

AFFORDABLE HOUSING COMMITTEE
Council of the County of Maui

MINUTES

October 2, 2019

Council Chamber, 8th Floor

CONVENE: 1:32 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Tasha Kama, Chair
Councilmember Michael J. Molina, Vice-Chair
Councilmember Alice Lee
Councilmember Shane M. Sinenci
Councilmember Yuki Lei K. Sugimura (in at 1:43 p.m.)
Councilmember Riki Hokama
Councilmember Keani N. W. Rawlins-Fernandez

NON-VOTING MEMBERS:

Councilmember Tamara Paltin (*in at 3:04 p.m.*)

STAFF:

Alison Stewart, Legislative Analyst
Stacey Vinoray, Committee Secretary

Don Atay, Executive Assistant to Councilmember Shane Sinenci

Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)

Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)

Zhantell Lindo-Dudoit, Council Aide, Molokai Council Office (via telephone conference bridge)

ADMIN.:

Mimi DesJardins, Deputy Corporation Counsel, Department of the Corporation Counsel

Lori Tsuhako, Director, Department of Housing and Human Concerns

Linda R. Munsell, Deputy Director, Department of Housing and Human Concerns

Hawaiian Homes Commission, Department of Hawaiian Home Lands:

William J. Aila Jr., Chair

Stewart T. Matsunaga, Acting Administrator, Land Development Division

OTHERS:

Kanani Higbee

Stan Franco

Jasee Law

(12) others in the gallery

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

CHAIR KAMA: . . .*(gavel)*. . . The Affordable Housing Committee of October 2, 2019 will now come to order at 1:32 p.m. And I'd like to ask each and every one of you to please silence all your noisemaking devices. Good afternoon, my name is Tasha Kama and I'm the Chair of the Affordable Housing Committee, and I'd like to introduce those who are with me today. We have to my left, Councilmember Shane Sinenci. Aloha, Shane.

COUNCILMEMBER SINENCI: Aloha auinala, Chair.

CHAIR KAMA: Aloha auinala. And moving on to the Vice-Chair of the Affordable Housing Committee, Mr. Mika Molina. Aloha auinala, Mike.

VICE-CHAIR MOLINA: Aloha, Madam Chair.

CHAIR KAMA: And, Ms. Alice Lee.

COUNCILMEMBER LEE: Madam Chair, buen dia from Bolivia.

CHAIR KAMA: Buen dia. And then we have Vice-Chair of our Council, Ms. Keani Rawlins-Fernandez. Aloha, Keani.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha auinala, Chair.

CHAIR KAMA: And we have with us today Mr. Riki Hokama. Aloha.

COUNCILMEMBER HOKAMA: . . .*(inaudible)*. . .

CHAIR KAMA: Also, we have Ms. Tamara Paltin and Ms. Kelly King who are not voting members but are also welcome to come and sit in in our meetings. And I think Ms. Yuki Lei Sugimura will be here later on. And we have from the Administration, the Department of Housing and Human Concerns, Ms. Lori Tsuhako, the Director. Aloha auinala, Lori.

MS. TSUHAKO: Good afternoon, Madam Chair. CHAIR KAMA: We also have with us, Linda Munsell, the Deputy Director of the Housing Department. Aloha.

MS. MUNSELL: Aloha, Chair.

CHAIR KAMA: And then, we have with us from Corp. Counsel, Mimi DesJardins. Aloha, Mimi, and welcome back.

MS. DESJARDINS: Aloha.

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CHAIR KAMA: We also have with us our Legislative Analyst, Ms. Alison Stewart. Aloha, Alison. And our Committee Secretary, Ms. Stacey Vinoray. Aloha, Stacey. We have later on this afternoon coming with us also from the Department of Hawaiian Home Lands and Interim Chair of the Hawaiian Homes Commission, Mr. William Aila. We also have coming up, the Commissioner Randy Awo, and also the Department of Hawaiian Home Lands Master Planned Community Development Manager, Mr. Stewart Matsunaga coming up later this afternoon. So, welcome to today's meeting everyone, of the Affordable Housing Committee. And there are two items on the agenda, the Ohana Zone, or the Kahului Affordable Housing for Homeless Families Project, or AH-29, and a presentation by the Department of Hawaiian Home Lands, the Role and Opportunities in Affordable Housing, AH-17. So, Members, today it is my intent to address item AH-29 first, expecting that that item will be relatively straightforward. And then we see the presentation from the Department of Hawaiian Home Lands. But before we do, I'd like to invite anyone from the public who'd like to testify on any one of the two agendas to hopefully you've signed up outside. Your testimonies are always limited to three minutes and you will receive notification when you have reached two and a half minutes and the yellow light will come on and you'll hear a beep, and when you've run out of time, the red light will come on. So, when testifying, please state your name for the record, identify if you are testifying for a group, a business, or an organization, and please state the item in which you are testifying about. Also, please let us know if you are a paid lobbyist. So, please remember that your testimony must be related to the item on the agenda as it is described on the agenda. And so, Members, it is also the Chair's intent that to, if you do have clarifying questions for the testimony, please raise your hand or cause me to cast my eyes upon you 'cause sometimes I will just continue on if there's no clarifying questions for the testimony, testifiers. So, testimony, so, Alison, do we have any testifiers from our neighbor islands or our satellite offices?

