Would that be, Member Sugimura, would you be willing to have that one?

CHAIR LEE: Okay. WIT.

COUNCILMEMBER PALTIN: Thank you.

CHAIR LEE: Yea, she hasn't filed yet, either.

CHAIR LEE: Alright. Any more contracts?

Yes, Mr. Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Yea, consideration for Grant No. G5249, Maui Nui Sustainable and Safe Tourism Management Initiative; referral to the Council Chair for the term beginning January 2, 2021, pursuant to Rule 23 of the Rules of the Council.

CHAIR LEE: Okay.

COUNCILMEMBER SINENCI: Thank you.

CHAIR LEE: Alright. Anymore?

Mr. Clerk, you're taking note of, of these three contracts, right?

DEPUTY COUNTY CLERK: Yes, Chair, we have them noted.

CHAIR LEE: Okay. Anymore?

Okay, so the motion on the floor is to file County Communications 20-562 through 565, except for the three contracts as noted. All those in favor, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND CHAIR
LEE.

NOES: NONE.

CHAIR LEE: Okay. Nine "ayes", zero "noes"; Motion carries.

The other three, any objections to referring them to the appropriate Committees?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: Okay. So, ordered. Okay.

Mr. Clerk, you're looking at me like you want us to take a vote on that. No? Okay. You have that look that you have on your face when, when you want me to do something. No? Okay, whoa I misread you.

Okay, next item for filing, Mr. Clerk.

NO. 20-566 - MICHAEL P. VICTORINO, MAYOR,
(dated November 6, 2020)

Informing of a vacancy on the Salary Commission due to the resignation of Michele Heile, effective November 6, 2020.

CHAIR LEE: Councilmember Molina.

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair.

MOVE TO FILE COUNTY COMMUNICATION NO. 20-566.

VICE-CHAIR RAWLINS-FERNANDEZ:

SECOND.

CHAIR LEE: Moved by Councilmember Molina, seconded by Council Vice-Chair Rawlins-Fernandez, to file County Communication 20-566.

Mr. Molina.

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair. The Mayor received notice of Ms. Heile's resignation from the Salary Commission, effective November 6, 2020. I'd like to thank Ms. Heile for her participation in local government and for volunteering her time for our community. Mahalo.

CHAIR LEE: Thank you. Any more discussion?

Yes, Ms. Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. I think we, we just confirmed Ms. Heile, yea?

COUNCILMEMBER MOLINA: Yea, that is correct. That was quite recent.

VICE-CHAIR RAWLINS-FERNANDEZ: Like last month or something. Okay. Okay, mahalo, Member Molina. Mahalo, Chair.

COUNCILMEMBER MOLINA: Thank you.

CHAIR LEE: Any more questions? Okay, all in favor of the motion, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; motion carries. Thank you.

Mr. Clerk, next item.

NO. 20-567 - JEFFREY T. PEARSON, DIRECTOR OF WATER SUPPLY,
(dated November 6, 2020)

Transmitting the Department of Water Supply's Monthly Source and Groundwater Use Report for the month ending October 2020.

CHAIR LEE: Okay. Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Thank you, Madam Chair. If there are no objections, I'd like to also ask the Clerk to also bring up County Communication 20-568?

MEMBERS VOICED NO OBJECTION.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR LEE: Okay. And what about 569, no?

COUNCILMEMBER SUGIMURA: Oh, can we take it up separately?

CHAIR LEE: Okay. Sure.

Mr. Clerk, 567, 568.

NO. 20-568 - SCOTT K. TERUYA, DIRECTOR OF FINANCE,
(dated November 6, 2020)

Informing of the acceptance of Waterline Easements "U-1", "U-2", and "U-3", Kehalani Modules 12 & 13 Subdivision, Wailuku, TMK: (2) 3-5-001:095, 097, & 102.

CHAIR LEE: Okay. Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Thank you.

I MOVE TO FILE COUNTY COMMUNICATIONS 20-567 AND
20-568.

COUNCILMEMBER KAMA:

SECOND.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR LEE: Okay. Moved by Councilmember Sugimura, seconded by Councilmember Kama, to file County Communication 20-567 and County Communication 20-568.

Discussion, Ms. Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. These are informational and no, no further action is required by the Council. Thank you, Members.

CHAIR LEE: Any further discussion or questions? If not, all those in favor of the motion, please say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; Motion carries.

Mr. Clerk.

NO. 20-569 - YUKI LEI K. SUGIMURA, COUNCILMEMBER,
(dated November 12, 2020)

Transmitting a proposed resolution entitled "URGING THE GOVERNOR TO EXTEND THE EVICTION MORATORIUM INTO 2021 AND URGING THE STATE OF HAWAII TO EXPEDITE ACCESS TO CARES ACT FUNDING BY RESIDENTS WHO APPLIED FOR RENTAL OR MORTGAGE ASSISTANCE PRIOR TO 2021".

CHAIR LEE: Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Thank you, Chair.

I MOVE TO ADOPT PROPOSED RESOLUTION ATTACHED TO
THE COUNTY COMMUNICATION 20-567 [S/C],
INCORPORATING ANY NONSUBSTANTIVE REVISIONS, AND
TO FILE COUNTY COMMUNICATION 20-569.

COUNCILMEMBER KAMA:

SECOND.

CHAIR LEE: Okay. Moved by Councilmember Sugimura, seconded by Member Kama, to adopt the resolution in County Communication 20-569.

Ms. Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. Please, may I ask the Clerk to read the resolution in its entirety?

CHAIR LEE: Mr. Clerk.

(The resolution was read in its entirety.)

CHAIR LEE: Member Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. Thank you, Clerk, for reading the resolution. I wanted to, I just wanted to say that I heard from both sides of this issue. The resolution spoke to the many people who are still waiting to get back to work. And it's nice that we have hotels starting to open. And some of the people that I've been seeing, they, they reported back to work, but it's a slow process just because of the pandemic. We still have people who are not able to pay their rent because of lack of income due to the pandemic. And to those people, this resolution was created just so that they do not become homeless when this eviction moratorium ends ending of this year.

I had an opportunity to voice my concern during the election to Governor Ige, hoping that he would extend the eviction moratorium. And as you can, as you could hear from testimony from Aloha United Way, Nick Winfrey, as well as Mr. Blackburn, you know, there are people out there still in need. And we need to address that, because as you all know, we have a homeless problem and we don't have enough housing to accommodate these people, which may lose a roof over their head because of this pandemic when there are funds available. So, that was my frustration.

I will also tell you that I heard from the other side which are the landlords saying that there are people who have received funding or who, who have enough money but are not paying their rent because they are, they're afraid of what may happen and they know that they're protected because of the eviction moratorium. And so, that's the two sides of the spectrum that is, I wish there was a solution so that we could, you know, could help both sides.

But, Members, I, I ask for your support of this as I, I know that this is something that is a State concern. It is a resolution made out to Governor Ige, because he has the ability to create the, to extend the moratorium. And I will tell you also that I already heard, after this being introduced by the Council for today, that I also heard from Representative Troy Hashimoto, who is going to be the Vice-Chair of Housing, and he did entertain a conversation with landlords, as well, you know, both sides with Catholic Charities or, you know, the processing of that \$100 million. So, there's discussions out there.

But Members, I still stand by the need to take care of those who are being affected because of the pandemic. We're not out of the woods yet. And I would hate for us to have our residents who would not have any housing because we don't have enough in our community to provide for them if we don't help them with this problem. So, thank you very much. I look forward to hearing from you and what you may feel about this. But I ask for your support of this resolution. Thank you.

CHAIR LEE: Alright. Member Molina. You're muted. You're muted.

COUNCILMEMBER MOLINA: Sorry about that. Thank you, Madam Chair. I'd like to thank Councilmember Sugimura for this resolution. It certainly sends a very strong and compassionate message to the Governor, and our State and Federal representatives about the need of, our needs of our residents, especially in light of what could happen soon.

I would like to ask Member Sugimura if she would consider adding a specific date to the moratorium, because it says, just into 2021. Just wondering if we should be a little more specific, December 31, 2021; June 30, 2021? Can you recommend a specific date we could include in this reso?

COUNCILMEMBER SUGIMURA: You know, that's a very good point, Mr. Molina. I left it past, or into 2021, because it just depends on this pandemic. If I can guess, I'll guess, because we're hearing the vaccine to be released, that maybe we can look at midyear for June 2021. But at the point of writing of this, we're still hearing, you know, the, that was not as definitive as it is today from what we've been hearing on the news. So, anyway, that was my reason anyway, for making it like that.

But I, if I can guess just because of the vaccine becoming available and home testing, the cautions that we're seeing in, in, on the mainland for Thanksgiving, everybody's supposed to, you know, like stay at home and, you know, be careful, shelter in place still, so, I'll guess June 30, 2021, and leave it up to you, Members. I think we're all hearing the same information.

COUNCILMEMBER MOLINA: Okay. Thank you very much, Ms. Sugimura.

So, Madam Chair, I guess we could do it as a friendly amendment, or a formal amendment, just to add more specificity to it, I think would help.

CHAIR LEE: Alright. Could you make a motion, Mr. Molina?

COUNCILMEMBER MOLINA: Okay.

I MOVE TO AMEND THE FIRST "BE IT RESOLVED" IN THE
RESOLUTION TO INCLUDE THE DATE OF JUNE 30, 2021.

COUNCILMEMBER SUGIMURA:

SECOND.

Thank you.

CHAIR LEE: Moved by Mr. Molina, seconded by Ms. Sugimura to amend the, the motion to include a specific date to end the moratorium. Any more discussion?

I saw Mr. Hokama's hand up. No?

CHAIR LEE: Okay, all those in favor of the motion, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; Motion carries.

Now, the motion as amended.

Ms. Paltin, and then Mr. Hokama.

COUNCILMEMBER PALTIN: Oh, I'd like to move to amend the motion to include Representative-Elect Kaiali'i Kahele, because it's for 2021 and let's not leave him out.

CHAIR LEE: Okay. Now, that could be a friendly amendment; just adding.

COUNCILMEMBER PALTIN: Oh okay.

CHAIR LEE: Yea. Mr. Clerk, did you--

COUNCILMEMBER PALTIN: We're all friends.

CHAIR LEE: Mr. Clerk, did you get the name?

DEPUTY COUNTY CLERK: Yes, Chair; Representative-Elect Kai Kahele, right?

CHAIR LEE: Yes.

Mr. Hokama.

So, we're just going to add that in, with no objections, right?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: Okay, Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you very much, Madam Chairman. I speak in support of the motion as amended this morning made by Ms. Sugimura. I would ask the Council, yes, to please support it.

I think there's couple of things that we should be aware of, though. You know, Treasury Secretary Mnuchin has already, this morning in Washington D.C., directed the Fed to return back \$455 billion of unspent CARES money back to the government. And that is also intended to eliminate all support currently for small business administration and small business entities. So, we're looking at potential national restaurant closure epidemic from this pandemic. And so, I just share that because I don't know if the Governor will have access to CARES, since now, the Secretary of Treasury has made a directive that unspent or unencumbered funds needs to be returned.

Interesting enough though, the Fed Chair and the U.S. Chamber of Commerce has pushed back strongly against this Administration effort, where they feel it'll be a greater impact in not helping us regarding the economy and further closures nationwide of what is now going to be an economic warfare from the pandemic. So, I just share these things, because this is the reality we're going to have to face, that some of the pots of monies we're looking at may not be available for us in the future.

And so, I just ask us that we need to be aware of what's happening in D.C. The end of the Trump Administration is creating some challenges that we really don't need at this time, but they're making it happen. So, we're going to need to fight through this, and persevere and find other ways to maybe address the concerns. But it will definitely impact this subject regarding rental and mortgage assistance to our residents. So, thank you very much, Chair.

CHAIR LEE: Thank you.

Yes, Ms. King.

COUNCILMEMBER KING: Thank you, Chair. I support the, the resolution. I would've supported it with an open ended no date, because we really don't know what's going to happen, and things could get worse, things could get better. I have hope regarding Mr. Hokama's information that things will get better after January 20, and funds will be returned. That our, I mean, there's some, almost feels like sabotage going on right now in our country by our outgoing leader. But I have hope for the future, and I think things could turn around.

I, I also wanted to say that I'm not as confident in the vaccine being widely available. So, I think we can't count on a date certain that we're all going to have access if and when there is a vaccine. And we also don't know if the majority, in order for it to work, people have to be willing to take it as well. So, so I think there's a lot of unanswered questions out there right now and I'm glad that we're giving support to people who are still suffering, because, and this is the type of thing that I would, would've hoped that we could've, you know, we keep doing these urging resolutions, because we're not getting the transparency that the general public is asking for it as well.

So, thank you, Member Sugimura, for bringing this forward, supporting all of our struggling tenants and residents out there. But, I, I, I, I'm not sure that we aren't going to need, you know, if it does get extended, have it extended beyond June 2021, or even shortened. But, you know, let's hope for the best. Thank you.

CHAIR LEE: Alright. Yes, Mr. Molina, and then Ms. Sugimura.

COUNCILMEMBER MOLINA: Thank you, Madam Chair. My apologies cause I going be a little bit picky again. Just in the second "BE IT RESOLVE", it mentions "to expedite access to CARES Act funding to residents who applied for rental or mortgage assistance prior to 2021". It seems a little vague, so I'm wondering if Member Sugimura and the rest of my colleagues could consider strengthening this by revising the second "BE IT RESOLVED" to include the specific entities who would have a role in the rental

or mortgage assistance. So, basically, something could read like what I'm about to say, state, "that it urges the State of Hawaii and its partners to expedite access to CARES Act funding through the State of Hawaii Rent Relief and Housing Assistance Program, Department of Hawaiian Home Lands COVID-19 Emergency Rental Assistance, and Aloha United Way COVID-19 Rent & Utility Assistance, prior to 2021".

So, I just throw it out there. I mean, if the Members would like to include that as well. If not, I understand. But again, just trying to do whatever we can to strengthen the resolution even more so.

CHAIR LEE: Alright, is there a second? Yes, Ms. Sugimura. What is, you have a question?

COUNCILMEMBER SUGIMURA: No, I just want to, I just want to make a statement that I appre--

CHAIR LEE: You muted yourself by accident, I think.

COUNCILMEMBER SUGIMURA: Wrong way. So, I appreciate what you're saying, because specific, more clarity is better. The only problem is the, I know about Aloha United Way, Catholic Charities, and then you also have, like, others that I don't know maybe, you know. And so, that's why I'm afraid of saying specifically, because when I look at what's happening throughout the State, I know what's happening here on Maui; MEO is doing a great job, Family Life Center, you know. And, and they're doing CARES Act funding, but they're, to me they're not the problem. The problem is the State side, you know, with their broad \$100 million and that's what is having a hard time being pushed out. So, I'm a little, I'm, I'll do what, I'll go with whatever, you know, the Members have to say. But because of not knowing all the partners out there, I hate to narrow it down, and then we end up missing maybe something that was important. So, that's my only caution about that.

