

# HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE

Council of the County of Maui

## MINUTES

August 18, 2016

Council Chamber, 8<sup>th</sup> Floor

**CONVENE:** 1:34 p.m.

**PRESENT:** VOTING MEMBERS:

Councilmember Stacy Crivello, Chair  
Councilmember Gladys C. Baisa, Vice-Chair (In 1:40 p.m.)  
Councilmember Robert Carroll  
Councilmember Don Couch  
Councilmember Don S. Guzman  
Councilmember Michael P. Victorino

NON-VOTING MEMBERS:

Councilmember Elle Cochran  
Councilmember Mike White (In 1:48 p.m.)

**EXCUSED:** VOTING MEMBERS:

Councilmember Riki Hokama

**STAFF:** Michele Yoshimura, Legislative Analyst  
Tammy M. Frias, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)  
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

**ADMIN.:** Michael M. Miyamoto, Deputy Director, Department of Environmental Management (Item HHT-31)  
Carol K. Reimann, Director, Department of Housing and Human Concerns  
Clyde A. "Buddy" Almeida, Housing Administrator, Housing Division, Department of Housing and Human Concerns  
Wendy M. K. Taomoto, Capital Improvement Program Coordinator, Department of Management (Item HHT-28)  
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the gallery

Keith A. Regan, Managing Director, Department of Management (Item HHT-28)

**OTHERS:** Seated in the gallery

Brooks Aoki, SSFM International, Inc.

**PRESS:** Akaku--Maui County Community Television, Inc.

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CHAIR CRIVELLO: ...*(gavel)*... Good afternoon. The meeting of the Housing, Human Services, and Transportation Committee will now come to order. It is about 1:35 p.m. on Thursday, August 18, 2016. Before we begin, may I please request that we all turn off or silence our cell phones or other noise-making devices. At this time, I'd like to introduce our Committee voting members. I am Stacy Crivello, Chair of the Committee. Gladys Baisa, our Committee Vice-Chair, is excused at this time. Good afternoon, Councilmember Bob Carroll.

COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: And with us is Councilmember Don Couch.

COUNCILMEMBER COUCH: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon. And Councilmember Don Guzman.

COUNCILMEMBER GUZMAN: Good afternoon, Chair.

CHAIR CRIVELLO: And Councilmember Mike Victorino.

COUNCILMEMBER VICTORINO: Aloha and good afternoon, Madam Chair.

CHAIR CRIVELLO: Thank you for being here. And with us today, though a non-voting Committee member, who is always present in our meetings and we appreciate you being here, Councilmember Elle Cochran.

COUNCILMEMBER COCHRAN: Thank you very much, Chair.

CHAIR CRIVELLO: And at this time I'd like to introduce our Administration representatives, our Managing Director, Keith Regan; and engineer from the Department of Management, Alan Murata. Is he here? No. Wendy Taomoto, CIP Coordinator, Department of Management; and with us from the Housing and Human Concerns, Carol Reimann; and our Housing Administrator, Department of Housing and Human Concerns, Buddy Almeida; and our Deputy Director of Environmental Management, Michael Miyamoto. Thank you for being here. And, of course, we have our Deputy Corporation Counsel, Mr. Jeffrey Ueoka. Thank you all for being here. And I'd like to especially thank our Staff who's here with us this afternoon, Committee Secretary, Tammy Frias and our Legislative Analyst, Michele Yoshimura. Members, we have two items on the agenda today so we'll start with public testimony. Assisting us this afternoon from the Hana District Office is Dawn Lono.

MS. LONO: Good afternoon, Chair. This is Dawn Lono at that Hana Office and there is no one waiting to testify.

CHAIR CRIVELLO: Thank you, Ms. Lono. From our Molokai District Office is Ella Alcon.

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MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai and there is no one here waiting to testify.

CHAIR CRIVELLO: Thank you, Ella. And from the Lanai District Office is Denise Fernandez.

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai and there is no one waiting to testify.

CHAIR CRIVELLO: Thank you. Thank you, ladies. For individuals who will be testifying in the Chamber, please sign up at the desk located in the 8<sup>th</sup> floor lobby, just outside the Chamber door. If you will be testifying from the remote testimony locations specified on the meeting agenda, please sign up with the Council Staff at that location. Testimony will be limited to the item listed on the agenda today, and pursuant to the Rules of the Council, each testifier will be allowed to testify for up to three minutes per item, with one minute to conclude, if requested. When testifying, please state your name and the name of any organization you are representing. Staff, do we have any testifiers this afternoon?