. . . BEGIN PUBLIC TESTIMONY . . .

MS. STEWART: We have no testifiers signed up in the District Offices.

CHAIR KAMA: Okay. So, do we have any testifiers signed up in the Chambers?

MS. STEWART: Yes, we have two testifiers signed up in the Chambers. The first is Kanani Higbee, to be followed by Stan Franco.

CHAIR KAMA: Thank you. So, yes, thank you for coming.

MS. HIGBEE: Hi, my name is Kanani Higbee, and I am testifying on AH-17(12) and I am an applicant for Department of Hawaiian Home Lands. And what was shared about what they were going to share today with AH-17(12), it's very vague and it mentions affordable housing. So, basically my family, we're on, all on the list for Department of Hawaiian Home Lands. My grandpa died on the list, my mother's been on the list since 1986, my siblings and I, all four of us have been on the list since 2006. My eldest is about to graduate high school and we're still waiting. And I've been trying to get very involved to see how I can help not just my family, but other Hawaiians to get

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on the land. And it sounds like speaking to the Planning Department that the County of Maui helps fund infrastructure for private companies to build homes here on Maui. And so, the Planning Department stated, well, because they do that for these private companies, they could easily do that for Department of Hawaiian Home Lands 'cause right now, they only get State money and not nearly enough since so many people are dying on the list. And it would be great if the County of Maui can help Department of Hawaiian Home Lands build infrastructure to get Hawaiians on their own land, their birthright. I know it would help Native Hawaiians and the County out tremendously. Right now, Native Hawaiians have the highest rate of homelessness, substance abuse, addiction, infant mortality rates, all kinds of health problems, obesity, diabetes, heart disease, mental health, and if a basic need such as housing was met, that would help tremendously. If you look at communities that have Department of Hawaiian Home Lands, those communities, they help Hawaiians thrive and prosper. They raise money for children to go to college rather than, you know, Hawaiians going into prisons. They actually help them go into college. So, I ask that the County of Maui please don't just put this on the State for them to try to get all the Hawaiians on the list and to, on the land. Please, can the County help as well?

CHAIR KAMA: Question, I'm sorry, Ms. Higbee, come, Councilmember Sinenci has a question for you.

COUNCILMEMBER SINENCI: Thank you, Chair. Thank you, Kanani, for being here. I really appreciate your letter and I am, thank you for bringing up the issues that Native Hawaiians face, and something that is simple as housing can really improve their lot in life. So, I'm truly moved by your letter and I appreciate you being here and not speaking on behalf of yourself and your family, but for all Native Hawaiians. And so, I just wanted to make a comment that, you know, we have, there are some monies available and however you can be involved with, it seems like you're already involved. But if we can get your, I can get your contact number I can help share where, what kind of direction or where we can help to get this through. So...

MS. HIGBEE: Alright, I'll share my information. I believe, okay --

COUNCILMEMBER SINENCI: Yeah.

MS. HIGBEE: --I'll share it with them and then they'll give it to you.

COUNCILMEMBER SINENCI: Thank you.

MS. HIGBEE: Thank you.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR KAMA: Any other questions, Members? I have a couple for you. Are you an applicant or a lessee?

MS. HIGBEE: I'm an applicant.

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CHAIR KAMA: For...

MS. HIGBEE: Lahaina, that's what I put that I preferred for Department of Hawaiian Home Lands.

CHAIR KAMA: Residential or agriculture?

MS. HIGBEE: Both.

CHAIR KAMA: And are you involved in any of the homestead associations on Maui?

MS. HIGBEE: No, I don't live in, on any of them.

CHAIR KAMA: Okay. Then, I will, because I think this was really helpful, even if you don't live on a Hawaiian homestead, you can still attend homestead community meetings just to kind of get a feel of how they interact with each other and some of the issues that they take on and that they could be helpful in helping you to stay updated as to what the Department's doing. They have their monthly meetings and annual meetings like that. So, I think it'd be helpful. So, I can get that to you.

MS. HIGBEE: Okay. I know I go to as many Department of Hawaiian Home Land meetings as I can. So, whenever they come out to Lahaina or other parts of Maui, I attend those. But I'm not sure if that's the same thing as what you're speaking of.

CHAIR KAMA: Homestead associations, each homestead area on Maui and across the State has associations made up of all the people who live in those areas. And a lot of times they form their own advisories to the Department itself and they can give input. So, I was just thinking, if you wanted to, you and a whole bunch of other people on the waiting list could actually organize yourselves to give input for the lands that you want to be able to live on.

MS. HIGBEE: Oh, okay. Alright, I know I do that already through Department of Hawaiian Home Lands.

CHAIR KAMA: Okay.

MS. HIGBEE: And I do work with one person who belongs to Lahaina Leialii.

CHAIR KAMA: Okay. Cool.

MS. HIGBEE: Alright, thank you.

CHAIR KAMA: Thank you. Thank you. Alison?