COUNCILMEMBER MOLINA: Okay. Member Sugimura, if that makes you more comfortable, I'm okay with it. Yea, I wasn't really aware that there could be other State partners involved. But again, I'll leave it up to you and respect your wishes. But again, my reason is just to, you know, add as much clarity to the resolution.

COUNCILMEMBER SUGIMURA: Yea, and you're good at that.

So, I have one more thing.

CHAIR LEE: Ms. Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. So, before we take a vote, I just want to announce, because we're talking about Catholic Charities, is that they have a website, anybody who applied. Because my office has been getting calls, like did we qualify, did we get the money? And if they could go to [COVID-19.catholiccharitieshawaii.org](https://www.catholiccharitieshawaii.org), and they can put in their name, I don't know if it's social security, whatever--

CHAIR LEE: Ms., Ms. Sugimura, let's take the vote, and then you can say that.

COUNCILMEMBER SUGIMURA: Oh. I'm just speaking in favor of it. Okay. Thank you.

CHAIR LEE: Any other comments or questions on the motion? If not, all those in favor of the motion, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay. Thank you very much. Motion carries.

Now, your commercial.

COUNCILMEMBER SUGIMURA: Alright, thank you. Thank you, Chair. This Council's so fun. So, if anybody who applied with Catholic Charities and you're wondering if, if you qualified or if your application was received, because they were so inundated with applications. First week, Maui office got like 1500 applications and a lot of them were duplicates because people were so anxious, but you can check by going to [COVID-19.catholiccharitieshawaii.org](https://www.catholiccharitieshawaii.org). And I'm going to put this on my social media so that people will know.

And I, I just want to also take this time to commend MEO, who launched the HELP Program in March. And they were really ahead of the game to make this happen; and helped a lot of people. But a big gap in terms of financial needs out there in the community. So, thank, thanks for letting me do my commercial, Chair.

CHAIR LEE: Mr. Clerk, what do we have next on the agenda?

DEPUTY COUNTY CLERK: Chair, for the record, that's RESOLUTION 20-164.

Proceeding with County Communications for referral. The following County Communications are recommended referral to the following Committees as noted.

NO. 20-570 - KELLY TAKAYA KING, COUNCILMEMBER,
(dated November 12, 2020)

Transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 16.16B.R401.2, MAUI COUNTY CODE, RELATING TO ENERGY CODE COMPLIANCE FOR LARGE RESIDENTIAL BUILDINGS".

The recommended action is that County Communication 20-570 be referred to the Climate Action and Resilience Committee.

CHAIR LEE: Hold it, hold it. Mr. Clerk, one second.

Ms. King.

COUNCILMEMBER KING: Thank you, Chair.

I MOVE TO REFER COUNTY COMMUNICATION 20-570 TO
THE COUNCIL CHAIR FOR THE TERM BEGINNING
JANUARY 2, 2021, IN ACCORDANCE WITH RULE 23 OF THE
RULES OF THE COUNCIL.

CHAIR LEE: Okay. Any objections?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: If not, so ordered.

COUNCILMEMBER KING: Okay. Thank you, Chair. The, just to let folks know that, because we did our referral already, and the next Climate Action and Resilience Committee is, meeting is scheduled for December 16, 2020. So, if the item is not, is referred to the CAR Committee today, there's a chance it could be auto filed at the end of the term, so I'm just asking to extend it to the next term.

CHAIR LEE: Yes.

COUNCILMEMBER KING: Thank you.

CHAIR LEE: Okay. Thank you.

Mr. Clerk.

NO. 20-571 - SCOTT K. TERUYA, DIRECTOR OF FINANCE,
(dated November 10, 2020)

Reporting on temporary transfers/loans from the General Fund and Department of Water Supply Revenue Fund to the 2020 Proposed General Obligation Bond Fund as of September 23, 2020.

The recommended action is that County Communication 20-571 be referred to the Economic Development and Budget Committee.

CHAIR LEE: Okay, let's take, hold, hold up, Mr. Clerk.

Okay. Ms. Rawlins-Fernandez, you want that referred? Cause I'm going to stop at 20, 20-572.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Yea, it can be referred. And I didn't do my referral for the term, so it'll be--

CHAIR LEE: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: --in my list.

CHAIR LEE: Okay, the next item, Mr. Clerk. Isn't that your item?

VICE-CHAIR RAWLINS-FERNANDEZ: Yes. Clerk's Office item.

CHAIR LEE: Yea, Clerk's Office, right?

VICE-CHAIR RAWLINS-FERNANDEZ: I'll be, my intention is to take action on that item today, Chair.

CHAIR LEE: Okay. Alright.

Mr. Clerk. If you could read it and then, and then stop, yea. Read it and then we're going to take action on it, okay?

NO. 20-572 - ALICE L. LEE, COUNCIL CHAIR,
(dated November 13, 2020)

Transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS, OFFICE OF THE COUNTY CLERK, (CENTER FOR TECH AND CIVIC LIFE GRANT)".

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO WAIVE THE REQUIREMENT OF COMMITTEE
REFERRAL AND REPORT IN ACCORDANCE WITH RULE 7.G.
OF THE RULES OF THE COUNCIL.

COUNCILMEMBER KAMA:

SECOND.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Kama, to waive the Rules of the Council.

Discussion, Ms. Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. This item is time sensitive. The urgency is that this funding is from the CARES Act, which expires next month. So, we'll need to take action on this quickly if we would like to receive the funds. Mahalo, Chair.

CHAIR LEE: Okay. Any further discussion? Well, that's for the Rule, right? Any further discussion on waiving the Rule? Okay. All those in favor, say "aye".

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay, nine "ayes", zero, nine "ayes", zero "noes"; motion carries.

Mr. Clerk.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ:

I MOVE TO PASS THE PROPOSED BILL ON FIRST READING,
INCORPORATING ANY NONSUBSTANTIVE REVISIONS, AND
TO FILE COUNTY COMMUNICATION 20-572.

COUNCILMEMBER KING:

SECOND.

COUNCILMEMBER KAMA: Second.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member King, to pass the bill on first reading. And so, it is Vice-Chair Rawlins-Fernandez turn to explain all of this. Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. The purpose of the proposed bill is to amend Appendix A, Part I of FY 2021 Budget by adding a new appropriation entitled, "14. Office of the County Clerk, a. Center for Tech and Civic Life Grant" for \$130,456.

The Tech and Civic Life Grant exclusively provides for the public purpose of planning and operationalizing safe and secure election administration in Maui County in 2020. This grant provides for such specific 2020 election administration needs, such as ballot drop boxes; drive-thru voting; election departmental, election department real estate cost or cost associated with satellite election department offices; nonpartisan voter education; personal protective equipment for staff poll workers or voters; poll worker recruitment funds; hazard pay and/or training or expenses, or training expenses; polling place rental; and cleaning expenses for, cleaning expenses for early voting or election day; temporary staffing; vote by mail; absentee voting equipment or supplies; and election administration equipment.

The grant project period of June 15, 2020 through December 31, 2020 represents the dates between which covered costs may be applied to the grant. The County shall expend the amount of this grant for the stated purpose by December 31, 2020.

This grant may not supplant previously appropriated funds. The grantee shall not reduce the budget of the County Clerk Election Department or fail to appropriate or provide previously budgeted funds to the Election Department for the term of the grant.

As a side note, the Office of the County Clerk is currently in the process of reconciling its election related expenses for submittal to the state of, State Offices of Elections, as some expenditures by law are prorated and reimbursable from the Office of the, from the Office of Elections back to the counties. Additionally, the Office of Elections is administering a statewide elections related COVID-19 response grant that also provides for some level of reimbursement for unbudgeted expenses incurred in response to the COVID-19 pandemic.

I respectfully ask, request that this matter be expedited for review and action. We also have our County Clerk Kathy Kaohu, on the line if Members have questions. Mahalo for your attention on this matter. Mahalo, Chair.

CHAIR LEE: Member Molina.

COUNCILMEMBER MOLINA: Yea, thank you, Madam Chair. For what it's worth, will this grant provide more assistance to the Legislative or Elections Division? Just curious. I guess if Ms. Kaohu could answer that if, if she's--

CHAIR LEE: Ms. Kaohu, are you on the call?

COUNTY CLERK KATHY KAOHU: Hi. Aloha.

CHAIR LEE: Hi.

COUNTY CLERK: It, it doesn't extend to the Legislative branch. It's specifically for elections related expenditures.

COUNCILMEMBER MOLINA: Okay. Thank you.

COUNTY CLERK: And then just to add a quick, the 50-50 between the State and the County is pretty much for everything with the exception of voter registration expense, expenditures and voter education expenditures.

CHAIR LEE: Okay. Any more questions? If not, all those in favor of the motion to pass the bill on first reading, please say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; motion carries. Thank you.

Next item, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, for the record, that is BILL 122 (2020).

NO. 20-573 - MICHELE M. YOSHIMURA, BUDGET DIRECTOR,
(dated November 13, 2020)

Transmitting the following:

1. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; DEPARTMENT OF FINANCE, GOVERNMENT FACILITIES, BOND FUND, ACQUISITION OF 60 SOUTH CHURCH STREET BUILDING AND PROPERTY; TOTAL CAPITAL IMPROVEMENTS PROJECT APPROPRIATIONS; TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)";
2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF FINANCE, ACQUISITION OF 60 SOUTH CHURCH STREET BUILDING AND PROPERTY";
3. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 5101, BILL NO. 66 (2020), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF FINANCE – ACQUISITION OF 60 SOUTH CHURCH STREET BUILDING AND PROPERTY)"; and

4. A proposed resolution entitled "AUTHORIZING THE ACQUISITION OF APPROXIMATELY 41,257 SQUARE FEET IDENTIFIED AS TAX MAP KEY NOS. (2) 3-4-013-010, AND (2) 3-4-013:023 (POR.), SITUATED AT WAILUKU, MAUI, HAWAII, FOR AN AMOUNT NOT TO EXCEED \$3,720,000.00".

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO WAIVE THE REQUIREMENT OF COMMITTEE,
COMMITTEE REFERRAL AND REPORT IN ACCORDANCE
WITH RULE 7.G. OF THE RULES OF THE COUNCIL.

COUNCILMEMBER KING:

SECOND.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Councilmember King, to waive the Rules of the Council.

Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. As discussed in your Economic Development and Budget Committee this week, this item is time sensitive. There were questions that the Members had, and Finance Director Scott Teruya is on the line. The--

CHAIR LEE: Okay. So, all those in favor of waiving the Rule, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay, nine "ayes", zero "noes"; motion carries.

Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO PASS THE PROPOSED BILLS ON FIRST READING, INCORPORATING ANY NONSUBSTANTIVE REVISIONS; ADOPT THE PROPOSED RESOLUTION, INCORPORATING ANY NONSUBSTANTIVE REVISIONS; AND TO FILE COUNTY COMMUNICATION 20-573.

COUNCILMEMBER SUGIMURA:

SECOND.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Sugimura, to pass the bills on first reading and filing of the communications.

Discussion, Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Members, as discussed in the Economic Development and Budget Committee on November 18, 2020, the County was given the first opportunity to purchase this property, but needs to finalize the agreement by the end of the calendar year or the property will be listed on open market.

The property at 60 Church Street will, would be used to house the Maui Emergency Management Agency. The department, the building already includes a generator that would be beneficial during a natural disaster. In addition, the property is large enough so that departments that do not require regular interaction with the public could also be moved into that space, thus freeing up open, freeing up office space in the Kalana O Maui Building to relocate departments who are currently leasing space outside of the campus.

As explained by the Director of Finance and the Managing Director, while there will be some renovation costs, the new net cost would be zero to savings from reduced lease expenses.

We also have, as I mentioned, Director Teruya on, with, to follow up on some of the questions that was asked during Committee.

CHAIR LEE: Okay. Mr.--

VICE-CHAIR RAWLINS-FERNANDEZ: So, if Members--

CHAIR LEE: Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you, Chair. I was going to ask if you would allow Finance Director to give his comments? Cause I'm curious as they reported they responded to Ms. Rawlins-Fernandez' Committee. So, I would like to hear from Mr. Teruya, what is his answers to the Committee's questions, please.

CHAIR LEE: Mr. Teruya, are you on the call?

DIRECTOR OF FINANCE SCOTT TERUYA: Yes. Thank you, Chair. Good morning, Members. Do you guys want to repeat the questions, or you want me to, I, I submitted about 45 pages to the Committee regarding significant portions of the report that address the report. I don't know if you want, do you want our version, or you want the 30 second version, or if you have specific questions that you can ask?

CHAIR LEE: Mr. Teruya, we definitely don't want the one-hour version. But there may be--

DIRECTOR OF FINANCE: Chair.

CHAIR LEE: --specific questions. Specific questions, though, Members.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you, Chair. And, yea, thank you, Mr. Teruya. I got the report this morning. I had a chance to go through it quickly. So, I would say, yea, it verified a lot of the things that was mentioned at the Budget Committee's review. And I appreciate the comparisons that you provided, because it shows you can actually go down below \$200 per square foot depending again on your design requirements.

The one thing that I would say, again, if, make it clear for this Council please, Mr. Teruya. The deadline of the transaction has to be completed by December 31, according to the seller?

DIRECTOR OF FINANCE: Chair.

CHAIR LEE: Yes, Mr. Teruya.

DIRECTOR OF FINANCE: Thank you, Chair. Mr. Hokama, yes, your, part of the agreement, that negotiation to get to a sales price and agreement, the seller's request is that they close by the end of the calendar year, and therefore, the need for us to have gotten this at the price that we are negotiated at. Thank you.

COUNCILMEMBER HOKAMA: Okay. So, just so the Council is clear and all nine of us understand what you're asking, when you say, "closing by the end of the year", what does that entail please, Mr. Teruya?

DIRECTOR OF FINANCE: In my understanding, that would be, it would be it went through escrow and it is recorded at the Bureau of Conveyances.

COUNCILMEMBER HOKAMA: Okay. I, I will say I can support. I, you know, I've got some mani, not manini, but I got some small issues. But I see the bigger picture and I will support my Budget Chair recommendation. However, since this is really pushing us at this time of the term, I don't see a problem why the seller cannot do the recordation requirements on their own. They want it closed by the end of the month. They can do and have it recorded and walk it through Bureau of Conveyances or Land Court if that's what they want; that's fine with me. But I'm happy to support the Budget Director to appropriate the purchase for the acquisition. Is that something doable, Director?

DIRECTOR OF FINANCE: Chair.

CHAIR LEE: Yes.