MS. FRIAS: No, Madam Chair.

CHAIR CRIVELLO: I will check with our District Offices. Hana, any testifiers?

MS. LONO: The Hana Office has no one waiting to testify.

CHAIR CRIVELLO: Our Molokai District Office, any testifiers?

MS. ALCON: There's no one here on Molokai waiting to testify.

CHAIR CRIVELLO: And our Lanai District Office?

MS. FERNANDEZ: There is no one waiting to testify on Lanai.

CHAIR CRIVELLO: Mahalo, ladies. Members, it appears as though we have no testifiers and there are no individuals in the Council Chamber or District Offices wishing to testify. Without objection, I will now close public testimony.

COUNCILMEMBERS: No objections.

**ITEM HHT-31: EXEMPTIONS FROM CERTAIN WASTEWATER ASSESSMENT FEES FOR RESIDENTIAL WORKFORCE HOUSING UNITS** (CC 16-53)

CHAIR CRIVELLO: Members, we'll start with our first agenda item, HHT-31, Exemptions from Certain Wastewater Assessment Fees for Residential Workforce Housing Units. The Committee is in receipt of County Communication 16-53, from the Director of Housing and Human Concerns, transmitting a proposed bill entitled A Bill for an Ordinance Amending Sections 14.34.090 and 14.35.080, Relating to the Exemptions

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for the Wastewater Assessment Fees for Facility Expansion and Collection/Transmission System Update [sic], Chapters 14.34 and 14.35, Maui County Code, established wastewater assessment fees for the expansion of the Kihei Wastewater Treatment Plant and the upgrade and expansion of the wastewater treatment plant respectively...I'm sorry...and expansion of the Kihei wastewater transmission system and the expansion of the Wailuku/Kahului Wastewater Treatment Plant respectively. The purpose of the proposed bill is to amend the exemptions from these wastewater assessment fees and allow the exemptions to apply to developments that are comprised of 100 percent residential workforce housing units, as defined in Section 2.96.020, Maui County Code. The Committee may consider whether to recommend passage of the proposed bill on first reading with or without revisions. The Committee may also consider the filing of County Communication 16-53 and other related action. Members, before we go any further, I'd like to introduce our Committee Vice-Chair, Gladys Baisa. Thank you for being here.

VICE-CHAIR BAISA: Good afternoon, Chair. And my apologies, I got caught up in traffic, sorry.

CHAIR CRIVELLO: No apologies necessary. Thank you for being here. Members, the Committee reviewed the proposed bill at its meeting on May 18, 2016. Following that meeting, a letter was sent to the Department of Environmental Management requesting information on the effect of exemptions of wastewater assessment fees. A response dated June 29, 2016 was received from the Department. For today's meeting, I would like to focus on the exemptions from certain wastewater assessment fees for residential workforce housing units. The proposed bill allows for exemptions as defined in Section 2.96.020, Maui County Code. It is the intent of the Chair to refer the matter to the appropriate Council committee for further discussion on exemptions other than those relating to housing or Chapter 2.96, Maui County Code, relating to the Residential Housing Policy. At this time, I'd like to open the floor to our Director from the Department of Housing and Human Concerns.

MS. REIMANN: Aloha, Chair. Thank you. Aloha, Members.

CHAIR CRIVELLO: Aloha.

MS. REIMANN: Maui County Code Section 14.34.090 was last amended in 1995, while Chapter 2.96, Residential Workforce Housing Ordinance, was amended in 2000. This proposed revision does not make any changes to the bill. Rather, it is intended to clean up old language so that it references what is current in 2.96. Thank you.

CHAIR CRIVELLO: Thank you. Any comments from the Department of Environmental Management?

MR. MIYAMOTO: None at this time, Madam Chair.

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CHAIR CRIVELLO: Thank you. So we're going to open the floor for discussion and Committee members...Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, I'll start and then I know many of us have lots of questions so I'll try to keep it just to couple. My first question is, these exemptions, what are they worth as far as the pricing on the house, approximately, on the home or the dwelling itself? Do you have any idea what kind of savings this brings forward to the individual buyer? Maybe Mr. Miyamoto can help us.