MS. STEWART: The final testifier signed up in the Chambers is Stan Franco, testifying on both agenda items.

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MR. FRANCO: Good afternoon, Chair, and Members of the Affordable Housing Committee. I'm Stan Franco, I speak for myself. In both, on both on these, both issues are items I have questions so I need to be educated, and on the AH-29, my question is, you know, there's a figure of \$864,200, is that the total cost to build out the 12 unit rental housing project that's being proposed? And the second part of that question, is this project part of a larger plan to build additional housing units on those eight acres? And on the next item AH-17(12), just as a thought, and this has been discussed at different places by different people. So, I'm not just speaking on my own behalf on this, DHHL has lands, the County of Maui has very few lands to develop. Could there be a marriage of some kind where DHHL leases land to the County of Maui so that the County of Maui can develop housing for its residents with a lease payment going back to DHHL? Then, DHHL getting that money, can develop the lands for their beneficiaries. I don't know if that's possible. But I just thought I would raise the question and listen when Mr. Aila makes his presentation. Thank you.

CHAIR KAMA: Thank you. Oh, so, I'd like to welcome Yuki Lei Sugimura to our meeting this afternoon.

COUNCILMEMBER SUGIMURA: Thank you, Chair.

CHAIR KAMA: Aloha.

COUNCILMEMBER SUGIMURA: Aloha.

MS. STEWART: Chair, I believe --

CHAIR KAMA: Yes?

MS. STEWART: --Jasee Law would like to testify.

CHAIR KAMA: Okay.

MR. LAW: Good afternoon, everybody.

CHAIR KAMA: Good afternoon.

MR. LAW: Jasee Law from Kula. I've been following this project since it started, I'm trying to. It's been stopped a couple times. So, the AH-17(12), I had a bad, I should start with the good stuff, but I'll start with the bad news was I had a bad experience. I was walking by there about a month ago one morning and I heard some, somebody cough in there and then I heard some noises. So, I went around there and introduced myself 'cause I thought it was the people that would, was lived, I guess there's probably some people living in there and I've never been in there. So, I was interested in that and interested in my neighbors over there. And these guys came out, they was, I guess they were working over there. A guy came out, he challenged me, he said you can't, first thing he said was you can't be back here. And I said well, if I'm not supposed to be back here, what are you doing back here? He didn't have any uniform, any tags, or nothing like that. But I assumed he was doing some kind of demolition work for the

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County. And so, yeah, it was not pretty. The university police came over there and yeah. So, that leads me to the name, Ms. Crivello was kind enough to call those people unsheltered I think she said, or special needs, you know, citizens with special needs. So, when I, I would ask you to quit using the word home blessed [sic] because it's kind of to me a word like white trash, Kevin, or nigger. Thank you for your time.

CHAIR KAMA: Thank you. So, Alison, do we have any other testifiers?

MS. STEWART: No, I believe that ends testimony.

CHAIR KAMA: Thank you. So, if there are no other testifiers, I'd like to close testimonies.

. . . END OF PUBLIC TESTIMONY . . .

COUNCILMEMBERS VOICED NO OBJECTIONS

(Note: Public testimony closed @ 1:47 p.m.)

CHAIR KAMA: Thank you. So...

MR. LAW: Sorry, Madam Chair --

CHAIR KAMA: Jasee?

MR. LAW: --. . .(inaudible). . . on the negative again.

CHAIR KAMA: We just...

MR. LAW: I have an alternate word for homeless which is home blessed.

CHAIR KAMA: Thank you. So, at this time, with testimonies being closed, I'd like to be able to call for a short recess so that we can allow the Department of Hawaiian Home Lands to come and sit with us. Oh, I'm sorry. I'm going to still call for a recess. . . .(gavel). . .

RECESS: 1:48 p.m.

RECONVENE: 1:49 p.m.

CHAIR KAMA: . . .(gavel). . . The Affordable Housing Committee is now reconvened. Thank you. So, Members, this is what I'd like to do with your consent and permission. Oh, I'd like to welcome Mr. Riki Hokama to our meeting. No, I did already, right? Oh, was you, Yuki? Thank you. Okay. So, if, Members, if it's okay, I'd like to be able to change the order of our items on the agenda from, to take up AH-17(12) first.

COUNCILMEMBERS VOICED NO OBJECTIONS

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CHAIR KAMA: Thank you. I appreciate that. Okay. So, if we can have the Department of Hawaiian Homes come on down and sit. Sorry, Lori and Linda. Thank you, Members, for the inconvenience. I got...thanks, Linda, thanks, Lori, I appreciate it.

ITEM AH-17(12): PRESENTATION BY THE DEPARTMENT OF HAWAIIAN HOME LANDS
- ROLE AND OPPORTUNITIES IN AFFORDABLE HOUSING (RULE 7B)

. . .BEGIN PRESENTATION. . .

MR. AILA: Aloha, Madam Chair, and thank you very much for the invitation to come and share with you some information regarding housing --

CHAIR KAMA: Okay.

MR. AILA: --projects on the island of Maui.