DIRECTOR OF FINANCE: Absolutely, whichever way expedites it at the best of, of both parties will be done. We are working in concert with the sellers and the representative, Mr. Friedlander, on, on this transaction. So, it is in our best interest as well to get it done as soon as possible, so we can start doing the next phase of getting it occupied and removing our leases as, accordingly.

So, Members, just a real quick point that if you got my transmittal, Chair Lee's best example that I'm sure she likes is the last page, which is a one-page summary. So, Ms. Lee, you can throw all, first 43 pages away and keep the last page, and you'll have all your information there.

CHAIR LEE: Thank you, Mr. Teruya. I was disappointed you didn't have pictures, but that's okay. Maybe next time, graphics.

DIRECTOR OF FINANCE: There is a lot of pictures in there, actually.

CHAIR LEE: Okay. Alright. Anymore?

Yes, Ms. Ms. Paltin.

COUNCILMEMBER PALTIN: I'm not sure I got that transmittal that we're talking about. Where, where would it be? Oh, it's on the Granicus? That's the one? That's, that's the same one that's attached to the agenda item, right?

CHAIR LEE: How did, wait. Mr. Clerk. Mr. Clerk, was it uploaded to Granicus this morning?

DEPUTY COUNTY CLERK: Chair, so, this is in reference to the letter from the Managing Director. We--

CHAIR LEE: County Communication 20-573, about the purchase of the Hawaiian Telephone Company property. He said--

DEPUTY COUNTY CLERK: So, the only thing we have on--

CHAIR LEE: He said, he said 45 pages, and then the last one is the summary.

DEPUTY COUNTY CLERK: So, that report, that 45-page one, no, we do not have it. The only thing that's on Granicus for the Council item is, is the County Communication itself. But that report, I believe would be in the EDB Committee's files. So, they may be able to find it there. And then the summary was transmitted to us directly, but that's not uploaded on Granicus.

COUNCILMEMBER PALTIN: What Mr. Hokama held up, it looks like page 31 of the 154-page document on Granicus. Is that the one? And then--

DIRECTOR OF FINANCE: Chair, what I can, what I can do is basically it's a summary of the entire packet that you were given. The only thing I added, and I can share my screen, is the last page. And I, it's, I can do that, I can try to attempt to show that showing, using, sharing my screen share, Chair.

CHAIR LEE: Wait. Ms. Paltin, do you want him to share his screen or just email it to us?

COUNCILMEMBER PALTIN: I think the one that he's going to share his screen was the one, is that the two pages emailed by the County Clerk?

CHAIR LEE: James?

COUNCILMEMBER PALTIN: Summary of facts?

CHAIR LEE: James?

DEPUTY COUNTY CLERK: Chair, the, the summary that Director Teruya is referencing, we did email out to the Members as part of the testimony.

CHAIR LEE: Yea. Okay. That's what I thought.

DEPUTY COUNTY CLERK: So, the Members should have the summary.

CHAIR LEE: Yea.

COUNCILMEMBER PALTIN: Okay. And then the 45 pages that Mr. Hokama's referring to, that was on our Granicus for Friday from before, then? It's not a new document?

CHAIR LEE: In, it's actually supposed to be in EDB, right?

COUNCILMEMBER PALTIN: No, it was on the Council attached to this item. There's 154-page document, and then I think the 45-page one that Mr. Hokama is saying is within that 154-page document? Something USPAP?

COUNCILMEMBER HOKAMA: Yea, Ms. Paltin. If you look on Communication 573 on page 108, you will see the "SUMMARY OF VALUE CONCLUSIONS" that the Finance Director has provided. The list, cost approach, income approach, direct sales comparison approach. He provides a 50 percent undivided interest value. And then the two methods of calculation, they gave us two different numbers that you would see on the page. And one justifies the request for funding this morning.

COUNCILMEMBER PALTIN: That's the one with the leased fee and the fee simple? Okay. And, and we're purchasing it, purchasing it fee simple?

CHAIR LEE: With the lease buyback. But Ms. Paltin, did you want to take a short recess, so that you could review these items?

COUNCILMEMBER PALTIN: No. I, I reviewed the 154 pages previously. I just wasn't sure if the 45-page document that Mr. Hokama was referring to was a brand new document. And it looks like this two-pager that the County Clerk uploaded is the new document. So, I, I don't need a recess. Thank you. I just wanted to make sure I didn't miss reading extra paper that came through.

CHAIR LEE: By all means, we don't want you to miss anything, you know.

COUNCILMEMBER PALTIN: Fastidiousness.

CHAIR LEE: Yes, that's right. And you're just like our resident librarian. Okay, anybody else? Okay, are we ready to vote on this matter?

All those in favor of approving the recommendations in County Communication 20-573, please raise your hand and say "aye".

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay, it looks like nine "ayes", zero "noes"; motion carries.

Now I remember, now I remember there was nothing, there was no documentation in
EDB. I forgot about that. Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR LEE: So, Mr. Clerk, moving on. The next item.

DEPUTY COUNTY CLERK: Chair, for the record, these are BILLS 123 (2020), 124 (2020),
AND 125 (2020); respectively. And the resolution is RESOLUTION 20-165.

CHAIR LEE: Alright. Thank you.

DEPUTY COUNTY CLERK: Chair.

CHAIR LEE: Yes?

DEPUTY COUNTY CLERK: Continuing with county communications for referral.

NO. 20-574 - KARLA H. PETERS, DIRECTOR OF PARKS AND RECREATION,
(dated November 10, 2020)

Transmitting the semiannual report regarding park dedications for each community
plan area for the period of April 1, 2020 through September 3, 2020.

The recommended action is that County Communication 20-574 be referred to the Healthy
Families and Communities Committee.

(COUNTY COMMUNICATION NO. 20-574 WAS FILED LATER IN
THE MEETING. See pages 57 and 58 for discussion.)

NO. 20-575 - TAMARA PALTIN, COUNCILMEMBER,
(dated November 13, 2020)

Transmitting a proposed resolution entitled "REFERRING TO THE MAUI PLANNING COMMISSION A PROPOSED BILL RELATING TO UNLAWFUL CONSUMPTION OF INTOXICATING LIQUOR IN HISTORIC DISTRICTS 1 AND 2 (LAHAINA)".

The recommended action is that County Communication 20-575 be referred to the Planning and Sustainable Land Use Committee.

(THE PROPOSED RESOLUTION ATTACHED TO COUNTY COMMUNICATION NO. 20-575 WAS ADOPTED LATER IN THE MEETING AND ASSIGNED RESOLUTION NO. 20-166. COUNTY COMMUNICATION NO. 20-575 WAS THEN FILED. See pages 59 through 68 for discussion.)

NO. 20-576 - ERIC A. NAKAGAWA, DIRECTOR OF ENVIRONMENTAL MANAGEMENT, (dated November 5, 2020)

Transmitting a proposed resolution entitled "AUTHORIZING THE PURCHASE OF LAND LOCATED AT HONOKOWAI RESERVOIR, ISLAND AND COUNTY OF MAUI, PURSUANT TO CHAPTER 3.44, MAUI COUNTY CODE".

The recommended action is that County Communication 20-576 be referred to the Water, Infrastructure, and Transportation Committee.

(COUNTY COMMUNICATION NO. 20-576 WAS LATER REFERRED TO THE ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE. See pages 68 through 70 for discussion.)

CHAIR LEE: Any objections to referring the items as read by the County Clerk, not including the EDB item 20-573? Yea, okay. All in favor? No objections? No objections?

COUNCILMEMBER HOKAMA: Chair. Chair.

CHAIR LEE: Yes.

COUNCILMEMBER PALTIN: Objection.

DISCUSSION RELATING TO
COUNTY COMMUNICATION NO. 20-574

COUNCILMEMBER HOKAMA: I would like to--

CHAIR LEE: Oh, okay. Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you. Thank you. I'm sorry to interrupt. But I would like to ask for a consideration with Communication 20-574, please?

CHAIR LEE: Alright. You mean to take action now?

COUNCILMEMBER HOKAMA: Yes. Yes, Chair.

CHAIR LEE: Okay. Any objections, Members?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: Okay. Mr. Hokama.

COUNCILMEMBER HOKAMA:

I WOULD LIKE TO FILE COUNTY COMMUNICATION 20-574.

CHAIR LEE: Second?

COUNCILMEMBER SUGIMURA:

SECOND.

CHAIR LEE: Okay, moved by Mr. Hokama, seconded by Ms. Sugimura, to file County Communication 20-574.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you, Madam Chairman. Members, if you take a look at the report from the Department, it's very short, very concise. And you don't see a lot of information. One of the reasons why I'm going to ask for a filing is that this is how you're going to see future reports unless the next Council makes appropriate

adjustments. Currently, what is in effect now in our Code, by our last adjustments on real property taxation rates and categories, the community plan regions are basically, have been whittled down to collecting almost zero revenues from park assessment calculations. And so, we are not getting the revenues in each regional component. And if you look at the reports, you will see, even for West Maui and South Maui, has a potential source of CIP support is dwindling away because we haven't made the appropriate adjustments in the calculations for park assessments or in lieu of.

I have an item for referral to the next Council already on the master agenda. I'm going to ask you to please consider filing this report and work on it next year. Or, you need to make the developer pay for the improvements, because right now, other than that, we allow the developer to pay us, right now you're going to get zero dollars, and the General Fund is going to then have to ante up and pay for the developments' improvements. Okay. So, that's where we are with park assessment fees, currently, after our last adjustments on RPT.

If there's any questions, I'll be happy to respond. Thank you, Chair. Thank you, Members.

CHAIR LEE: Any other comments or questions to filing this item? Okay, all those in favor of the motion to file--

Oh, Ms. Sugimura. Oh, you voting, already? Okay.

COUNCILMEMBER SUGIMURA: I'm voting.

CHAIR LEE: Say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; motion carries to file County Communication 20-574.

Any objections to referring the rest?

DISCUSSION RELATING TO
COUNTY COMMUNICATION NO. 20-575

CHAIR LEE: Ms. Paltin.

COUNCILMEMBER PALTIN:

I'D LIKE TO MOVE TO WAIVE THE REQUIREMENT OF
COMMITTEE REFERRAL AND REPORT IN ACCORDANCE
WITH 7.G. OF THE RULES OF THE COUNCIL FOR COUNTY
COMMUNICATION NO. 20-575.

COUNCILMEMBER MOLINA:

SECOND.

CHAIR LEE: Moved by Ms. Paltin, seconded by Mr. Molina, to waive the Rules of the Council.

Ms. Paltin.

COUNCILMEMBER PALTIN: Approval of my motion by a two-thirds vote of the entire membership of the Council will enable the Council to consider the proposed resolution today.

CHAIR LEE: Alright.

COUNCILMEMBER KING: Question.

CHAIR LEE: Yes, Ms. King.

COUNCILMEMBER KING: Thank you, Chair. And, Ms., Ms. Paltin, can you just give us an indication of the urgency to pass it today?

COUNCILMEMBER PALTIN: Yea. This is something that we've consulted with Mr. Lawrence Kauha'aha'a about in his work with the pilot Clean and Safe Program. And with the, you know, the County reopening up and the situation on Front Street in the Historic Districts, this is, it's the start of a very long process. It has to go through the Planning Commission and Cultural Resource Commission. And it's basically trying to align the alcohol situation within the Historic District with what it currently is outside of the Historic District, in terms of Parks properties. So, you know, with the tourists coming

back, the situation with intoxicating substances going on in the Historic District. I can explain more if the, I get the waiver.

COUNCILMEMBER KING: Okay. Okay. Thank you.

CHAIR LEE: Ms. Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR LEE: We're, we're still on the waiver.

VICE-CHAIR RAWLINS-FERNANDEZ: Right.

CHAIR LEE: Of the Rule.

VICE-CHAIR RAWLINS-FERNANDEZ: Member Paltin, is a waiver required for this?

COUNCILMEMBER PALTIN: That's what my notes says.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay.

CHAIR LEE: Okay. All those in favor of the waiver, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; motion carries.

Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair.

I MOVE TO ADOPT THE PROPOSED RESOLUTION
ATTACHED TO COUNTY COMMUNICATION 20-575,
INCLUDING ANY NONSUBSTANTIVE REVISIONS, AND TO
FILE COUNTY COMMUNICATION 20-575.

VICE-CHAIR RAWLINS-FERNANDEZ:

SECOND.

COUNCILMEMBER MOLINA: Second.

CHAIR LEE: Moved by Ms. Paltin, seconded by Vice-Chair Rawlins-Fernandez, to--

COUNCILMEMBER PALTIN: Thank you, Chair.

CHAIR LEE: --to adopt the resolution in County Communication 20-575.

Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. May I ask, request the Clerk to read the resolution in its entirety?

CHAIR LEE: Mr. Clerk.

(The resolution was read in its entirety.)

CHAIR LEE: Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair.

I ALSO MOVE TO AMEND THE PROPOSED RESOLUTION,
MEMBERS SHOULD HAVE GOTTEN A ASF, PAF 20-258.

CHAIR LEE: Yes, we have it.

COUNCILMEMBER PALTIN: Okay.

AND THIS WOULD AMEND THE RESOLUTION
TRANSMITTED BY COUNTY COMMUNICATION 20-575 AS
FOLLOWS:

AT THE END OF THE FIRST BE IT RESOLVED CLAUSE, ADD
FOLLOWING AFTER THE WORD "AMENDED": ", AND TO THE
MAUI COUNTY CULTURAL RESOURCES COMMISSION"

IN THE SECOND BE IT RESOLVED CLAUSE, REPLACE
"TRANSMIT ITS" WITH "AND THE MAUI COUNTY CULTURAL
RESOURCE [S/C] COMMISSION TRANSMIT THEIR"

IN THE THIRD BE IT RESOLVED CLAUSE, INSERT THE
FOLLOWING BETWEEN THE WORDS "DIRECTOR," AND
"AND": "MAUI COUNTY CULTURAL RESOURCES
COMMISSION,".

And as I spoke of earlier, last term, last--

CHAIR LEE: Wait. You can discuss it after we get a second.

COUNCILMEMBER PALTIN: Oh.

CHAIR LEE: You're amending the main motion.

COUNCILMEMBER HOKAMA:

SECOND.

CHAIR LEE: Second, seconded by Mr. Hokama.

Okay, Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you.

CHAIR LEE: Now you can explain it.

COUNCILMEMBER PALTIN: So, when we started the Lahaina Clean and Safe pilot program with Mr. Lawrence Kauha'aha'a, he had a couple appointments to speak with me. And this was one of the suggestions that he had. Apparently, you know, way back in the day when they used to do softball around by Malu ulu o lele, you know, the, afterwards you'd have some drinks and what not. So, they never wanted to not allow liquor in Parks properties in the Historic District.

But now, softball isn't played over there anymore, and the area, you know, kind of by Na 'aikane and like that, the tennis courts and stuff, there's, there is a lot of drinking and vagrancy and just, you know, general undesirable behavior. And so, this is not anything different than what Parks allows in their properties outside of the Historic District. So, in a way, it's trying to align what is allowed in Parks properties.