MR. MIYAMOTO: Yes. In our Kihei area, service area, we finally completed paying for the collection system upgrades so in the future we'll be removing that part of the Code out. Typically that was somewhere in the \$6.64 per gallon per household. So if you figure an average household was somewhere in the 500 to 600 gallons per household times \$6.64, that would be for the collection system. For the treatment plant facility upgrades, it was \$4.65 per gallon, per day. So that is still in effect, whereas the collection system has been paid off for the projects. In the Wailuku District, we've grouped it all together, it's \$4.57 per gallon, per day.

COUNCILMEMBER VICTORINO: Per gallon or per thousand gallons?

MR. MIYAMOTO: Per gallon.

COUNCILMEMBER VICTORINO: Per gallon, per day, okay. I guess the other question I had was, what is the upfront cost, the actual infrastructure improvements or the infrastructure that is put in for the initial build out? I mean, I've heard 25,000, 50,000, depending. So I'm talking about the actual build out, not as you own it, but the actual build out itself. Do you have any idea or does anybody have any idea?

MR. MIYAMOTO: That's really going to depend on how the developer proposes to handle it. In the past, when the affordable housing units came in, a lot of 'em asked for connecting two houses to one lateral, which is something that we were against because then it was difficult to determine who was the cause of the backup. Depending on what is granted, typically, I think in, when we did a project down in South Maui, I think we were looking somewhere between 10,000 and 15,000 per household to connect to the system in --

COUNCILMEMBER VICTORINO: Yeah.

MR. MIYAMOTO: --after fact.

COUNCILMEMBER VICTORINO: Okay.

MR. MIYAMOTO: But when you do it upfront, I imagine, be much cheaper --

COUNCILMEMBER VICTORINO: Right.

MR. MIYAMOTO: --'cause they can roll all of that cost in.

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COUNCILMEMBER VICTORINO: Okay. And then you answered my second question, was how much per day and per gallon and all that. So, okay, thank you. Thank you, Madam Chair.

CHAIR CRIVELLO: Thank you. Any further comments or questions, Committee?

COUNCILMEMBER GUZMAN: Chair?

CHAIR CRIVELLO: Mr. Guzman and then Mr. Couch.

COUNCILMEMBER GUZMAN: Thank you, Chair. Just a question on the response. This would be number three and the question is, explain the tax of the exemptions from certain water waste assessment fees for residential workforce housing units on future development or upgrades to wastewater treatment plants. Number C on the response, the sewer and recycled water customer payment accounts for the majority of the Sewer Fund. Raising rates places the burden of paying for any exemptions on them instead of the Maui taxpayers. Can you explain your response? It's a little bit vague. Can you elaborate more on the --

MR. MIYAMOTO: Yes.

COUNCILMEMBER GUZMAN: --letter C of your response?

MR. MIYAMOTO: Yes. C basically was saying that if we give an exemption to the sewer assessment fees, then the rest of the sewer users that are, you know, connected to the County systems, are the ones that are funding it. Whereas, if it's given out of like the General Fund, then it comes out of all the General Fund taxes so then everyone on the County helps pay for the affordable housing. So that was what they were trying to say is that there's a bigger pool if you do it out of the General Fund whereas, if you do it out of the wastewater assessment, it's only those people who connect to the system that are helping to pay for this exemption.

COUNCILMEMBER GUZMAN: Chair, a follow-up?

CHAIR CRIVELLO: Yes, Mr. Guzman.

COUNCILMEMBER GUZMAN: So what is the degree or how many people are we talking about that are actually on the sewer and recycled water customer accounts? I mean, is this a substantial amount of people or just a ...

MR. MIYAMOTO: We go by accounts by household and commercial businesses. I think there is--I'm trying to recall offhand--I know there's more than 20,000 accounts that are on there. I'd have to look at our, the County Budget, the narratives upfront gives us an idea what the most recent account is.

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COUNCILMEMBER GUZMAN: Okay. So your recommendation is to apply it to the General Fund instead of, I mean, to make up the difference it would be from the General Fund instead of the sewer and recycled water customer payment? Instead of putting the burden on them, we actually take it from the General Fund to --

MR. MIYAMOTO: Yes.

COUNCILMEMBER GUZMAN: --supplement?