CHAIR KAMA: Okay. Thank you. So, right now we're going to take the presentation from Mr. Bill Aila from the Department of Hawaiian Home Lands and accompanying him is Mr. Stewart Matsunaga. So, thank you both for being here. And so, if you would just go ahead and share your PowerPoint with us, we'd appreciate that.

MR. AILA: Okay. Thank you very much. And I want to thank Stewart for working very, very hard with some additional staff members to put together this presentation. And so, starting with how the department does lot development, generally, there are four phases. Okay. So, we're learning the technology. We'll get it shortly.

MR. MATSUNAGA: I can build a water system, but I can't operate this PowerPoint.

MR. AILA: Next. Okay. So, generally there are four phases to homestead development. Planning, which includes development and planning phase and the environmental compliance phase, which is EA, EIS, and if NAHASDA is used, the ERRs, which is Environmental Review, and I can't remember what the...record, we have to create a record, Environmental Review Record. The next phase, of course, is engineering and design where you actually get the plans together, apply for the subdivision application, apply for the subdivision, and then, either get County and State approvals, inclusive of Department of Health approvals. Then, we're, you know, the hammers start pounding and the cement trucks start coming, construction. And for us, construction management along with that. Then, post-construction, of course, we finish the subdivision approval, disposition of licenses that relates to utilities, passing the utilities over to the counties. And then, preparing the lease offerings to beneficiaries. Lot development also includes offsite and onsite development. So, offsite includes major highway improvements, potable water system improvements, sewer system improvements, regional drainage improvements. Onsite costs within the subdivision includes roadways, waterlines, sewer lines, storm drains, electrical and telecommunications, lot grading, archaeological and inventory studies and remediation at this point. Don't let this scare you. It doesn't always take eight years.

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But generally, it's a six to eight-year process from project identification to actually turning lots over to homesteaders to occupy. The second phase in the blue, of course, it relates to the planning and environmental compliance. That's generally one to two years. We try our very best to keep it to one. But any of you who's been through an environmental process, whether it's an EA or an EIS understands how long that takes. For us, because we, if we should use Federal money, we have to go through an additional Federal process called NEPA in addition to the State's HEPA. Then we move to the engineering phase. We need to procure consultants. Anyone that has gone through the State procurement process is not much different from the County procurement process knows that it is a process. There's engineering design, subdivision application, Federal and County, and State review. Then there's infrastructure construction. We have to procure a contractor, take care of the offsite infrastructure if required, of course take care of all the infrastructure onsite, obtain final subdivision reviews, subdivision recordation, and disposition of licenses once again for utilities to the County. Then we get to the fun part which is where we get to actually see the vertical come up from the land and we get to have, if any of, have you been to a lot selection process, it's one of the most emotional times that I've seen. And it is a time that you're reminded why you go through all of this work where beneficiaries who have been waiting a long time actually get an opportunity to either get the keys to their home or to choose a lot in which to build their own homes with our new vacant lot selection process. What we plan to do over the next five years is to create over 1,300 lots. Now, lots and homes are two different things, right? We have to create the infrastructure first before we can get either into a turnkey situation, a vacant lot situation, a self-help, or a Habitat situation, the lot has to be ready, the infrastructure has to be in. So, we want to make it very clear because I don't want to promise something that is going to take longer than expectations. So, these are lots. These are lots that are getting ready to do the vertical infrastructure. Okay. When somebody's been waiting on the waitlist, and we hear this a long time, and we tell them we're going to get this done by this date...if you, can you go back one more, yeah. So, that's why we have these timeframes that are associated with each step of the way. It's because I don't want to mis-promise somebody that you're going to, the lot is going to be prepared in X amount of years and the expectation is from the beneficiary that it's going to be on that date that you said it's ready, right? Because we run into things like for example, doing all the infrastructure and then somebody bringing up that hey, there might be a wetland on the subdivision that you already have approved. And then, we have to delay offering of lots to clarify that situation. So, next.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

MR. AILA: Yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: Sorry, our Chair.

MR. AILA: Okay. Sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: I have a question.

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CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo for the presentation. On this slide here, Oahu and Lanai are the same color.

MR. AILA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Which, do you know which is which on the bar graphs?

MR. AILA: It would be...

COUNCILMEMBER RAWLINS-FERNANDEZ: 'Cause they're both brown.

MR. MATSUNAGA: On this slide, only Oahu is represented. And we'll get into the Lanai plans in other slides. So, e kala mai that...

MR. AILA: So, year one, we just awarded 16 lots on the island of Lanai. So, it doesn't show up in year one. But we do have some plans which we'll go over a little later in the slide. So, that's why it doesn't show up.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay.

MR. AILA: But thanks for catching that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, just, it looked like there was going to be a lot of lots for Lanai. I was excited for Lanai. And then I saw that Oahu was the same color.

MR. AILA: We, if we can find the money, we would be happy to go to Lanai and finish those lots. Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

MR. AILA: Okay. So, next slide.

CHAIR KAMA: So, for this page, the brown represents only Oahu?

COUNCILMEMBER RAWLINS-FERNANDEZ: Only Oahu.

MR. AILA: Yes, just assume that it's --

CHAIR KAMA: Thank you.