The, the difference is that because it's in the Historic District, before we can take any action, it needs to go through the Maui Planning Commission and the Cultural Resources Commission. So, it's still going to come back to us, but it's just getting the process started already. You know, it's, with the tourists coming back and those types of situation.

CHAIR LEE: Alright.

COUNCILMEMBER PALTIN: I thought we could eliminate a step of going to Committee to refer it to these two Commissions for them to come back to Committee to take action.

CHAIR LEE: Anymore discussion?

Yes, Mr. Hokama.

COUNCILMEMBER HOKAMA: Just a quick question for clarification. Ms. Paltin, you've narrowed it down to intoxicating liquor instead of just intoxicants. So, is, is, you just going to focus on the alcohol portion of the concern for the area, with Mr. Kauha'aha'a?

COUNCILMEMBER PALTIN: Yea, it was, it was basically just removing a section that allowed for it. And I, I did want to share with the Committee, as well, that my office has checked in with area stakeholders and they were for this bill. We checked in with Na'aikane O Maui, Ke'eaumoku and U'i Kapu. We checked in with Theo Morrison, Lahaina Restoration Foundation. We checked in with Tambara Garrick, LahainaTown Action Committee; Buff Weaver, who's like, you know, a long-time restaurant guy and now I think he manages Long's.

So, it was well, well received by many of the stakeholders, and it was suggested by Mr. Kauha'aha'a to assist the police with consistency and being able to carry out their duties in this Historic District. Mr. Kapu even wanted to have no alcohol in the Historic District whatsoever, but this is just, you know, taking, doing what we can to align Parks properties countywide, especially in our Historic District.

COUNCILMEMBER HOKAMA: Yea, so this would be my only question or comment of potential concern, Ms. Paltin, is: one, I hope we would consider, to assist the Commissions we would attach a overlay or the map of the Historic Districts itself. So, people who want to look at, know what is District 1, District 2. And then, I believe Moku'ula is within one of the district areas, right?

And so, I want to make sure that if cultural practice, whereas religious-wise, the kava ceremony is going to be part of it, that is considered an intoxicant in some instances. So, would that, you know, I want to make sure that we still can honor and do our

required cultural and religious practices without being impaired by this type of language. So, I just share that concern. Thank you.

COUNCILMEMBER PALTIN: Thank you.

CHAIR LEE: Mr., Mr. Molina, and then Ms. Sugimura.

COUNCILMEMBER MOLINA: Yea, thank you, Madam Chair. If I could ask Member Paltin a question. Mr. Kauha'aha'a, as we know, is a retired policeman and I guess he served as a liaison between the, the Police and everyone else. So, Police are okay with this too, yea, just for the record?

COUNCILMEMBER PALTIN: He told me yes, that they, they would, it would help them, and they want it. That's what our conversation was.

COUNCILMEMBER MOLINA: Okay. Alright. Thank you. Thank you, Madam Chair.

CHAIR LEE: Ms. Sugimura.

COUNCILMEMBER SUGIMURA: Yea, I was going to ask similarly the reaction for LahainaTown Action Committee, Theo Morrison, because you have merchants who are in the area. I'm not, I'm not really specific, the historic, the map of the Historic Districts. So, is this also going to affect any of the other, any restaurants that might be in that area? No?

COUNCILMEMBER PALTIN: No, no. And just to clarify, Theo Morrison is now Lahaina Restoration Foundation.

COUNCILMEMBER SUGIMURA: Right. Right.

COUNCILMEMBER PALTIN: And she was enthusiastically supportive. It, it, it's pretty much for the park properties.

COUNCILMEMBER SUGIMURA: Okay, so LahainaTown Action Committee, which is--

COUNCILMEMBER PALTIN: Tambara--

COUNCILMEMBER SUGIMURA: Yea. They're, they're fine?

COUNCILMEMBER PALTIN: I reached out to Tambara--

COUNCILMEMBER SUGIMURA: Okay. Okay, thank you.

CHAIR LEE: Ms. King.

COUNCILMEMBER KING: Thank you, Chair. I have a question for Member Paltin. I kind of relate the two intoxicating liquor as kind of redundant. But are there, are there examples of, of liquor that's not intoxicating?

COUNCILMEMBER PALTIN: Maybe NA, St. Pauly's Girl or something.

CHAIR LEE: Alright.

COUNCILMEMBER KING: I just don't have the description, the HRS description in front of me. I'm just wondering, you know, we use that term intoxicating liquor. I thought, I thought liquor was intoxicating just in and of itself. But that's, and it kind of goes back to Member Hokama's question too; is there some other type of something that would be considered liquor that wouldn't be?

COUNCILMEMBER PALTIN: In the ordinance, it says, "intoxicating liquor means the same as in Section 281-1 of Hawaii Revised Statutes".

COUNCILMEMBER KING: Right.

COUNCILMEMBER PALTIN: And--

COUNCILMEMBER KING: I just wondered if you had, if you, if there was something in mind when using that term, because I, I saw that description but I don't have, this just came, I didn't know we were going to pass it today, so I didn't have time to look up the HRS.

VICE-CHAIR RAWLINS-FERNANDEZ: I have it up if you want.

COUNCILMEMBER KING: Oh, maybe Member Rawlins-Fernandez.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR LEE: You have it? You have it?

VICE-CHAIR RAWLINS-FERNANDEZ: Yea, it's liquor or intoxicating liquor under HRS 281-1, includes alcohol, brandy, whiskey, rum, gin, okolehao, sake, beer, ale, porter, and wine; and also includes, in addition to the foregoing, any spirituous, vinous, malt, or fermented liquor, liquors *[sic]*, and compounds, whether medicated,

proprietary, patented, or not, in whatever form and of whatever constituency and by whatever name called, containing one-half of one per cent or more of alcohol by volume, which are fit for use or may be used or readily converted for use for beverage purposes.

COUNCILMEMBER KING: So, you said, liquor or intoxicating. So, if, by HRS, liquor is the same as intoxicating liquor it sounds like. Just, just to make it clear to the public that there's no difference.

VICE-CHAIR RAWLINS-FERNANDEZ: I don't think it includes 'awa.

COUNCILMEMBER KAMA: Yea.

CHAIR LEE: Ms. Kama.

COUNCILMEMBER KAMA: --so, does it have to be ingested? I mean, because, you know, American-Indians burns sage, right? And it's almost the, almost same kind of effect. But, so I'm just asking.

COUNCILMEMBER PALTIN: I can, yea, I can, I can read it for you. It says, "Drinking in public. It is unlawful to consume, whether medicated, proprietary, patented, or not, in whatever form and of whatever constituency and by whatever name called, containing one-half of one percent or more alcohol by volume, which are fit for use or maybe used or readily converted".

COUNCILMEMBER KING: Okay. That's, that's fine. I just wanted to, I just wondered if there was a difference, and it doesn't sound like there is. But, yea, the consumption, I think, is important. Because you could, if you have a bag, if you have a grocery bag, you have a bottle of wine and you're walking through town, that's not illegal, cause you can't open it up and drink it in that district. Okay.

COUNCILMEMBER PALTIN: And, and to Ms. Sugimura's point; "in any public street, park, or open space that is owned or maintained by a government agency, without the expressed approval of the responsible government agency having administrative authority over the public street, park or open space, and the Cultural Resources Commission, or in any street, park, or open space that is privately owned without the expressed approval of the owner of the property--

COUNCILMEMBER KING: Okay, so this would actually, so this would actually eliminate all drinking in the street, during, if they ever get back to those Halloween, Front Street Halloween. This will eliminate all the, you know, and I've seen people, I don't know even if it's legal, maybe it's not legal for them to--

COUNCILMEMBER PALTIN: Yea, I don't think that was legal.

COUNCILMEMBER KING: So probably . . . in the first place. Okay. Alright, well and then we're going to sit, we'll get it back after the Planning Commission, so we can--

COUNCILMEMBER PALTIN: And the Cultural Resources.

COUNCILMEMBER KING: Cultural Resources. Okay.

CHAIR LEE: Ready?

COUNCILMEMBER PALTIN: Both.

COUNCILMEMBER KING: Yea, ready for the vote.

CHAIR LEE: Okay. All those in favor of the motion, say "aye", raise your hand. Yea, and cause we all, as amended, cause we already voted on the amendments, so as amended. Okay. Thank you.

DEPUTY COUNTY CLERK: Oh, Chair. Chair.

CHAIR LEE: Yes.

DEPUTY COUNTY CLERK: Apologies. Our understanding is that the body has not voted on the amendment yet.

CHAIR LEE: Okay. So, this would be the vote on the amendments, okay.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; that takes care of the amendments.

The main motion, as amended. All in favor say "aye".

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,

VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; motion carries.

Clerk.

DEPUTY COUNTY CLERK: Chair, for the record, that is RESOLUTION 20-166.

And then, we'd just like to confirm with the body if there's any other objections to the referrals as read by the Clerk.

CHAIR LEE: Any?

COUNCILMEMBER SUGIMURA: If I could, I have a question.

DISCUSSION RELATING TO
COUNTY COMMUNICATION NO. 20-576

CHAIR LEE: Ms. Sugimura. Yes.

COUNCILMEMBER SUGIMURA: I know the last item got referred to my Committee, and that's fine. I wonder if, I, I saw Director come into the meeting, and I wonder if Eric Nakagawa sees an urgency for that last item? If not, I'll take it up in my Committee at my next meeting on December 3.

CHAIR LEE: I don't think so. We have, we weren't notified.

COUNCILMEMBER SUGIMURA: Okay. Thank you.

CHAIR LEE: Yes, Ms. Paltin. Ms. Paltin.

COUNCILMEMBER PALTIN: So, I just was wondering, on the purchase part, is it like a dual referral to EDB as well?

COUNCILMEMBER SUGIMURA: Oh, because they're, they're, I mean.

CHAIR LEE: Yea. Okay. We, we can do that. Oh, would you just, would you okay, Ms. Sugimura, just it going to EDB?

COUNCILMEMBER SUGIMURA: Yea, fine.

CHAIR LEE: Okay. Let's send this to EDB.

COUNCILMEMBER SUGIMURA: Like what she did the last time. Oh, there's Eric.

CHAIR LEE: EDB, because it'll be a lot longer if it went to two Committees.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR LEE: Yes, Mr. Nakagawa, are you on the call?

COUNCILMEMBER SUGIMURA: Yes. He's right here.

CHAIR LEE: He's right here, where?

DIRECTOR OF ENVIRONMENTAL MANAGEMENT ERIC NAKAGAWA: Good morning, Chair.

CHAIR LEE: Oh, okay. So, is there any particular rush to, to move forward with this purchase of the land located at Honokowai Reservoir?

DIRECTOR OF ENVIRONMENTAL MANAGEMENT: Yes, Chair. So, I did communicate with Ms. Rawlins-Fernandez that it would be, I mean, we would appreciate, DEM would appreciate if we did expedite it, only because we do have funds available this year that will--

CHAIR LEE: Oh, okay. Okay.

DIRECTOR OF ENVIRONMENTAL MANAGEMENT: --lapse next year.

CHAIR LEE: That's enough. That's enough. That's enough. So, Ms. Rawlins-Fernandez, were you going to take action on this today? Were you planning to take--

VICE-CHAIR RAWLINS-FERNANDEZ: Not on the floor today. I was going to take, schedule it at my next Committee meeting as Director Nakagawa said. I just, I, good catch. Mahalo, Member Paltin. I, I didn't even notice that it was going to WIT and not EDB.

CHAIR LEE: Okay. So, the referral to your Committee would suffice for today? Right? Okay.
Thank you. We'll catch you when it's scheduled for EDB, okay?

Any other questions on the referrals, as read by the Clerk?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: If not, so ordered.

Mr. Clerk, moving on to Committee reports.

DEPUTY COUNTY CLERK: Chair, proceeding with committee reports.

COMMITTEE REPORTS

COMMITTEE REPORT
NO. 20-146 - ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE:

Recommending the following:

1. That Bill 126 (2020), entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, RELATING TO REAL PROPERTY TAX EXEMPTIONS FOR VERY LOW INCOME, LOW INCOME, BELOW MODERATE INCOME AND MODERATE INCOME RENTAL UNIT PROJECTS," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 20-455, from the Director of Finance, be FILED.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO ADOPT THE RECOMMENDATIONS IN
COMMITTEE REPORT 20-146.

COUNCILMEMBER KING:

SECOND.

CHAIR LEE: Moved by Vice-Chair, Vice-Chair Rawlins-Fernandez, seconded by Member King, to adopt the recommendation in Committee Report 20-146.

Discussion? Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Your Economic Development and Budget Committee met on November 9, 2020, to discuss the proposed bill to amend Chapter 3.48, Maui County Code.

Your Committee noted that under Ordinance 5000 (2019), the Code allows an exemption for affordable-housing projects only if they are operating under a regulatory agreement with the County government. This bill would allow previously eligible projects that are operating under regulatory agreements with the State and the Federal governments to continue to qualify for the real property tax exemption.

Your Committee voted 8-0 to recommend passage of the proposed bill and filing of the communication. We also have Director Teruya on the line if Members have any questions. I respectfully ask for the Councilmembers support of this motion. Mahalo, Chair.

CHAIR LEE: Any questions?

Yes, Mr. Hokama.

COUNCILMEMBER HOKAMA: Just a clarification, Madam Chairman, so, so thank you. Director Teruya, this would be more for you. Regarding exemptions, I understand it, but if you currently have a balance due, or you're in, or you have outstanding debt, you haven't paid your previous taxes, you would not qualify for the exemption is my general understanding of the Tax Code or the County Code currently. Is that a good understanding, so that in case we are asked by our residents or other property owners? If they're already in arear, they are not qualified for an exemption, is that correct?

DIRECTOR OF FINANCE: Chair.

CHAIR LEE: Yes. Mr. Teruya.

DIRECTOR OF FINANCE: That is true for the home exemption and other exemptions. For this one, no. This one is paying, people, this amendment is basically to right an amendment we made earlier. This, this bill right here is nothing more than basically housekeeping in my opinion, to make sure that the people who were exempt initially are being exempt now. When you're exempt, you probably still are required to pay the minimum tax of \$400 a year. If Ms. Martin is on to correct me if I'm wrong on that. But

they're still required to pay a minimum tax. If you're not paying the minimum tax, I believe for this exemption, it's still allowable. Can I get clarification, Ms. Martin, on that?

CHAIR LEE: Ms. Martin. I know, I saw you on the call.

REAL PROPERTY TAX ADMINISTRATOR MARCY MARTIN: Thank you, Chair. Yes, these properties will pay the minimum tax. And currently, none of them are delinquent. But they still can get the exemption if they are delinquent.