MR. MIYAMOTO: It would be spread out over a lot more people --

COUNCILMEMBER GUZMAN: Okay.

MR. MIYAMOTO: --the taxpayers.

COUNCILMEMBER GUZMAN: Okay, thank you.

CHAIR CRIVELLO: Thank you, Mr. Guzman. Mr. Couch?

COUNCILMEMBER COUCH: He pretty much had the same question I did.

CHAIR CRIVELLO: Okay, thank you. Thank you for being here. We have another non-voting Member, Mr. Mike White. Thank you for being here, Chair.

COUNCILMEMBER WHITE: Good morning, Chair.

CHAIR CRIVELLO: Any other questions or comments? Ms. Baisa?

VICE-CHAIR BAISA: Thank you very much, Chair. It may have come up while I was a little tardy but I'm wondering, in, we're talking about in case we have to charge any of this, we would charge it to General Fund. Have we thought about and is it possible it could go to the Affordable Housing Fund?

CHAIR CRIVELLO: Mr. Ueoka, would you like to be the person to answer that question?

MR. UEOKA: Thank you, Chair. It could be a grant from the Affordable Housing Fund to the developer, I suppose. How this fee works is when the developers are pulling building permits, they're assessed this fee. So if you wanted to pay for it out of the Affordable Housing Fund, it would have to be done in conjunction with a grant from the Affordable Housing Fund to the developer at the time of construction.

VICE-CHAIR BAISA: Okay, I'm just trying to figure out, 'cause I hate charging things to the General Fund, we're so strapped there already. Thank you. And, but I do like the idea of, you know, anything that helps affordable housing, we've just almost gotta do it, we got no choice.

CHAIR CRIVELLO: Thank you. Members? Mr. Couch?

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COUNCILMEMBER COUCH: Thank you, Madam Chair. And, I too, kind of agree with Ms. Baisa in that maybe it might be a good thing to come out of the Affordable Housing Fund, not necessarily as a grant. Could it be just a transfer to the Department for the amount necessary, instead of having to go through the extra layer of going to the developer, who is then going to --

VICE-CHAIR BAISA: Right.

COUNCILMEMBER COUCH: --get the money from us, goes to the developer who then --

VICE-CHAIR BAISA: Who gives it back.

COUNCILMEMBER COUCH: --gives it back to us in a different department. Can we skip that middle section?

MR. UEOKA: Chair?

CHAIR CRIVELLO: Yes, thank you, Mr. Ueoka.

MR. UEOKA: Thank you, Chair. Yeah, Mr. Couch, I'm sure we could do a transfer of some sort in the Budget but it would have to be an appropriation from the Affordable Housing Fund and --

COUNCILMEMBER COUCH: Yeah, I understand.

MR. UEOKA: --typically we do them either by our own expenditures or through grants so it would just be a little different because we'd be funding a private project, in a sense, through a direct payment. It just would add, it'd be a little complicated but I'm sure we could figure something out. Thank you.

COUNCILMEMBER COUCH: Thank you, Chair. And that's kinda where I think it probably needs to, we need to look at doing that. The other question I had is, why is this only for 2.96? There is, you know, we also have 201Hs that they, you would think that they'd wanna be exempt as well.

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. It's any residential workforce housing unit that meets the definition of a residential workforce housing unit in 2.96. So if the 201H project was building a unit that met those requirements, it would also be eligible for the exemption. Thank you.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR CRIVELLO: Thank you. Members, any more questions or comments? Ms. Cochran?



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COUNCILMEMBER COCHRAN: Yeah. And thank you, Chair. Thank you, Departments. And so this is, only applies to Kihei and Kahului, these exemptions and assessment fees --

CHAIR CRIVELLO: Mr. Ueoka --

COUNCILMEMBER COCHRAN: --is not related --

CHAIR CRIVELLO: --or --

COUNCILMEMBER COCHRAN: --to West Maui?

CHAIR CRIVELLO: --Mr. Miyamoto?

COUNCILMEMBER COCHRAN: And why?

MR. MIYAMOTO: Those are the only two areas currently where we have sewer assessment fees right now in the County Code.

COUNCILMEMBER COCHRAN: Okay. And West Maui was never discussed to be a part of this ever or was there a reason for not including West Maui or ...