MR. AILA: --only Oahu for now.

CHAIR KAMA: Thank you.

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MR. AILA: Next. Okay. So, the highlighted in red area is Maui. We have other things going on the other islands, but you're interested in Maui. So, in year one of the five-year plan for the 1,300 lots we have ten scattered lots on the island of Maui. Next slide, and that's a minimum of ten 'cause we have the opportunity as you can see, in upper Kula some of the lots we may be able to subdivide and offer more awards within those lots. So, we put ten down because conservatively we feel comfortable in ten, but we may be able to do more than ten. And then, of course, in Hikina Residence Lots there's four more potential lots that could be subdivided, depending on how the physical constraints of the lots are. Okay. So, year two we're looking at Keokea Waiohuli, 76 lots phase 2A. You'll see that there is actually, there's 2A right there in the right-hand corner Upcountry. If you could go back one time? You'll see that the money has already been allocated for this. So, we're in the process of design. We plan an invitation for bids early 2020, and then we already have some construction funds that are appropriated for this project. Next, and then, of course that's Phase 2-A. In Fiscal Year 3 we're looking at Keokea-Waiohuli Phase 2-B, 61 lots. The current phase is it is in design. There's 2-B just makai of 2-A. There're 61 lots in the design phase right now. The design contract has been certified. We anticipate that invitations for bids will come out early 2021. You can see that there are allocations from FY '19. However, for construction, we still need to go back to the Legislature or find some other funds to construct. Hoolehua on Molokai we have some design money. We will require funding for construction. The EA is in process as well as Naiwa, 58 lots. Same thing, the design, we're in the design plan phase. We will require from the Legislature or from other source of funding, construction funds. Okay. And then on Honokowai Subsistence Ag Phase 1, 25 lots. It's in the planning phase. We've allocated trust dollars for the planning phase. There's a master plan EA going on right now. I was privy to sit in on the first meeting. There's lots of excitement there. Of course, the consistent message that we get is hurry up, hurry up, hurry up. Okay. And go to...so, here's some examples of Hoolehua scattered lots site improvements. Next, Naiwa subdivision site improvements on Molokai, again, subject to additional funding for construction. We're doing the planning. Of course, there's, on Molokai everything is tied to water. And right now, because of the contested cases inclusive of our own needs, we are working with the Water Commission and working with the other folks on Maui to try to see if we can address the competing needs for water on Molokai so that we can award more lots to our homesteaders on Molokai. Okay. Development plan year 4, this is FY 2023, we're now over on the west side, Leialii Phase 1 and B1. We have legislative money for designs and for highway and parkway improvements. We're going to need 10 million for construction, and 10 million more for highway and access improvements. There is \$10 million for a partnership with HHFDC to help us. Both their development project and our development project to bring water to the County wastewater plant over in Lahaina. Honokowai subdivision ag lot, oh that's it, 25 lots is next. That's, the funding is to be determined. Again, we go back to the master plan so it's a continuation yeah. If you followed the earlier slide, you'll see that there's plan and there's, first of all, concept, environmental, plan/design, construction, and then final award. So, our guests from Lahaina over there, I know she's looking at this and going hurry up, where's the money. And we're doing our best to get as much legislative appropriations as we can to move these projects as quickly as we can. Then Puanani Homestead, we're looking at 160 lots in central Maui. This was something that I think opportunity popped up. So, we had

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affordable housing credits thanks to the County Council providing us and the County. So, we're able to use those affordable housing credits to acquire land. And then, 400, excuse me, a \$4 million appropriation to begin this process to make this subdivision come true. You'll see that the development package there is estimated to be at 23.35 million minus the \$4 million that we had already. So, we're already chipping away at the final allocations that we need to finish this project. And then you can see Honokowai, the Department lands in relationship to Leialii. That number one at the top is an existing well now. It's not future. It's an existing well, it's drilled, we know it can produce water. HHFDC is going to assist us in bringing the water across the gulch to the water treatment center. We have their commitment for \$10 million to run the waterline. Right now, we're waiting for a right of entry from Kaanapali Land Company to do the due diligence to bring the, plan to bring the waterline over the gulch. And this tank and water will provide water to both Hawaiian Homes and to HHFDC's affordable housing projects there. And then you have a visual concept of where Puunani subdivision will be located, there's lot of excitement amongst beneficiaries because it's close to jobs and close to shopping centers and entertainment. Okay. Year five of the development plan, Keokea Waiohuli Phase 3, 73 lots planned. We're in the design phase. We estimate that it'll run us about \$2 million. It requires a drainage study and then designs and construction are subject to funding. Leialii Phase 1, B2, 125 lots planned, we need legislative appropriations for highway and parkway improvements plus DHHL funds for Village 1B subject to water improvements funded by the \$10 million. There's also an issue of the additional phase being at an elevation where the existing water tank could not provide the proper pressure. So, there needs to be an additional tank built at a higher elevation so that we can get the pressure in order to service these lots. Is that right, sir?

MR. MATSUNAGA: That's correct.