CHAIR LEE: Oh, Mr. Hokama, looks like he has a question.

COUNCILMEMBER HOKAMA: Well, not for me. I mean, you know, the County, you know, somebody in Finance going to have to do the collection and chase the guy down. But I find it interesting when you don't pay, you still get one exemption, and you're in arrears or you have not cleared your previous taxes to the, to the County. So, I find it interesting that we created two different groups of people who have, who qualify and don't qualify based on not paying their taxes to the County is my concern. Thank you very much for the response.

(Councilmember Sugimura was excused from the meeting at 11:37 a.m.)

CHAIR LEE: Okay. Any other response from Finance?

DIRECTOR OF FINANCE: No. Thank you, Chair, for the opportunity. And this is something that we will bring up to EDB Chair Keani Rawlins-Fernandez for any future amendments to the Code that we already know that we have other items to clean up. But all the items that are before you are the bigger items that she had decided to take up and get completed. So, I appreciate it. Thanks, Chair.

CHAIR LEE: Alright. Vice-Chair Rawlins-Fernandez, anything else?

Okay, all in favor of the motion, say "aye", raise your hand.

AYES: COUNCILMEMBERS KAMA, KING, MOLINA,
PALTIN, SINENCI, VICE-CHAIR RAWLINS-
FERNANDEZ, AND CHAIR LEE.

NOES: COUNCILMEMBER HOKAMA.

EXCUSED: COUNCILMEMBER SUGIMURA.

CHAIR LEE: Okay, we have seven "ayes", one excused. Mr. Hokama, you're "aye"; eight "ayes".

COUNCILMEMBER HOKAMA: "No", one "no", one.

CHAIR LEE: One "no", one "excused", seven "ayes"; motion carries.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

CHAIR LEE: The excused is Ms. Sugimura.

Alright. Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, for the record, that is BILL 126 (2020).

COMMITTEE REPORT

NO. 20-147 - ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE:

Recommending the following:

1. That Bill 127 (2020), entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE OFFICE OF THE AUDITOR, STATE OF HAWAII, TO AUDIT THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND TO MEET THE REPORTING REQUIREMENTS UNDER GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NUMBER 75," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 20-347, from the Director of Finance, be FILED.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO ADOPT THE RECOMMENDATIONS IN
COMMITTEE REPORT 20-147.

COUNCILMEMBER HOKAMA:

SECOND.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Hokama, to pass the recommendations, approve the recommendations in Committee Report 20-147.

Ms. Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Your Economic Development and Budget Committee met on November 9, 2020, to discuss proposed bill to provide funding for an audit of the Hawaii Employer-Union Health Benefits Trust Fund, EUTF, for Fiscal Years 2020, 2021, and 2022. The cost for these services would be \$3,500; \$3,700; and \$3,800, for the respective fiscal years.

(Councilmember Sugimura returned to the meeting at 11:40 a.m.)

VICE-CHAIR RAWLINS-FERNANDEZ: Your Committee noted that the Governmental Accounting Standards Board Statement Number 75 requires the County to conduct an audit of the schedule of changes in fiduciary position by the County and related notes to the schedule of the EUTF and the examination report on census data from actuarial information received from the EUTF actuary.

Your Committee voted 8-0 to recommend passage of the proposed bill and filing of the communication. Again, we have the Finance Department on. I don't know if we have the Auditor on.

CHAIR LEE: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: But I respectfully ask for the Councilmembers support. Thank you, Chair.

CHAIR LEE: These items are so recent, I'm sure the Members remember. Okay, any more questions just in case?

Okay, all those in favor of the motion, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay, Nine "ayes". We have nine "ayes", zero "noes"; motion carries.

Clerk.

DEPUTY COUNTY CLERK: Chair, for the record, that is BILL 127 (2020).

COMMITTEE REPORT

NO. 20-148 - ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE:

Recommending that Bill 128 (2020), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF POLICE (HIGH INTENSITY DRUG TRAFFICKING AREAS (HIDTA))," be PASSED ON FIRST READING and be ORDERED TO PRINT.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO ADOPT THE RECOMMENDATIONS IN
COMMITTEE REPORT 20-148.

COUNCILMEMBER KAMA:

SECOND.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Kama, to approve the recommendations in Committee Report 20-148.

Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Your Economic Development and Budget Committee met on November 9, 2020, to discuss a proposed bill to add an additional \$65,450 to appropriation for the Department of Police, High Intensity Drug Trafficking Areas. Your Committee noted these funds will be primarily used for over, overtime costs incurred by this program.

Your Committee voted 8-0 to recommend passage of the proposed bill. I respectfully ask for the Members support of this motion. Mahalo, Chair.

CHAIR LEE: Anymore comments or questions? If not, all those in favor of the motion, say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Nine "ayes", zero "noes"; motion carries.

Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, for the record, that is BILL 128 (2020).

COMMITTEE REPORT

NO. 20-149 - ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE:

Recommending the following:

1. That Bill 129 (2020), entitled "A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAX," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That Bill 130 (2020), entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48.305, MAUI COUNTY CODE, RELATING TO CLASSIFICATION OF REAL PROPERTY," be PASSED ON FIRST READING and be ORDERED TO PRINT.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO ADOPT THE RECOMMENDATIONS IN
COMMITTEE REPORT 20-149.

COUNCILMEMBER MOLINA:

SECOND.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Molina, to approve the recommendations in Committee Report 20-149.

Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Your Economic Development and Budget Committee met on November 9, 2020, to discuss two proposed bills. The first bill establishes a "Long-term rental" real property tax classification.

Your Committee also discussed the possibility of adding a 10-percent penalty for property owners who attempt to claim the long-term rental real property tax classification illegally.

Following the meeting, the Department of Finance recommended against adding the penalty at this time. This recommendation is due to a concern that a fine in addition to the requirement to pay the difference in tax rates would cause some people to lose their homes. The Department is available to answer any questions the Members might have on this issue.

Your Committee voted 8-0 to recommend passage of the proposed bill.

The second bill amends Chapter 3.48.305, Maui County Code, to provide parity in real property tax classifications. Under this bill, if the property is allowed to be used as short-term rentals, the unit will be taxed at the short-term rental rate, unless it qualifies for an exemption.

Your Committee voted 8-0 to recommend passage of this proposed bill.

Again, we have Ms. Martin and Director Teruya on the line if Members have questions. And I respectfully ask for the Members support of this motion. Mahalo, Chair.

CHAIR LEE: Thank you. Any comments, questions?

Yes, Mr. Hokama, then Ms. Paltin.

COUNCILMEMBER HOKAMA: Thank you. I'll be speaking in support of the motion this morning, Chair. I just have one question for Director Teruya. This would be on the last page of the proposed bill; number 3, Director.

CHAIR LEE: Director.

COUNCILMEMBER HOKAMA: Point number 4, it's the top of the page, that's with the underscored. I believe that they should be required to have the owner file a return providing the actual use. And that would be because for record purposes, in case we ever go to litigation, the County has documentation stating that this is the actual declaration by the owner. I don't know how much a verbal or an under, a non-written understanding has standing in court if we go to court on an appeal or a contest of the tax by the County. Do you have any comments regarding that, Director?

CHAIR LEE: Director.

DIRECTOR OF FINANCE: Thank you, Chair. Mr. Hokama, thank you. Let me first defer to Ms. Martin on that, on her request. I know a lot of times when you have a lot of correspondences, the Department will get flooded with a number of correspondences. So, let me ask Ms. Martin to comment first, and I'll give some closing remarks. Thank you, Chair.

CHAIR LEE: Ms. Martin.

REAL PROPERTY TAX ADMINISTRATOR: Thank you, Chair. So, you're referring to number 4 on the condominium classification. And we will ask for owners to file a claim attesting to the fact that they are doing long-term rental. If we feel that maybe that's not the correct use, you know, at that time, we will require further evidence. So, number 4 is just making it clear that, you know, we can ask for those claim forms. And in fact, we've already done so in September for this bill.

COUNCILMEMBER HOKAMA: Okay. And do you folks, Ms. Martin, use a standardized form for the responses by the owners? Or everyone just sends in their own handwritten or email that says, this is what I'm doing with my property?

CHAIR LEE: Ms. Martin.

REAL PROPERTY TAX ADMINISTRATOR: Chair, thank you. We have a standardized form. And currently, you can find it at mauipropertytax.com, under forms, under condominium classification.

COUNCILMEMBER HOKAMA: Thank you, Ms. Martin. Thank you, Chair.

CHAIR LEE: Ms. Paltin, did you have a question?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Martin. Congratulations on your election. But I did have a question. When we were in Committee, I had a request about, since this was the Department's bill, that you move forward with the education component of it. And I was just wondering if you can update us as to the steps taken so far?

CHAIR LEE: Ms. Martin.

REAL PROPERTY TAX ADMINISTRATOR: Chair, thank you. So, right now, all we have done is collect information, weren't sure where this is going. We, right now, are processing all the claims that we've gotten. We've got a good response, so that we can identify those who haven't filed a claim. Once we discover who hasn't filed a claim, we will contact them and ask them again to file a claim. We also may just be sending out a letter explaining to them this change, so that they will be prepared for this change, March and come July. The number we're guess, you know, it's less than 1,900. We're guessing it might be around 1,500, which is, we have the capabilities of giving these people a direct mail notification.

COUNCILMEMBER PALTIN: Thank you.

CHAIR LEE: Any more questions? Thank you, Finance.

Alright, ready to vote? All those in favor of the motion say "aye", raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND CHAIR
LEE.

NOES: NONE.

CHAIR LEE: I see nine "ayes", zero "noes"; motion carries. Congratulations.

Next. Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, for the record, those are BILLS 129 (2020) and 130 (2020).

COMMITTEE REPORT

NO. 20-150 - GOVERNANCE, ETHICS, AND TRANSPARENCY COMMITTEE:

Recommending the following:

1. That a proposed resolution, entitled "PROPOSING AN AMENDMENT TO THE REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, RELATING TO APPOINTMENT AND REMOVAL OF OFFICERS AND EMPLOYEES," be REFERRED to the Council Chair for the term beginning January 2, 2021, for transmittal to the next Charter Commission; and
2. That correspondence dated March 22, 2019, from Council Chair Kelly T. King, be FILED.

CHAIR LEE: Mr. Molina.

COUNCILMEMBER MOLINA: Yea, thank you very much, Madam Chair.

I MOVE TO ADOPT THE RECOMMENDATIONS OF
COMMITTEE REPORT NO. 20-150.

COUNCILMEMBER KING:

SECOND.

CHAIR LEE: Moved by Mr. Molina, seconded by Ms. King, to approve the recommendations in Committee Report 20-150.

Mr. Molina.

COUNCILMEMBER MOLINA: Mahalo, Madam Chair. Your GET Committee met on this matter on February 25, 2020, March 10, 2020, June 23, 2020, and June 30, 2020.

Members, this proposal related to a Charter amendment that would prohibit the Mayor from appointing a temporary appointee as an administrative head of any department if that person was previously denied appointment as a department head within the same mayoral term.

The proposed resolution failed on first reading, but your Committee agreed the matter was worthy to be considered by the 2021-2022 Charter Commission.

Your Committee voted 7-2 to recommend referral of the proposed resolution to the Charter Commission and filing of an alternate proposal from Councilmember King dated March 22, 2019.

So, as additional information, the committee report for this matter was being held pending possible passage of the County Manager Charter proposal on November 3. And that if the County Manager Charter proposal had been voted on by the electorate, this proposal would have been moot.

Now, because the County Manager proposal did not pass, this proposal is now being forwarded to the next Council Chair for referral to the 2021-2022 Charter Commission. I ask for the Members full support. Thank you, Madam Chair.

CHAIR LEE: Alright. Any more discussion? If not, all those in favor of the motion, please say "aye", raise your hand.

AYES: COUNCILMEMBERS KAMA, KING, MOLINA,
PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: COUNCILMEMBER HOKAMA.

CHAIR LEE: Okay I see, Mr. Hokama, are you a "yes" or a "no"? Oh, okay. So, eight "ayes", one "no"; motion carries.

Alright. Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, proceeding with ordinances for second and final reading.

ORDINANCES

ORDINANCE NO. _____
BILL NO. 114 (2020),

A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM OPEN ZONE
TO R-1 RESIDENTIAL DISTRICT (CONDITIONAL ZONING) FOR 6.943 ACRES
IN KIHEI, MAUI, HAWAII, IDENTIFIED AS TAX MAP KEY (2) 3-9-004:141

CHAIR LEE: Ms. Rawlins-Fernandez. Oh.

COUNCILMEMBER KING: Chair, I think it's for--

CHAIR LEE: Ms., Ms. Paltin. I'm sorry, I missed it. I missed it.

Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair.

I MOVE TO AMEND CONDITION # 16 IN THE CONDITION OF
ZONING BOTH IN BILL 114 (2020) AND THE UNILATERAL
AGREEMENT;

PASS BILL 114, DRAFT 1, ON FIRST READING; AND

DIRECT THE CLERK TO RECORD THE UNILATERAL
AGREEMENT AS AMENDED, BY DELETING THE WORD
"INITIAL" SO THAT ALL SALE PERIODS ARE SUBJECT TO
THE 180-DAY SALES PERIOD REQUIREMENT.

COUNCILMEMBER KING:

SECOND.

CHAIR LEE: Okay, wait, Ms., Ms. Paltin. First, we need to have a motion on the main, on the main motion. The main motion would be to pass the bill for an ordinance to change the zoning, etc.

COUNCILMEMBER PALTIN: Okay.

CHAIR LEE: And then after we vote on that, then you start making your amendments, okay?

So, I'm assuming you want to pass Bill 114 on second and final reading? No?

Yes, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair.

CHAIR LEE: Yes.

DEPUTY COUNTY CLERK: Apologies. It's, this is a kind of unique situation. My understanding is that because Councilmember Paltin is intending to revise this bill, that would trigger that it would, you know, go back to first reading. It would require a first

reading. So, my understanding is that the intent is by putting that altogether, that creates a main motion. That's staffs current understanding.

CHAIR LEE: Which staff?

DEPUTY COUNTY CLERK: Oh, us. Me.

CHAIR LEE: By, by combining the amendment--

COUNCILMEMBER PALTIN: I can explain.

CHAIR LEE: --to, to the. No, we, we just trying to do this correctly. I haven't heard of that.

DEPUTY COUNTY CLERK: I think one of the tricky situations I suppose, is that for this bill, the unilateral agreement has not been recorded yet, to our knowledge, so we're not certain that a motion to pass on second reading would be in order. I would also defer to OCS if they have further to add.

CHAIR LEE: Oh, so you, you don't, you're not going to, your plan is not to pass this on second and final reading. Your plan is to just amend the bill without moving it forward--

COUNCILMEMBER PALTIN: Yes.