MR. MIYAMOTO: It's more about the projects that we try to recuperate the cost for the projects. So we haven't done the major collection system upgrade or we haven't done a major plant upgrade. When we say upgrade, you know, when we're, we're in the process of doing one at this point but we don't know what that's going to be until it's completed. So maybe after this project is completed, then we'll propose an assessment fee.

COUNCILMEMBER COCHRAN: Okay. So you're still trying to recoup from, I mean, Kahului Treatment, we were thinking of wanting to move it and stuff so it's been around quite a while. And so you're just still trying to recoup, or it helps pay for expansions to these new projects and what have you?

MR. MIYAMOTO: No, the ordinance is to recover our costs that we put up, that the County put up front to pay for these projects. So we haven't done that major of an upgrade in the Kihei...Kahului area, I'm sorry, Kahului area. We've done a lot more in the South Maui area and obviously, now we'll be doing a lot more in the West Maui area. So the West Maui will probably be the next area where we start looking to put together assessment fees.

COUNCILMEMBER COCHRAN: Okay. And so, Chair, I heard you in your opening comments, you will forward this to the appropriate standing committee. Were you thinking something to like IEM --

CHAIR CRIVELLO: Yes.

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COUNCILMEMBER COCHRAN: --to further, or to Budget or IEM?

CHAIR CRIVELLO: IEM probably --

COUNCILMEMBER COCHRAN: Okay.

CHAIR CRIVELLO: --and then --

COUNCILMEMBER COCHRAN: Okay, that would be good.

CHAIR CRIVELLO: --I think at that point, you can determine if it should be reffed to PIA or Budget.

COUNCILMEMBER COCHRAN: Okay, yeah, I mean, that's why I'm here today, just to see what this was about and where it was --

CHAIR CRIVELLO: Yeah.

COUNCILMEMBER COCHRAN: --going to go so, yeah, I'm open to definitely more detailed further discussion on the item.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR CRIVELLO: Any more comments or further discussion from the Administration? You're good? So, Members, you know, we're looking at, really, housekeeping for our, for this proposal that is set before you. I have couple questions or maybe one. On attachment C, two projects, the Kenolio Leilani Subdivision and Waikapu Gardens II are listed with a footnote stating, project was exempted by ordinance/agreement yet paid fees to DSA. Please explain to the Committee what happened with these projects in terms of paying the fees?

MR. MIYAMOTO: Thank you, Madam Chair. I spoke to the person that developed that chart and what he did was, he queried KIVA and when he queried it, he just looked for, you know, first you look for the ones that are exemptions and then you look at who paid assessment fees. And those two projects came up under the paid category. Then I went down to Development Services Administration to find out, hey, did these projects really pay the money because they should be, get a refund, and I was informed by the Development Services staff that they've changed their process because they wanted to track, you know, how much exemptions they were giving out. So what they did in the process was they marked this as a paid and the way, they added another column that says, by exemption or agreement. So when we did our query, we got all of the paid projects. So it sort of overstated that this project paid anything when, in fact, they were exempt by Council action and agreement. So, really, those two projects should, the twos can be taken away and they did not pay an assessment fee.

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CHAIR CRIVELLO: Any questions, Members? If no further --

COUNCILMEMBER COCHRAN: Chair?

CHAIR CRIVELLO: --discussion...

COUNCILMEMBER COCHRAN: Sorry, real --

CHAIR CRIVELLO: Yes --

COUNCILMEMBER COCHRAN: --quickly --

CHAIR CRIVELLO: --go ahead --

COUNCILMEMBER COCHRAN: --Chair.

CHAIR CRIVELLO: --Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you. So it looks like this is in reference to the workforce housing and I see there's parks, churches, ball fields, schools, police station and things of that nature too on this list. So, obviously, it doesn't only apply to the workforce housing ordinance.

MR. MIYAMOTO: Yes, the two exemptions that are cited does have other categories that are exempted. When the request was made, it wasn't specific to say workforce housing. It just said what exemptions, wastewater exemptions, have we given so we listed everything.

COUNCILMEMBER COCHRAN: Okay. Oh, I got it, okay, alright. Thank you. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Any further comments, questions, Members? If not, the Chair would like to entertain a motion to one, recommend passage on first reading of a proposed bill entitled A Bill for an Ordinance Amending Sections 14.34.090 and 14.35.080, Relating to the Exemptions for the Wastewater Assessment Fees for a Facility Expansion and Collection/Transmission System Upgrade; two, refer the matter of exemptions from certain wastewater assessment fees, other than those related to Chapter 2.96, Residential Workforce Housing Policy, to the Infrastructure and Environmental Management Committee; and filing of County Communication 16-53; and also we'll allow Staff to make nonsubstantive revisions to the proposed bill, including adding Maui County Code to the title of the bill.