MR. AILA: Okay. Next please? Okay. So, you can see that's Phase 3 of Keokea Waiohuli. So, what are the impediments to lot development? Of course, funding for offsite and onsite improvements, potable and non-potable water, wastewater credits and improvements, environmental compliance, both the State environmental compliance with HEPA and the Federal requirements through NEPA, the regulatory processing, of course rising labor and material costs. Most of our lands are in the remote areas and so there's the extra challenge of development in remote areas, sometimes at elevation which requires extra drainage work which increases costs. And then, the redevelopment of aged infrastructure and subdivisions. So, if you're on Oahu and you look at Papakolea, one of our oldest homesteads on the island of Oahu, the City and County of Honolulu has not taken possession of the infrastructure. So, we're continuing to pay for all of the sewer maintenance lines on that subdivision. The estimated cost to finish replacing the sewer lines to bring it up to County standards in order for them to take it into their inventory is estimated to be about another \$43 million. So, these are the kinds of costs that we're starting to incur in some of our older neighborhoods while trying to bring them up to County standards in order for the County to take them over. The money that we would save from these maintenance costs, repair and maintenance costs then could be transferred over to creating new lots for people on the waitlist. So, that's one of our biggest challenges right now,

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trying to bring aged infrastructure up to par so the counties will accept them as part of their operations. But there are also opportunities, the administrative rules for rental and multi-family housing just was approved by the Governor two days ago. There are developments like the DHHL-DWS Honokowai Water Agreement, 200,000 gallons per day, which helps us put homesteaders on the land. There's the \$10 million HHFDC DURF funding for the Honokowai Well, Water Transmission and Storage s which assist with the Villages of Leialii. We have an \$11 million USDA grant/loan, to improve the Hoolehua Water Systems on the island of Molokai, an additional...okay, he just pointed out to me that I skipped one, the 17.5 million legislative funding for the Pulehunui Regional Wastewater Infrastructure project, which is a combination of DHHL, DLNR public safety through the Department of Accounting and General Services Development that we're moving through the process. And then, we, the Maui County portion of our next request to the Legislature for construction funds include a \$79 million request in FY '21 to the Legislature for lot development and R&M projects in Maui County. So, that's where we are today, and that's the five-year plan that is looking forward. With that, I'll be happy to take questions, Chair. And I know you want to talk about the possibility of some additional partnerships with the County.

. . .END OF PRESENTATION. . .

(Note: Presentation ended @ 2:11 p.m.)

CHAIR KAMA: Yes.

MR. AILA: So...

CHAIR KAMA: Okay. Thank you.

MR. AILA: You're welcome.

CHAIR KAMA: So, I think the partnership that Chair Aila was talking about was the question that was posed by Mr. Franco about a marriage between the County and the Department in terms of land and water. So, we can have that discussion at some other time. But I really want to see if any of our Members here have any questions for the Chair or the Staff. Yes, and we'll start with Mr. Sinenci and work our way down.

COUNCILMEMBER SINENCI: Okay. Thank you, Chair.

CHAIR KAMA: Thank you.

COUNCILMEMBER SINENCI: Thank you, Mr. Aila, for being here, for this presentation. Just a couple general questions. So, is, I guess is DLNR, will they be doing all the development for the beneficiaries? I mean, is that, I mean DHHL sorry. Are you guys doing all the infrastructure and the development of all the projects?

MR. AILA: Yes, yeah so, in residential projects outside of a project or category of awards called kuleana, infrastructure is always built to County standards and with hopes that

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the County will take over managing the roads, sewers, and electrical systems. So, the Department puts in the infrastructure at no cost to the beneficiary. And the beneficiary is really responsible for the vertical construction on the lot. So, a number that I give all the time is on the island of Oahu in the homes that surround our offices, the average cost for infrastructure in those subdivisions, including offsite infrastructure, is about \$150,000 per lot. Okay. So, if you do 100 lots, that's \$15 million. Our CIP budget and R&M budget this fiscal year allocated by the Governor and the Legislature was \$25 million. So, if you think about \$25 million and it takes 15 million to do 100 lots, you can see why the pace of development occurs so slowly. Now, we have increased the number of, well, the number of, the number, the revenue number coming in from lands not required for homesteading purposes, and we get a lot of criticism for doing that right? But the Commission has the authority to make a determination of which lands are required for homesteading purposes, and which lands are not. And lands that are not, then the Commission has the additional responsibility or authority, if you will, to issue those lands out for general leases. And it's the revenue off the general leases now that are starting to come in partially because as part of the Nelson case, the State of Hawaii and the Legislature is responsible now for paying our employee personnel costs, right? So, in the past, all of that revenue off of available lands, or lands not required for homesteading went to pay for our staff costs and operating costs. So, now that the Legislature because of the ruling of the Nelson case is actually paying for employee costs, this revenue now can be applied to the creation of lots. So, last year we took \$10 million and added it to the 25, right, so now we have 35 to go into the creation of lots and infrastructure. If we're able to do more general leases on lands not required for homesteading, then we hope to increase that revenue more, partially as a, excuse me, partially as a buffer in case the, you know, the legislative appropriations go below that \$20, \$25 million mark.