CHAIR LEE: --until the UA, until we get the UA?

COUNCILMEMBER PALTIN: Yes, because we couldn't have passed it today on final reading, second and final reading because the unilateral agreement hasn't been recorded. And our legislative attorney had brought up there was a inadvertent error in Condition 16 by adding the word "initial" it changes the meaning of it. So, I just, as the facilitator, wanted to pass sound legislation. And I figure that, you know, since we're not holding anything up, since the unilateral agreement hasn't been recorded anyway, we might as well do a good job.

CHAIR LEE: Okay, I--

COUNCILMEMBER PALTIN: I would have tried it anyway, even if it was but, you know.

CHAIR LEE: So, so you're not, you're not, even though it's scheduled to pass on second and final reading, we're not going--

COUNCILMEMBER PALTIN: We're not able to.

CHAIR LEE: We're not going to do that. And instead, because it is noticed, you are planning to make an amendment to this bill and that's all?

COUNCILMEMBER PALTIN: Yea.

CHAIR LEE: And leave it on the Clerk's table until the UA is--

COUNCILMEMBER PALTIN: Yes.

CHAIR LEE: --received? Okay. Is everybody, Mr. Clerk--

COUNCILMEMBER SUGIMURA: And bring it up--

CHAIR LEE: --did you want to say something? Wait, let, let's get clarification.

Yes, Mr. Clerk.

DEPUTY COUNTY CLERK: Apologies. Our understanding of the motion was that because it's an amendment to a bill for conditional zoning, it would require another first reading. So, as opposed to leaving it on the Clerk's table for the next meeting, instead the body would pass it again on first reading.

CHAIR LEE: Well, well--

COUNCILMEMBER SUGIMURA: . . . pass it.

CHAIR LEE: Wait, wait, wait, wait, wait. Mr. Clerk, if this item goes back to Committee, there's no need to take action today at all.

COUNCILMEMBER SUGIMURA: So, we're . . .

CHAIR LEE: Even on, why would we have an amendment today if this matter is going to be recommitted? Huh? Why?

DEPUTY COUNTY CLERK: Oh, apologies. I wasn't aware that recommitment was being discussed. Sorry, Chair.

COUNCILMEMBER KING: Chair, I think he's talking about--

CHAIR LEE: Oh, you said--

COUNCILMEMBER KING: --bringing it back to first reading to the full Council, not to Committee.

COUNCILMEMBER PALTIN: This is first read, this will be first reading once again.

CHAIR LEE: Yea, and this is why it would stay on the Clerk's table. See that's, that's why we got to get all this cleared up.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Chair, I would like to ask Corporation Counsel whether the, that proposed amendment, regarding the consideration to remove the word "initial" is actually substantive enough to go back to first reading. It's not OCS's call on procedure and format. It's not the Clerk's call. This is a Corporation Counsel call with the Council.

CHAIR LEE: Alright, let's, Moana. Ms. Lutey, are you on the call, or Ms. Thomson? Corporation Counsel? Ms. Lutey.

CORPORATION COUNSEL MOANA LUTEY: Hi there. Mike Hopper is actually on and he has been working on this matter.

CHAIR LEE: Okay. Alright.

Mr. Cooper *[sic]*.

COUNCILMEMBER PALTIN: Hopper.

CHAIR LEE: Hopper. Hooper.

DEPUTY CORPORATION COUNSEL MICHAEL HOPPER: Thank you, Madam Chair. I, I think, I think the intention is to send this back to, for first reading, well, it's to actually pass it on first reading today. Your, this is not going to be passed on second reading right now. This is going back to first reading. You're going to have a first reading here, and then your, it's, this is going to have to be reposted. And you're going to have to look to take action again, because it's being amended.

Now, you, you could normally I think waive your Rules and do an amendment on second reading, and then pass something. But you can't do that in this case, because, because the problem is that the unilateral agreement has not been recorded with the conditions in it.

COUNCILMEMBER HOKAMA: Right, right. Yea, yea, that's correct.

DEPUTY CORPORATION COUNSEL HOPPER: Yea, nor, nor could they be, because if you're going to amend the conditions, well, then you have to change them in the unilateral agreement and have those recorded. So, with this, I think is doing in substance--

CHAIR LEE: Mr. Hopper.

DEPUTY CORPORATION COUNSEL HOPPER: --is essentially.

CHAIR LEE: No, the question was, is this a substantive change?

COUNCILMEMBER HOKAMA: The removal of that one word. We understand the, the requirement of a agreement that needs to be recorded, all the Members do. We're not questioning that. I'm just asking, if the deletion of that one word is substantive enough just in, regarding that component enough to go, be back to first reading? Nothing to do with the agreement. We know it's got to be adjusted and recorded before we take final action. But I'm just asking if that was already filed, and Ms. Paltin proposes this amendment, is that substantially enough to go back to first reading? Because in the past, we've had Corporation Counsel rule at times it is, so we went back. And there were times when they said it wasn't substantial enough to go back to first reading, and we passed it on final.

DEPUTY CORPORATION COUNSEL HOPPER: Yes, I think it is a substantive change, because you're changing not only the, the initial term. You're changing it, the intent is to change all of those, the language in that section. Wherever it says, "90 days", it's going to say "180 days". So, you're essentially doubling the period of time that the units need to be held before, before those, before each corresponding time period changes. So, it is substantive.

And, and I think that's the intent though; is to have first reading again and have that go forward, but to not pass the bill finally. So, I think because of that and, because of both that and the UA issue, you're going to have to hear this again and I think that that's part of the motion.

COUNCILMEMBER HOKAMA: Okay. Thank you very much, Mr. Hopper, for your comments.

CHAIR LEE: Okay. So, the, the other question, the other question, Mr. Hopper, is when, after the amendment is made today, when you say go back to first reading, yea, does it, are you talking about recommittal or laying on the Clerk's table? Which, what are you saying?

DEPUTY CORPORATION COUNSEL HOPPER: The, the motion, as proposed, states that right now you're going to pass on first reading, so this would be reposted for second reading before the next meeting with a recorded unilateral agreement. That's what this, the Amendment Summary Form, which I, I saw basically about an hour ago, says. You can, if you like, recommit this. I think that's an option that you have.

But I think that the proposal here was designed by OCS in order to allow for you to take action to amend this today, to make the change without taking final action because you can't do that because of no UA and because it's a substantive change, let's you have another second reading, have that posted with the revision and a recorded UA, and then pass it on second reading without actually, you wouldn't have to repost for first reading under, under this proposal. You'll be passing it--

CHAIR LEE: Yea. So, this remains on the Clerk's table?

DEPUTY CORPORATION COUNSEL HOPPER: I haven't looked at that from a, from a Robert's Rules perspective and looked at that. From what you're saying, that sounds like it is correct though.

CHAIR LEE: Yea, I'm pretty sure it is. Okay. Thank you.

Then we have Vice-Chair Rawlins-Fernandez, and then Ms. Kama.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. I don't know, everything is like super unclear. I was just going to propose another option for it to be clean, and since we're waiting for the unilateral agreement anyway. Which is to reintroduce it with the substantive change as a county communication, do a waiver for the first reading, then we'll have it for the second reading, or when the unilateral agreement is--

CHAIR LEE: Oh, okay, we'll leave that option, we'll leave that option. Okay.

Ms. Paltin, it's really going to be your option, you know. You're the Chair of the Committee. So, you want to think about it while we ask other questions, go around and ask other questions?

COUNCILMEMBER PALTIN: So, I would like to proceed with this method. You know, I don't know why the unilateral agreement hasn't had a chance to be recorded by the Bureau of Conveyances. That's not something within my purview. But it, it hasn't happened, so there's no way that this could move forward today regardless of amendment or no amendment. This amendment I didn't catch, because I don't have a law degree and I don't know substantive or whatever. You know, it was just a human error that was brought to my attention after first reading.

And I don't want to pass shoddy legislation. So, if we can fix it today and then go on to pass it second and final reading at the next Council meeting, assuming that the unilateral agreement will get recorded, I think we can fix the problem. And this amendment won't hold up the project, because it was held up by not having the unilateral agreement recorded anyway. So, I feel like it's a win-win, because now we're passing good legislation and we're not holding up anything that wouldn't have otherwise been held up by circumstances outside of my control.

CHAIR LEE: Okay. Alright. Let's finish asking questions.

Ms. Kama, and then Ms. Sugimura.

COUNCILMEMBER KAMA: Thank, thank you, Chair. So, I was just curious as to why the unilateral agreement was not signed, and whether or not it had to, whether or not all the conditions had to be included in that agreement before it could get signed off by whomever it is has to be signed off with or on? So--

COUNCILMEMBER PALTIN: It's my--

COUNCILMEMBER KAMA: --that was my question.

COUNCILMEMBER PALTIN: It's, it's been signed. It just hasn't been recorded by the Bureau of Conveyances. And that I don't know the reason why. That's, I guess, on the Bureau of Conveyances.

COUNCILMEMBER KAMA: On them? It's on them?

CHAIR LEE: Yea, it's, it's the State.

COUNCILMEMBER KAMA: Okay. Thank you.

CHAIR LEE: The State Bureau of Conveyances, yea.

Okay, Ms. Sugimura.

COUNCILMEMBER SUGIMURA: I think that answers my question. I was wondering like who takes this document to the Bureau of Conveyances to file? Is it us? Is it the developer? How does it get there?

CHAIR LEE: It's the developer, yea. They, he, he rents this huge canoe and then paddles like hell to. No, he has to, nowadays, I'm sure you can do it electronically. But I, but it's, it's not via, it's not in our control.

COUNCILMEMBER SUGIMURA: Cause Mr. Kihune, Mr. Kihune is telling me that they dropped off a check for the recordation. So, I'm just wondering who's responsible for the recordation?

CHAIR LEE: It's not us, okay. And, and you need that stamp. You need that stamp that, it's, something is recorded, yea.

COUNCILMEMBER SUGIMURA: So, they could've taken the, the, the document to the Bureau of Conveyances or done it themselves and not waited for us?

COUNCILMEMBER PALTIN: I think the Clerk does it.

COUNCILMEMBER SUGIMURA: And . . . would then qualify them to be, this is going to be second reading. Right? Cause you're saying because it was--

CHAIR LEE: Well, no, at, at this point, Ms. Sugimura, although you're asking important questions, the recordation is beyond our control and it's not going to, it's not going to change anything we're doing today. So, what, staff, can you please find out the exact steps and who takes the item to be recorded, etc., okay? We want to move on with, with the moving, move on with the disposition of this item, because no matter who takes the rec, something to be recorded or not has no real bearing on this right now.

COUNCILMEMBER SUGIMURA: Cause it's not done. But I'm just curious, how come?

CHAIR LEE: No, and so we'll ask you. But, you know, we got lots more second and final readings here. And, and your, your questions, although important, like I said, has no bearing on whether this is going forward or not cause we don't have it. We just don't have it recorded. The unilateral agreement is not recorded and in our hands. That's what we need.

COUNCILMEMBER SUGIMURA: Okay. So, it's not done. This amendment's going to be made. So, in brief again, what? What, what did, where are we right now? It's first--

CHAIR LEE: Yea, well, she's going to make an amendment, which means this matter cannot pass second reading. It's, the status will be first reading. So, it'll be posted again on the next Council agenda. And hopefully by then, we'll have the unilateral agreement.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR LEE: Yea?

COUNCILMEMBER PALTIN: Recorded.

CHAIR LEE: Recorded, yes.

Ms. King.

COUNCILMEMBER KING: Thank you, Chair. So, I just wanted, because the conditions are part of the unilateral agreement, so will this new change go into the unilateral agreement and it has to be resigned now?

CHAIR LEE: Ms. Paltin.

COUNCILMEMBER PALTIN: A little bit above my pay grade. Can we call a friend? Mr. Remy.

COUNCILMEMBER KING: Okay. We're going to phone a friend.

CHAIR LEE: Mr. Hopper. Who helped you with the, the unilateral agreement?

COUNCILMEMBER PALTIN: Mr. Mitchell.

COUNCILMEMBER KING: Mr. Mitchell.

CHAIR LEE: No, no. But Mr. Hopper is assigned to your Committee, yea? So, he knows about the conditions, yea? Okay.

Mr. Hopper.

DEPUTY CORPORATION COUNSEL HOPPER: Thank you, Chair. Yes, you need a new, a new unilateral agreement. The unilateral agreement has an exhibit, it has all the conditions in them. That's the whole purpose, is that they run with the land. So, you would need a new unilateral agreement. And if what I'm hearing is that, that it's actually at the Bureau for recording, the unilateral agreement may need to be a first amended UA that would supersede the previous one if, if that one that's there now gets recorded. Because that may get recorded in the meantime, so you'd want something to supersede that. But yes, the, the, any amended conditions would have to be in the UA, because that's the whole purpose of the UA.

COUNCILMEMBER KING: Right.

CHAIR LEE: Right. So, what happens today, Mr. Hopper, if this item passes, you know the amendment, then the developer would now take this amended UA to be recorded?

DEPUTY CORPORATION COUNSEL HOPPER: That's correct.

CHAIR LEE: Yea. Okay.

DEPUTY CORPORATION COUNSEL HOPPER: You would also need to amend the bill to attach the new zoning conditions as well. So, that's another thing that would happen.

COUNCILMEMBER KING: Okay, so Member Paltin made a motion, I seconded it. So, is that still on the floor then? That motion is still on the floor, correct?

CHAIR LEE: Yes.

COUNCILMEMBER PALTIN: Yea, I'm--

CHAIR LEE: Yes. And we're going to need you to repeat it, because we, nobody understood it, okay, the first time.

COUNCILMEMBER PALTIN: Okay. I'm just repeating the motion. I moved to amend Condition #16 in the Condition of Zoning both in Bill 114 (2020) and the Unilateral Agreement; to pass Bill 114, Draft 1, on first reading; and direct the Clerk to record the Unilateral Agreement as amended, by deleting the word "initial" so that all sale periods are subject to the 180-day sales period requirement. I can read the revised condition, as amended. But basically, I'm eliminating the word "initial".

CHAIR LEE: Okay.

COUNCILMEMBER PALTIN: You want me to read it?

CHAIR LEE: No.

Ms. King, did you have something to add?

COUNCILMEMBER KING: I just, no, I just, I was just seconding it again.

CHAIR LEE: Oh.

COUNCILMEMBER KING: I didn't know if you were--

CHAIR LEE: Okay. She was just repeating what she said the first time.

COUNCILMEMBER KING: Yea.

CHAIR LEE: Okay. Now, does anybody have any questions for Ms. Paltin?

Okay, all those in favor of the motion, signify by saying "aye" and raise your hand.

AYES: COUNCILMEMBERS HOKAMA, KAMA, KING,
MOLINA, PALTIN, SINENCI, SUGIMURA,
VICE-CHAIR RAWLINS-FERNANDEZ, AND
CHAIR LEE.