VICE-CHAIR BAISA: So moved, Madam Chair.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER VICTORINO: Second, Madam Chair.

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CHAIR CRIVELLO: Thank you. Members, we have a motion and a second. May I ask all those in favor --

VICE-CHAIR BAISA: Aye.

CHAIR CRIVELLO: --say "aye."

COUNCILMEMBERS: Aye.

CHAIR CRIVELLO: All those opposed? None. We have six voting in favor, Mr. Hokama is excused, and no "noes," and at this time, the motion is carried.

**VOTE:**      **AYES:**      Chair Crivello, Vice-Chair Baisa, and Councilmembers  
Carroll, Couch, Guzman, and Victorino.

**NOES:** None.

**EXC.: Councilmember Hokama.**

**ABSENT:** None.

**ABSTAIN:** None.

**MOTION CARRIED**

**ACTION:** Recommending FIRST READING of revised bill; REFERRAL of matter relating to certain exemptions of wastewater assessment fees other than those relating to Chapter 2.96, Maui County Code, Residential Workforce Housing Policy, to the Infrastructure and Environmental Management Committee; and FILING of communication.

CHAIR CRIVELLO: Thank you, Members. The second item on today's agenda is...thank you, Mr. Miyamoto.

**ITEM HHT-28: CONTRACTS AND GRANTS (KULAMALU AFFORDABLE HOUSING PROJECT) (MISC)**

CHAIR CRIVELLO: The second item on today's agenda is HHT-28, Contracts and Grants, Kulamalu Affordable Housing Project. The Committee is in receipt of a Miscellaneous Communication, dated November 6, 2015, from the County Clerk, transmitting the following: Contract C5839, between the County and Central Construction Incorporated, for \$12,663,735 for the Kulamalu Affordable Housing Project for the Department of Housing and Human Concerns; Contract C5838, between the County

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and SSFM International, Inc., for 511,000 for the Kulamalu Affordable Housing Project - Construction Management for the Department of Housing and Human Concerns. The Committee may review the contracts and receive a status update of the Kulamalu Affordable Housing Project. The Committee may also consider the filing of the Miscellaneous Communication and other related actions. At this time, I'd like to turn the discussion over to our Department of Housing and Human Concerns and the Department has prepared a PowerPoint presentation for the Committee.

MS. REIMANN: Thank you, Chair, aloha. We're pleased to share with you an update of the Kulamalu Affordable Rental Project in Pukalani. Kulamalu is, has been moving along quite smoothly you'll be pleased to know, thanks to the expertise of Wendy Taomoto and Alan Murata. In addition, our Assistant Housing Administrator, Linda Munsell, who's currently on vacation, has been working closely on this project. I will now turn the microphone over to our Housing Administrator, Buddy Almeida, to present. Thank you.

CHAIR CRIVELLO: Thank you. Thank you, Buddy.

**Note: Computer-generated presentation.**

MR. ALMEIDA: Thank you, Chair. Good afternoon, Committee members. Alright, here we go. Maui County's Kulamalu Affordable Housing Project is a 56-unit rental project currently under construction in Pukalani, below Longs Drugs. When complete, the project will consist of 6 two-story residential structures and one community building. There will be 40 two-bedroom units and 16 one-bedroom units in the complex. The units will vary in size from 646 to 774 square feet. The majority of the units include private lanais. The community building will include a common washer/dryer facility, office space for the property manager, and a community space for tenant use. Alright, this slide depicts a rendering of what the 8-plex building will look like upon completion, and the same for the 12-plex complex. Alright, the update with regards to our construction information, the general contractor for this project is Central Construction, Inc.; the project management team is SSFM International, Inc.; the architect, Clifford Planning and Architecture. Groundbreaking was held on December 10<sup>th</sup> of last year and construction commenced on February 29<sup>th</sup> of this year. The estimated construction completion is in Spring of 2017. Alright, some financial data, the total construction budget for this project is \$13,419,043. Those little asterisks there, we also acquired the land via the Affordable Housing Fund for approximately 3.8 million. The 2 sources of funding for this project are the Affordable Housing Fund, which is providing 11,010,000 and Federal HOME funding in the amount of \$2,409,043. The current status of the project is within budget. Alright, these pictures that were put together for this presentation were taken about a week or a little more than a week ago and they're moving along quite quickly, but we'll update the status as of the time the pictures were taken. For Building 1, the concrete for the slab and footings was poured on August 10<sup>th</sup>. For Building 2, the foundation slab is in, ready to begin framing. Building 3, framing has begun on the second floor. Building 4, roof trusses are being installed. For Building 5, the concrete for the slab and footings was poured on August 10<sup>th</sup>. Building 6, sub-grade utilities have been