COUNCILMEMBER SINENCI: You mentioned some of the criticisms from the beneficiaries. Is it for leases that are I guess, you know, sometimes more for corporation use, that types of thing? What is your major criticisms about these leases?

MR. AILA: The major criticisms that we get is the homestead associations would like to have those development opportunities. However, the Department sees those opportunities as, you know, whatever we do, the Department, whatever decision it makes is going to impact a particular class of beneficiaries. So, per the Hawaiian Homes Commission Act, there are three classes of beneficiaries, those who have leases, those who are on the waitlist, and those who are 50 percent eligible to get on the waitlist but for whatever reason have chosen not to. Now, every time that we do a lot offering, we see this third group of beneficiaries get on the waitlist right because they see oh there's hope, there's a chance I could get an award later on. So, when we make the, when the Commission makes the decision to allocate resources across any of those three classes, you indirectly impact the other classes in a negative fashion. The current Commission policy is to take whatever revenue off of available lands or lands not required for homesteading and put this in this pipeline so we can continue to put out lots to be awarded to homesteaders because the waitlist has been so long. So, that is the current policy.

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COUNCILMEMBER SINENCI: Chair? What kind of annual funds we're looking at from these leases?

MR. AILA: Last year it was 13 million. So, 10 went to lots, 1 million went to loans, and 2 million went to rehabilitation projects.

COUNCILMEMBER SINENCI: Okay. Thank you. And then there's also, it mentions DHHL trust funds, are those the same?

MR. AILA: Trust funds originate out of...sometimes lands off of available revenue gets put into an account called a trust account. And then, you know, as we move it to the rehabilitation fund or move it to the loan fund, it's trust funds. Other times there may be revenue that's associated with interest. So, as part of Act 14, the State agreed to pay the Department \$30 million a year for 20 years. That ended in 2015. About 500 million was actually spent on projects across the State of Hawaii. Most of Kapolei, Kona, some of the Upcountry, Maui, some projects on the island of Kauai, and some projects on Oahu. So, that 500 million is gone. There's 100 million left. The Commission has made a policy that we need to hold on to that \$100 million and invest it. And the proceeds from that investment then come into the trust. And that's, when you see trust money that is being, it's supplementing other CIP money for development, that's where you see that trust money coming from.

COUNCILMEMBER SINENCI: All right, last question, Chair. So, is the Department open to, because of the need for so much housing for the beneficiaries, or is the Department open to RFP some of the projects out for bid?

MR. AILA: All of our development projects usually go out --

COUNCILMEMBER SINENCI: Go through...

MR. AILA: --through an RFP process for developers to bid, or contractors to build, or are consultants to bid on doing, you know, the environmental work. So, yeah, we tend to put all of those out on bids.

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

CHAIR KAMA: Mr. Molina?

VICE-CHAIR MOLINA: Thank you, Madam Chair. Good afternoon, Mr. Aila.

MR. AILA: Aloha.

VICE-CHAIR MOLINA: Aloha. Just related to your, on the lot development impediments to development. Do you folks get, 'cause sometimes it's a lot of State agencies that you have to get approvals from when doing your projects like SHPD for example. And my understanding is they're shorthanded. Do you folks get any special consideration to get things expedited, you know, because there's all the, you know, the concern about the projects getting delayed and I'm not sure if SHPD may be one of those agencies

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that potentially causes delays for your projects. Any thoughts on, do you guys get a higher priority at least to get it looked at and get comments back in a more expeditious fashion?

MR. AILA: We have been successful in getting expedited on some projects but not all projects. You know, they're...having been responsible for that division for a while and having gone to the Legislature and arguing for more positions because if they had more positions, they could move these projects much quicker, or the review of these projects much quicker. And in fact, because they have not had enough positions probably for the last 15 years, all of Hawaii suffers because private developers' projects sit, County projects sit, State projects sit. But I was unable to, and the current Chair of DLNR has been unable to convince the Legislature to approve these additional positions. Another challenge for SHPD is that they, the pay is not as competitive with private. So, you'll have somebody come in, do a great job for a year, then somebody offer them two times the salary with less of the headaches, and of course, it's hard to keep people. But we do, they have been very responsive when we have projects that have deadlines that we have to meet, and they've helped out.

VICE-CHAIR MOLINA: Okay. Well, there's some hope on the horizon. Any other State agencies that have been causing problems as far as impediments?

MR. AILA: Occasionally we have to sit down with the Department of Health. But we usually work it out. Stewart, any other State agencies? Sometimes some Federal agencies when it comes to permitting next to an airport or something like that. But, you know, usually, it's all about relationships, right? So, you make the relationships and you call up and you go to lunch and you resolve the issues.

VICE-CHAIR MOLINA: Yeah, food can go a long way sometimes.

MR. AILA: Yes, it does, in Hawaii, yes.

VICE-CHAIR MOLINA: Thank you, Mr. Aila. Thank you, Madam Chair.

CHAIR KAMA: Ms. Lee?

COUNCILMEMBER LEE: Good afternoon, Director Aila, and --

MR. AILA: Aloha.

COUNCILMEMBER LEE: --Mr. Matsunaga. Thank you for coming to Maui again. I have a few general questions. On annual revenues, you mentioned general leases and general as opposed to what?