NOES: NONE.

CHAIR LEE: Okay. I see eight "ayes". Oh, nine "ayes", zero "noes"; motion carries.

Okay, so we're all set on that. Do you need another motion, Ms. Paltin? No, right? That takes care of this. This does not move forward until the UA is recorded, comes back to us. Then, then you, we will pass this on second and final reading.

(Councilmember Hokama was excused from the meeting at 12:14 p.m.)

CHAIR LEE: Yes, Ms. Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. I just wanted to state for the record that I voted "no" on this at first reading. And, and I, because of a lot of, at first reading, there, Deputy Director Munsell spoke with us about some of the consequences of, of this action and I had requested that it be recommitted to PSLU so that we could go over some of those things that were really not clear. And I, I stand on that. I'm not clear.

CHAIR LEE: Alright. So, your vote today is "no"? Your vote today is "no"?

VICE-CHAIR RAWLINS-FERNANDEZ: Well, today is just the amendment. So, I guess I can vote "yea" on the amendment. But I vote "no" on this item and I would prefer it to go back to Committee for clarification.

CHAIR LEE: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR LEE: Okay. What we just voted on is the amendment, you know. And that it still has the status of being passed on first reading.

VICE-CHAIR RAWLINS-FERNANDEZ: Yea, I, I wanted it to go back to Committee for Committee discussion and not Committee work in Council meeting.

CHAIR LEE: Yea.

VICE-CHAIR RAWLINS-FERNANDEZ: Yea, so, but it was, it'll stay and so. It'll stay in Council and, and my request is so that it, I would like it to be recommitted. Mahalo, Chair.

CHAIR LEE: Okay. Too late. We already did it in, you know, on Council. So, I understand what you're saying. I'm all for not doing work in the Council. But, you know, circumstances change. And, you know, we're reaching the end of the term and we just got to get all this work done, you know. Right?

VICE-CHAIR RAWLINS-FERNANDEZ: Oh--

CHAIR LEE: I know . . . but okay.

VICE-CHAIR RAWLINS-FERNANDEZ: No, no--

CHAIR LEE: Ms. King.

VICE-CHAIR RAWLINS-FERNANDEZ: Not for the, not for the amendment that we just took up. But at first reading, we had a discussion with Deputy Director Munsell that was not clear. So, what we did today is fine. I, I, I don't, I don't, but what, what happened at first reading was not fine. And what happened at first reading is why I wanted it recommitted.

CHAIR LEE: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: And I still hold that position of preferring it to be recommitted so that we can have that discussion in Committee and not on the Council. Mahalo, Chair.

CHAIR LEE: Okay. Ms. King.

COUNCILMEMBER KING: Okay. Thank you very much. And thank you for clearing that up, Keani, cause I, I really appreciate your position on that because, you know, had we been speaking about other amendments that we originally thought, I would, I would've pushed for it to go back to Committee too. So, I appreciate your support of our community.

So, Chair, I just wanted to let you know, I have to leave. I, I was, I have a, I'm late for a 12:00 meeting. I was thinking we would either be done or taking a lunch break. So, I just wanted to apologize to the Council. But I need to step out. And I'm assuming that you'll be done within the hour, so. But I'll, I'll check back in case you're still going.

CHAIR LEE: I'm pretty sure we're going to be done in 10-15 minutes.

COUNCILMEMBER KING: Okay.

CHAIR LEE: Yea. So, you know, if you have to leave, you know.

COUNCILMEMBER KING: Yea.

CHAIR LEE: That's, that's fine.

COUNCILMEMBER KING: Okay. Just wanted to--

CHAIR LEE: We have enough people here. Mr. Hokama had to leave.

COUNCILMEMBER KAMA: Happy Thanksgiving.

COUNCILMEMBER KING: Okay, Happy Thanksgiving, everybody.

CHAIR LEE: Okay. So, nobody is allowed, nobody else is allowed to leave. Just hold on--

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

CHAIR LEE: --another 10 minutes.

CHAIR LEE: Yes. Yes, Ms. Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair, I was planning to take up all of the rest in one, in one motion.

CHAIR LEE: Yea, that's why. And then Mr. Molina has one, so we should be done in 10 minutes or less, okay?

VICE-CHAIR RAWLINS-FERNANDEZ: Yea.

CHAIR LEE: Alright. Ms. King, it's up to you. Up to you.

Alright, Mr. Clerk.

(Councilmember King was excused from the meeting at 12:18 p.m.)

ORDINANCE NO. _____
BILL NO. 115 (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART I,
GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND
RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS,
OFFICE OF THE MAYOR,
COVID-19 DISASTER RECOVERY GRANT,
COVID-19 EMPLOYMENT RECOVERY GRANT

CHAIR LEE: Ms. Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. If there are no objections, may I request the Clerk also call up Bill 116 through Bill 120?

MEMBERS VOICED NO OBJECTION.

CHAIR LEE: Okay. So, ordered.

Mr. Clerk.

ORDINANCE NO. _____
BILL NO. 116 (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART I,
GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND
RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS,
OFFICE OF THE MAYOR,
STATE OF HAWAII – UPCOUNTRY MAUI AGRICULTURAL PARK

ORDINANCE NO. _____
BILL NO. 117 (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS,
OFFICE OF THE MAYOR,
MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA,
STATE OF HAWAII – UPCOUNTRY MAUI AGRICULTURAL PARK

ORDINANCE NO. _____
BILL NO. 118 (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART I,
GRANTS AND RESTRICTED USE REVENUES – SCHEDULE OF GRANTS AND
RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS,
DEPARTMENT OF PLANNING,
WEST MAUI TRANSIT-ORIENTED DEVELOPMENT (TOD) CORRIDOR PLAN

ORDINANCE NO. _____
BILL NO. 119 (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF PLANNING,
WEST MAUI COMMUNITY PLAN AREA,
WEST MAUI TRANSIT-ORIENTED DEVELOPMENT (TOD) CORRIDOR PLAN

ORDINANCE NO. _____
BILL NO. 120 (2020)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C – CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF THE PROSECUTING ATTORNEY,
CHILDREN'S PEACE CENTER;
DEPARTMENT OF PUBLIC WORKS,
COUNTYWIDE ROAD RESURFACING AND PAVEMENT PRESERVATION,
COUNTYWIDE FEDERAL AID PROGRAM

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

I MOVE TO PASS BILL 115 THROUGH BILL 120 ON SECOND
AND FINAL READING.

COUNCILMEMBER KAMA:

SECOND.

CHAIR LEE: Okay, moved by Vice-Chair Rawlins-Fernandez, seconded by Councilmember Kama, to pass Bills 115, 115 through 120 on second and final reading.

Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. These bills received unanimous support and I ask for the Members continued support for this motion. Mahalo, Chair.

CHAIR LEE: Okay. Any more comments or questions? If not, all those in favor of the motion, please say "aye", raise your hand.

AYES: COUNCILMEMBERS KAMA, MOLINA, PALTIN,
SINENCI, SUGIMURA, VICE-CHAIR RAWLINS-
FERNANDEZ, AND CHAIR LEE.

NOES: NONE.

EXCUSED: COUNCILMEMBERS HOKAMA AND KING.

CHAIR LEE: Seven "ayes", two "excused"; motion carries.

Okay. The final bill.

ORDINANCE NO. _____
BILL NO. 121 (2020)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 2.56, MAUI COUNTY
CODE, RELATING TO BOARD OF ETHICS ADVISORY OPINIONS

CHAIR LEE: Mr. Molina.

COUNCILMEMBER MOLINA: Thank you, Madam Chair.

I MOVE TO PASS BILL 121 ON SECOND AND FINAL
READING.

VICE-CHAIR RAWLINS-FERNANDEZ:

SECOND.

CHAIR LEE: Moved by Mr. Molina, seconded by Vice-Chair Rawlins-Fernandez, to move bill,
to pass bill on, Bill 121 on second and final reading.

Discussion? Mr. Molina.

COUNCILMEMBER MOLINA: Mahalo, Madam Chair. If you and the Members will recall,
Bill 121 would require, to the extent permitted by law, advisory opinions rendered by
the Board of Ethics to be posted on the County's website within 30 calendar days from
the date of the opinion; and advisory opinions already rendered, to be posted on the
County's website within a reasonable amount of time. I ask for the Members full
support of this bill. Thank you.

CHAIR LEE: Okay, any more discussion? If not, all those in favor, say "aye", raise your hand.

AYES: COUNCILMEMBERS KAMA, MOLINA, PALTIN,
SINENCI, SUGIMURA, VICE-CHAIR RAWLINS-
FERNANDEZ, AND CHAIR LEE.

NOES: NONE.

EXCUSED: COUNCILMEMBERS HOKAMA AND KING.

CHAIR LEE: Seven "ayes", two "excused"; motion carries.

Hallelujah, we have reached the end of the calendar.

Yes, Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you. I was just wondering if the Clerk could answer
Ms. Sugimura's very good question about how it gets recorded?

CHAIR LEE: Okay. Clerk.

DEPUTY COUNTY CLERK: Yea, so my understanding is whenever there's a conditional zoning bill with a unilateral agreement that needs to be recorded, at first reading, as part of the committee report, one of the things that the report recommends is that the Clerk record the unilateral agreement. So, the body acts on that there, then we wait. You know, we receive the unilateral agreement, and then the developer or, you know, person applying for the zoning, you know, they give us a check and that, you know, to pay for the recordation essentially.

So, in this case, we got the unilateral agreement, I believe last week Friday, and then, but we didn't receive the check until Monday. Oh, sorry, apologies. We, we did get everything last week Friday, but we didn't mail it out until Monday. So, and it usually takes the Bureau processing time maybe about a week, maybe just over a week. So, that's why at this time, it's not been recorded yet. They probably just haven't had enough time with it.

COUNCILMEMBER PALTIN: So, then, if we want to make it for second and final reading by the next Council meeting, we got to hop to, to get it done, because there's holiday and everything.

DEPUTY COUNTY CLERK: Right. Right. Next week Thursday is a holiday. So, you know, at latest next week Friday, but the earlier the better for sure.

COUNCILMEMBER PALTIN: Okay.

CHAIR LEE: Yeah, cause the next meeting is, what, December 4, right?

DEPUTY COUNTY CLERK: Right, two, two weeks from today.

CHAIR LEE: Okay. So, will you be able to have it recorded by then?

DEPUTY COUNTY CLERK: If we're able to get it soon, you know, we'll be able to send it over to the Bureau. And hopefully they'll be able to process it by, by the 4th.

CHAIR LEE: Okay. When you say, "able to get it soon", what is "it"? The revised ordinance?

DEPUTY COUNTY CLERK: The revised unilateral agreement, as well as the check to pay for the recordation.

CHAIR LEE: Okay. And who would draft the revised unilateral agreement?

DEPUTY COUNTY CLERK: We would defer to OCS to handle that, that matter.

CHAIR LEE: So, it's go to OCS, then to you, then to recordation, after you get the check?

DEPUTY COUNTY CLERK: Right. Once we have the revised unilateral agreement in hand, yea, we'll be able to, to send it to the Bureau.

CHAIR LEE: And so, so it has to be mailed, or can you send it electronically?

DEPUTY COUNTY CLERK: No. We have to mail it.

CHAIR LEE: You have to mail it?

DEPUTY COUNTY CLERK: Yea, the, the Bureau is fairly strict on, on the documents that they accept, so we've been, we've been mailing them.

CHAIR LEE: Okay. We all know about recordation.

Ms., Ms. Sugimura, do you have any questions about this process?

COUNCILMEMBER SUGIMURA: Okay. So, yea, so can, can this be reviewed with the developer, because this is holding up things? They said they dropped off the unilateral agreement delivered to County Clerk on November 9, as was required. Was that the check or is that the doc, who does the unilateral agreement? Us or them?

DEPUTY COUNTY CLERK: They, the developer has to execute the unilateral agreement.

COUNCILMEMBER SUGIMURA: Oh, I'm sorry. You're right, you're right. The executed, he said, unilateral agreement was delivered to the County Clerk on November 9, as required.

CHAIR LEE: Okay. And today is the 20th.

COUNCILMEMBER SUGIMURA: And the Bureau, right now, has the recordation. So, now we have to do the amendments, right? So, the Bureau hasn't returned the document to us, as of this, this meeting, then. Maybe we should have somebody hand carry it. When I used to work at a law firm in Honolulu at college, we used to walk everything to the Bureau of Conveyances. We never had computers like now. But it's, got done faster. Thank you.

CHAIR LEE: Okay. Any more questions on this?

COUNCILMEMBER PALTIN: Thank you, Chair, for your indulgence.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR LEE: Well, it's a good learning experience. I would never be a developer, you know.
And face you guys? Forget it. Any way--

COUNCILMEMBER SUGIMURA: It's the truth.

CHAIR LEE: Okay, everybody have a wonderful safe weekend.

COUNCILMEMBER SUGIMURA: Happy Thanksgiving.

CHAIR LEE: Are we going to see each other before Thanksgiving?

COUNCILMEMBER KAMA: Your meeting on Tuesday.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair's meeting.

CHAIR LEE: Chair's meeting. Besides that? Only Chair's meeting.

COUNCILMEMBER PALTIN: How many times do you--

COUNCILMEMBER KAMA: Going have a party at your house? We have less than 10 in our
group. We can have a party.

CHAIR LEE: Okay. That's an idea. But no intoxicating liquor, okay.

COUNCILMEMBER PALTIN: Might be the violation of the Sunshine Law though.

CHAIR LEE: Yea

COUNCILMEMBER SUGIMURA: As long as we don't talk about work.

CHAIR LEE: Yea, who wants to talk about work anyway?

COUNCILMEMBER KAMA: None of us.

CHAIR LEE: Yes. So, any, anyway, you folks take care.

COUNCILMEMBER KAMA: Have a great weekend. God bless you all.

CHAIR LEE: Yea, you too.

DEPUTY COUNTY CLERK: Chair, Chair, could you formally adjourn the meeting?

CHAIR LEE: Okay. Well, I just have to make sure that they have no last comments. Any last comments? If not, this meeting is adjourned.

ADJOURNMENT

The regular meeting of November 20, 2020 was adjourned by the Chair at 12:28 p.m.

A handwritten signature in black ink, reading "Kathy L Kaohu".

KATHY KAOHU, COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII



Jason A. Economou
Government Affairs Director

441 Ala Makani Pl • Kahului, HI 96732
phone 808-243-8585 • fax 808-873-8585
jason@ramauui.com • www.ramaui.com

November 18, 2020

Council Chair Alice Lee
Council of the County of Maui
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

RE: CR 20-149 Concerning Real Property Tax Reform

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2020 NOV 18 PM 4:25
OFFICE OF THE
COUNTY CLERK

Aloha Chair Lee, Vice-Chair Rawlins-Fernandez, and Members of the Council:

I am submitting this testimony on behalf of the REALTORS Association of Maui (RAM) and our 1,700+ licensed, professional REALTORS regarding Committee Report 20-149 and the two draft bills contained therein. Though RAM has long encouraged the creation of a “Long-term rental” real property tax exemption/classification, we must **oppose both bills** for a number of reasons.