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installed and sub-grade is being compacted. And for the community building, site work has commenced. The project is going well as you can see. It is beginning to take shape. We have run into some design issues but the project is moving along nicely. Fortunately, our contractors have been amenable to work with in addressing problems as they arise. Particularly, Stanley Matsumoto, Vince Yoshimoto and Allan Morimoto with Central Construction, who have been extremely helpful in working with both Ms. Wendy Taomoto and Mr. Alan Murata from the County Managing Director's Office and have been managing the project and keeping it within budget. Okay, this slide is just another general overview of the project. Building 1, a shot of the pouring of the slab. Building 2, slab is in and they're ready to begin framing. Building 3, the second floor framing underway. Roof trusses going up for Building 4. For Building 5, they are pouring the slab or getting ready to. Building 6, the compacting sub-grade is underway. You'll have to excuse me, Director Reimann just pointed out that my eyesight isn't what it used to be so she had an extra pair of glasses for me to read my print. Alright, with regards to the property management, an RFP for the property management of the project was issued in June. Four proposals were received. A committee of three scored the proposals and Hale Mahaolu was selected as the property manager. The next step is to establish a timeline for the advertising and lease-up of the property and we are in the process of evaluating the start-up budget requirements. The start-up budget would include furniture, equipment and basic supplies for the community building. We will be forwarding a budget request through the appropriate channels in September. Depending upon the construction schedule, advertising and applications for tenants could be available as early as January or February, but more likely, more realistically, will begin in March 2017. And, finally, we have a rendering of what the property will look like upon completion. That concludes the Department's PowerPoint presentation and we're open for any questions the Committee may have. Thank you.

CHAIR CRIVELLO: Members, any further questions, discussion or comments? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. And thank you for the update, Department. A question for you is, you said Hale Mahaolu got the contract. Is that, will that restrict the age on this one then or is it just... 'cause that, isn't that their mission for senior housing?

VICE-CHAIR BAISA: No, they have Luana Gardens.

COUNCILMEMBER COUCH: Okay.

MR. ALMEIDA: Thank you, Member Couch. No, it would not.

COUNCILMEMBER COUCH: Okay, great. Thank you. Just was curious.

CHAIR CRIVELLO: Ms. Baisa?

VICE-CHAIR BAISA: Just to help with that. Hale Mahaolu also manages Luana Gardens, which is multi-family and they do an excellent job. I'm really excited to hear that they

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were chosen as the managers. Just a few days ago, my husband and I were driving past Luana Gardens and I said to him, it is possible to keep affordable housing looking nice and they do an excellent job. It's clean, it's well maintained and I think they'll do a good job for us. Good job and I'm excited! Thank you for the pictures.

CHAIR CRIVELLO: Any more questions or comment? Mr. Carroll?

COUNCILMEMBER VICTORINO: Chair?

CHAIR CRIVELLO: Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, real quickly. And thank you again, excellent presentation. I wanted to go back to the financial. You had mentioned 3.8 million for the land. That was separate from the 13?

MR. ALMEIDA: Thank you, Member Victorino. Yes, you are correct.

COUNCILMEMBER VICTORINO: Yeah.

MR. ALMEIDA: That is separate --

COUNCILMEMBER VICTORINO: So that was separate --

MR. ALMEIDA: --from the construction costs, yes.

COUNCILMEMBER VICTORINO: --from the construction costs. So each one of these units--I did a quick math--gonna cost us about \$307,000 per unit? Trust me, I did the math.

MR. ALMEIDA: Yeah.

COUNCILMEMBER VICTORINO: Okay.

MR. ALMEIDA: We trust you.

COUNCILMEMBER VICTORINO: No, just wanted, you know, and it's affordable, I mean, you know, but I'm just trying to put out the fact that, you know, this is what we have to deal with, especially with the topography of that land has made it much more difficult to deal with, you know, so, but it's a great location and other than that and the view will be spectacular once you get there, I can, I would like to go there just for the view purposes only. And it's close to everything else, Longs right up the road, Foodland right down the road. So, yeah, I think it's great and I look forward to seeing this completed. Even though Ms. Baisa and I will not be here, I hope you guys don't forget to invite us, yeah, Gladys?

VICE-CHAIR BAISA: I would hope so.

COUNCILMEMBER VICTORINO: I would hope so too. Thank you.

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CHAIR CRIVELLO: We won't forget you folks.

COUNCILMEMBER VICTORINO: Thank you, Madam Chair.

CHAIR CRIVELLO: Members, any further questions or comments regarding this presentation or referencing the contract?

COUNCILMEMBER VICTORINO: No.

CHAIR CRIVELLO: No? All good. Well, Department, on Page 2 of Contract C5839, it states the time of performance shall be completed with 365 calendar days from issuance of the Notice to Proceed. When was the Notice to Proceed given and what is the estimated completion date of construction?

MS. REIMANN: Aloha, Chair. We have from the Management Office, Wendy Taomoto. She might be able to answer that. We also have Brooks Aoki from SSFM, who is more intimate with the details of the construction. So perhaps one of them could come up.

CHAIR CRIVELLO: If there is no objection, we're going to call Ms. Taomoto and, down to give us ...

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: Thank you. Thank you for being here.

MS. TAOMOTO: Wendy Taomoto, Department of Management. The Notice to Proceed date for this, Central Construction's contract is February 29, 2016. And the estimated contract completion date or estimated is--wait, wrong paper--February 27, 2017.

CHAIR CRIVELLO: Thank you. And that being said, it appears as though the project is on schedule and I think Buddy Almeida mentioned that the project is within budget. Was any of the contingency used to date? Do you anticipate any delays or change orders for the project?

MS. TAOMOTO: No, none of the construction contingency was used to date and we do anticipate normal, some of the delays due to some of the issues that we might encounter as we start going into the buildings. From the pictures, you can see we're, you know, only 23 percent into construction, so there may be unforeseen issues that may cause delay but they're unforeseen, so at this time, you know, we can only assure you that we have the qualified staff to deal with those issues and we have a contingency to manage the contract.

CHAIR CRIVELLO: Okay, thank you. Ms. Taomoto, can you explain why the time of performance for the Central Construction contract is for 365 calendar days and the SSFM International contract is for 730 calendar days?



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MS. TAOMOTO: The SSFM contract Notice to Proceed date was October 1, 2015. The Central Construction contract Notice to Proceed date I stated was February 29, 2016. So we brought them in prior to initiating the construction and to familiarize them with the project so that when we did the bid procurement, they were already brought on board. And we normally need them, you know, for construction closeout with the record drawings and just to make sure that we have our team intact as we close out with the contractor.

CHAIR CRIVELLO: Thank you. Thank you, Ms. Taomoto. Members, any questions for Ms. Taomoto or any in reference to the contract or the construction work? Well, thank you. You know, we have no further discussions, no further questions, and so, Members, without objection, the Chair will defer this matter.

**COUNCILMEMBERS VOICED NO OBJECTIONS** (excused: RH).

**ACTION: DEFER pending further discussion.**

CHAIR CRIVELLO: Thank you. Members, we have completed today's agenda. I'd like to thank the representatives from the Administration and I'd also like to thank our diligent Staff, Michele Yoshimura and Tammy Frias. At this time, with no further discussion, the meeting of the Housing, Human Services, and Transportation Committee is now adjourned. Mahalo and enjoy your long weekend. . . .(gavel). . .

**ADJOURN:** 2:15 p.m.

APPROVED:  
  
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STACY CRIVELLO, Chair  
Housing, Human Services, and  
Transportation Committee



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Transcribed by: Annette L. Perkett

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CERTIFICATE

I, Annette L. Perkett, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 2<sup>nd</sup> day of September 2016, in Haiku, Hawaii.

  
Annette L. Perkett  
Annette L. Perkett