Our initial objection to both bills is the same objection we had last year when the County Council was rushing tax reform: this is rushed and you are not engaged in enough public outreach. In particular, Finance Director Teruya’s bill is admittedly being rushed on the shortest timeline possible to take effect for next year, and its only real purpose is to increase revenue by potentially doubling the taxes of some property owners for no reason other than where they purchased property. This tactic of rushing through legislation that will significantly impact some property owners financially demonstrates a lack of good faith, and is a clear continuation of a pattern of disregarding public input and involvement in property tax legislation. Please stop holding property tax legislation for the last minute, and please set an example by not allowing this legislation to move forward on an intentionally truncated timeline. Additionally, it is worth noting that Director Teruya’s proposed legislation clearly isn’t highly necessary if Vice-Chair Rawlins-Fernandez’s legislation literally removes any changes requested by the Finance Director within a year.

Our second and most important concern relates to the unintended consequences of both of these proposed bills. Both bills essentially eliminate actual use taxation for condominiums and switch to a “highest and best” use taxing model. It is understandable that such a model is easier to administer, but this change will have a slew of consequences that you likely haven’t fully considered. Specifically, condominium owners who are currently paying the “non-owner

occupied” tax rate will be faced with difficult choices if they are suddenly forced to pay the “short-term rental” tax rate. The most likely options for these owners will be: (1) pay double the taxes and don’t use the property for short-term rentals; (2) pay double the taxes and offer the property as a short-term rental for part of the year to offset the cost; or (3) sell the property to someone who can afford the extra taxes, who may very likely be an offshore investor or a person willing to conduct TVR use in their property. Ultimately, these bills will likely lead to a proliferation of short-term accommodations being offered, which will drive down the cost of said accommodations across the board. This will only serve to bring in low-spending tourists that will be spread across the island and have a higher impact than what they provide in revenue. This is exactly the opposite of what the people of Maui have wanted from our tourism industry. Moreover, many property owners will likely sell, and the most competitive market participants at this time are offshore investors.

To be perfectly honest, these very foreseeable unintended consequences will undoubtedly result in broad economic benefits to my members involved in sales transactions, property management, or other services provided to the impacted property owners. However, RAM still opposes these pieces of legislation because we are more concerned with the wellbeing of our island than the revenue of our members. I strongly encourage this Council to also shift its concerns away from revenue and focus more on the likely consequences of these legislative proposals and what that means for our island. Though your intent is clearly positive, more analysis and public outreach should occur before the Council pursues either bill any further. Otherwise, what you gain in property tax revenue may not offset the broader long-term consequences of your decision.

Mahalo,

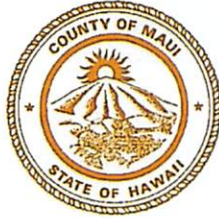
A handwritten signature in black ink, appearing to be 'JA', with a long horizontal stroke extending to the right.

Jason A. Economou
Government Affairs Director

MICHAEL P. VICTORINO
Mayor

SANDY K. BAZ
Managing Director

JOSIAH K. NISHITA
Deputy Managing Director



DEPARTMENT OF MANAGEMENT
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

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OFFICE OF THE
COUNTY COUNCIL

November 19, 2020

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Alice L. Lee, Chair
and Member of the Maui County Council
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee:

**SUBJECT: COUNTY COMMUNICATION 20-573 - AMENDMENT TO THE
FISCAL YEAR ("FY") 2021 BUDGET (DEPARTMENT OF
FINANCE (ACQUISITION OF 60 SOUTH CHURCH STREET
BUILDING AND PROPERTY))**

Transmitted herewith is a summary of facts sheet and an excerpt from the report entitled, "USPAP COMPLIANT APPRAISAL REPORT OF THE AS IF MARKET VALUE FOR THE FEE SIMPLE AND LEASED FEE INTEREST OF A PROFESSIONAL OFFICE BUILDING." The report was prepared for the Department of Finance by R.J. Kirchner, SRA of Paradise Appraisals, LLC on August 26, 2020.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at ext. 7855.

Sincerely,

A handwritten signature in black ink, appearing to read "Sananda K. Baz".

SANANDA K. BAZ
Managing Director

Attachment

SKB:ma

cc: Scott K. Teruya, Director of Finance

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COUNTY CLERK

APPROVED FOR TRANSMITTAL

A handwritten signature in black ink, appearing to read "Michael P. Victorino".
Mayor

11/20/20
Date

SUMMARY OF FACTS



SUBJECT PROPERTY TMK's: (2) 3-4-013-010 & (2) 3-4-013-023 (por)

ADDRESS: 60 South Church Street, Wailuku, HI 96793

LAND AREA: TMK: (2) 3-4-013-010 41,257 SF
(2) 3-4-013-023 (por) 1,679 SF

ZONING: B-3

FLOOD ZONE: Zone X

GROSS BUILDING: 37,263 SF

Year Built: 1959
1st floor – 10,120 SF
2nd floor – 1,715 SF
Total = 11,835 SF

Year Built: 1971
1st floor – 8,476 SF
2nd floor – 8,476 SF
3rd floor – 8,476 SF
Total = 25,428 SF

PARKING STALLS: 30+

VALUE CONCLUSIONS: Appraiser's conclusion: \$3,720,000 (Leased Fee)
Cost Approach: \$4,385,000 (Fee Simple)
Income Approach: \$4,285,000 (Fee Simple)
\$3,720,000 (Leased Fee)
Sales Comparison: \$4,430,000 (Fee Simple)
Value of TMK: (2)3-4-013-023, 50% interest: \$25,000

ASSESSED VALUE: (2) 3-4-013-010 \$4,738,700
(2) 3-4-013-023 (por) \$100

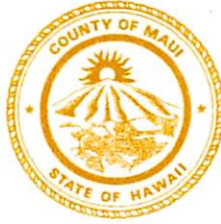
ESTIMATED DEBT SVC: \$240,000/Annum or \$20,000/Mo

ESTIMATED RENT SAVINGS: \$600,000/Annum or \$50,000/Mo

MICHAEL P. VICTORINO
Mayor

LORI TSUHAKE
Director

LINDA R. MUNSELL
Deputy Director



DEPARTMENT OF HOUSING
& HUMAN CONCERNS
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

November 17, 2020

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 11/18/20
Mayor Date

For Transmittal to:

Honorable Alice Lee, Chair
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee:

**SUBJECT: REQUEST FOR DEPARTMENT'S POSITION ON A PROPOSED
CONDITION IN A BILL FOR AN ORDINANCE TO CHANGE THE
ZONING FROM OPEN ZONE TO R-1 RESIDENTIAL DISTRICT
(CONDITIONAL ZONING) FOR 6.943 ACRES IN KIHAI, MAUI,
HAWAII, IDENTIFIED AS TAX MAP KEY (2) 3-9-004:141**

Thank you for the opportunity to provide feedback on a proposed condition to the Kilohana Makai housing project. In your conversation with Deputy Director Munsell, you asked for the Department's position on the condition proposed by Council Member Paltin.

Council Member Paltin's proposed condition is:

Ferreira Family Partners, L.P. must ensure each unit on the property is owner-occupied by a County resident within the income group applied to the unit on its initial purchase date for a period of 20 years from the date of the unit's initial purchase.

The Department's position is that the proposed condition is not needed, and unnecessarily complicates the resale of these workforce housing units. The condition

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OFFICE OF THE
COUNTY CLERK

also creates a situation in which the County may be liable for subsidizing the unit in order keep that unit in a specific income bracket. The proposed condition would also have the unintended effect of keeping the unit from being sold to a qualified lower AMI family, which is possible under the current law.

The section of Maui County Code (MCC) that applies to the resale of units during the deed restricted period is found in 2.96.060(f) and (g):

- f. Resale. The maximum resale price shall be established by the department using the following guidelines:
 - i. An appraisal of the property shall be required before occupancy.
 - ii. A second appraisal shall be required upon a decision to sell the unit.
 - iii. Twenty-five percent of the difference between the two appraisals shall be added to the owner's purchase price.
- g. An owner of a residential workforce housing unit that is being resold must sell the unit to an income-qualified household and notify the department of the sale. The department shall verify the sales price.

Currently, MCC requires resale of a unit during the deed restricted period "to an income qualified household", rather than resale to a person who is in the same AMI as the buyer at the time of the initial purchase. Under the proposed condition, if the County does not wish to buy the unit back, this means the owner of the unit still needs to find "an income qualified household" to which to sell the unit. That income qualified household is determined after the steps in 2.96.060(f) are taken and the sales price of the unit is calculated.

If Council mandates that the unit be sold to someone in the same AMI as the original purchaser, we may end up with a scenario where that same AMI individual cannot afford the unit based on the formula as it applies to the current sales price as determined under (f). This would mean that the unit would need to be subsidized, either by the County, or by the original owner to make it affordable, or the unit cannot be sold in that AMI.

Based on our calculations, the subsidy necessary to keep a unit in a specific AMI under the proposed condition could vary considerably. In the samples we ran, the potential liability was less than \$100,000 for those units that required subsidy. However, depending on the timing of the original purchase and subsequent sale under the current law (and without the proposed condition), in many cases a unit could actually be sold to a lower AMI buyer.

Attached are sample calculations for your review. To create realistic examples, staff applied the current law to imaginary workforce housing purchases in 2006, 2009, 2012, 2015, and 2017 for a family buying a 3-bedroom home in the 100%, 120% and 140% AMI categories. We then calculated the resale prices for those units as if they were

Honorable Alice Lee, Chair
Maui County Council
November 17, 2020
Page 3

sold in 2018, 2019, or 2020. We tried to stay as close to real data as we could. We used the interest rates in effect at the time of purchase to determine purchase prices, and used the Maui single family median home prices for the applicable periods to simulate appraised values.

All calculations were then completed using the current law, but assumed in all cases that the units were still in the affordability period. Situations in which a liability is created for the County under the proposed condition are highlighted. Left without highlight are the situations in which the units would have been sold either to a buyer in the original AMI category, or to a buyer in a lower AMI category.

Thank you for allowing us to provide this information. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,



LORI TSUHAKO, LSW, ACSW
Director of Housing and Human Concerns

Attachment
xc: Housing Division

3-BEDROOM HOME

PURCHASE DATE	Sept 2006	Sept 2009	Sept 2012	Sept 2015	Sept 2017
SALE IN 2018					
100% AMI					
Purchase Price	\$277,100	\$369,600	\$444,900	\$414,000	\$408,400
Profit to Seller	\$5,000	\$53,500	\$60,000	\$32,500	\$3,750
2018 Sale Price	\$282,100	\$423,100	\$504,900	\$446,500	\$412,150
Affordable to AMI	70% AMI	110% AMI	120% AMI	110% AMI	100% AMI
To Keep at 100% AMI		\$300	\$82,100	\$23,700	
120% AMI					
Purchase Price	\$332,600	\$443,500	\$533,900	\$496,800	\$490,100
Profit to Seller	\$5,000	\$53,500	\$60,000	\$32,500	\$3,750
2018 Sale Price	\$337,600	\$497,000	\$593,900	\$529,300	\$493,850
Affordable to AMI	80% AMI	120% AMI	150% AMI	130% AMI	120% AMI
To Keep at 100% AMI			\$86,600	\$22,000	
140% AMI					
Purchase Price	\$388,000	\$517,500	\$622,900	\$597,500	\$571,800
Profit to Seller	\$5,000	\$53,500	\$60,000	\$32,500	\$3,750
2018 Sale Price	\$393,000	\$571,000	\$682,900	\$630,000	\$575,550
Affordable to AMI	100% AMI	140% AMI	>160% AMI	150% AMI	140% AMI
To Keep at 100% AMI			\$91,000	\$38,100	
SALE IN 2019					
100% AMI					
Purchase Price	\$277,100	\$369,600	\$444,900	\$414,000	\$408,400
Profit to Seller	\$36,875	\$85,375	\$91,875	\$64,375	\$35,625
2019 Sale Price	\$313,975	\$454,975	\$536,775	\$478,375	\$444,025
Affordable to AMI	70% AMI	110% AMI	120% AMI	110% AMI	100% AMI
To Keep at 100% AMI		\$6,675	\$88,475	\$30,075	
120% AMI					
Purchase Price	\$332,600	\$443,500	\$533,900	\$496,800	\$490,100
Profit to Seller	\$36,875	\$85,375	\$91,875	\$64,375	\$35,625
2019 Sale Price	\$369,475	\$528,875	\$625,775	\$561,175	\$525,725
Affordable to AMI	100% AMI	120% AMI	140% AMI	130% AMI	120% AMI
To Keep at 120% AMI			\$87,875	\$23,275	
140% AMI					
Purchase Price	\$388,000	\$517,500	\$622,900	\$579,500	\$571,800
Profit to Seller	\$36,875	\$85,375	\$91,875	\$64,375	\$35,625
2019 Sale Price	\$424,875	\$602,875	\$714,775	\$643,875	\$607,425
Affordable to AMI	100% AMI	140% AMI	160% AMI	150% AMI	140% AMI
To keep at 140%			\$87,175	\$16,275	

3-BEDROOM HOME

PURCHASE DATE	Sept 2006	Sept 2009	Sept 2012	Sept 2015	Sept 2017
SALE IN 2020					
100% AMI					
Purchase Price	\$277,100	\$369,600	\$444,900	\$414,000	\$408,400
Profit to Seller	\$27,250	\$75,750	\$82,250	\$54,750	\$26,000
2020 Sale Price	\$304,350	\$445,350	\$527,150	\$468,750	\$434,400
Affordable to AMI	60% AMI	90% AMI	100% AMI	90% AMI	90% AMI
120% AMI					
Purchase Price	\$332,600	\$443,500	\$533,900	\$496,800	\$490,100
Profit to Seller	\$27,250	\$75,750	\$82,250	\$54,750	\$26,000
2020 Sale Price	\$359,850	\$519,250	\$616,150	\$551,550	\$516,100
Affordable to AMI	70% AMI	100% AMI	120% AMI	110% AMI	100% AMI
140% AMI					
Purchase Price	\$388,000	\$517,500	\$622,900	\$579,500	\$571,800
Profit to Seller	\$27,250	\$75,750	\$82,250	\$54,750	\$26,000
2020 Sale Price	\$415,250	\$593,250	\$705,150	\$634,250	\$597,800
Affordable to AMI	80% AMI	120% AMI	140% AMI	120% AMI	120% AMI