MR. AILA: General lease as opposed to like when we do short-term rights of entries. 'Cause as State agencies are not allowed to do revocable permits anymore, right? So, in the past you would issue a revocable permit that was good for a year, and then, you know, many of those have been renewed for 30 years now. So, there was a court ruling, I think it was here on Maui, that indicated that revocable permits should not be

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renewed for more than a year. I think it had to do with the water licensing case, right, still in existence that case law. So, the only tool available to State agencies is called a right of entry. So, we can issue a right of entry up to about a year, and then we have to issue a new right of entry. So, when you have those types of lands that, let's say, somebody just wants to cut the grass behind their house because they're afraid of fires. They come and they ask, can I have a, can I have permission to go on that property and cut the grass? Of course, many of those times you don't charge beyond gratis for the use of that land. So, that's what separates out a general lease where you actually have a, usually a 35 to 65-year contract with someone to provide a certain amount of revenue usually with step-ups along the way to the Department.

COUNCILMEMBER LEE: So, I noticed that you mentioned those general leases account for 13 million a year?

MR. AILA: Average, we've averaged. Sometimes it's been 14, sometimes it's come down to 9.

COUNCILMEMBER LEE: And so, what about the income from the other leases from the homesteaders or the beneficiaries?

MR. AILA: Homesteaders get charged a dollar per year.

COUNCILMEMBER LEE: Eight [sic] dollars per year?

MR. AILA: Yeah, so there's about 9,000 homesteaders. So, that's one dollar per year. So, we have about 9,000 lessees. So, that's \$9,000 that comes into the Department. It's not much.

COUNCILMEMBER LEE: Okay. Okay. You ever thought of raising that?

MR. AILA: That is per the Hawaiian Homes Commission Act.

COUNCILMEMBER LEE: Right.

MR. AILA: And it would take an act of Congress to do so.

COUNCILMEMBER LEE: Okay. Alright, scratch that.

MR. AILA: As well as lots of opposition.

COUNCILMEMBER LEE: And then, Legislature, you don't get \$30 million a year anymore?

MR. AILA: No, that ended, that settlement ended in 2015.

COUNCILMEMBER LEE: Okay. But you do get on a case by case...

MR. AILA: Depending on which year it is in the biennium. We've been fortunate this last biennium to receive about \$25 million each year of the biennium. That's the highest that we've ever gotten.

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COUNCILMEMBER LEE: Okay. So, every other year you get \$25 million?

MR. AILA: Every year in the biennium. So --

COUNCILMEMBER LEE: Oh, every year.

MR. AILA: --25 the first year of the biennium, and then, we're in the second year of the biennium so we'll get another 25.

COUNCILMEMBER LEE: Okay. So...

MR. AILA: But that goes, that goes up and down depending on how much money is available at the Legislature.

COUNCILMEMBER LEE: Well, I know there must be a decrease in the amount of people who have a blood quantum of 50 percent or less, or more, yeah.

MR. AILA: Not necessarily because there's 28,000 applicants, right, individuals that have applications are on the current waitlist. So, they are all 50 percenters. There's some number out there, we don't know what it is, of additional 50 percenters who could be on the waitlist but have chosen not to. So, in the past, you, you know, I ask people, how come you're not on the waitlist? And they go well, you know, I get one house already. So, we'll go leave that for somebody else. I mean, that's the most general response that I get why someone who's qualified doesn't sign up for the waitlist.

COUNCILMEMBER LEE: Right, well, that makes sense, you know, to have, if you already have a home, why would you need another one?

MR. AILA: Most people think of their children, right, and grandchildren. So, that is, and that's per the Act that is a possibility too. You're not penalized for having fee simple. If you're 50 percent and 18 years old, you can apply for an award.

COUNCILMEMBER LEE: So, what other sources of income do you have on an annual basis?

MR. AILA: We used to average about \$9 to \$10 million of Federal funds called NAHASDA. The sort of, the past Administration we had a large balance and there was pressure to spend it down. So, because there was a large balance, the appropriations went down to \$2 million per year for the last three years. We're hoping to work with the congressional delegation to have them increase it back up again because we've demonstrated that we can spend it down and we have spent it down. So, hopefully we can get that up to, you know, \$10 million a year again. And then, that's an additional \$10 million that we can put into infrastructure. However, it would be limited to homesteaders that are less than 80 percent of AMI.

COUNCILMEMBER LEE: And then, how many acres does DHHL have on Maui?

MR. AILA: Throughout the...on Maui?

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COUNCILMEMBER LEE: On Maui.

MR. AILA: Oh, that I don't know. You care to guess? About 40,000 acres, we have 203,000 statewide.

CHAIR KAMA: Yeah.

COUNCILMEMBER LEE: So, with all that land, do you have a plan of X number of homes per year?

MR. AILA: Well, the next five years we're hoping to create 1,300 lots.

COUNCILMEMBER LEE: Right.

MR. AILA: Right, of which a large portion...

COUNCILMEMBER LEE: And beyond that, do you have a number?

MR. AILA: Beyond that, you know, it's...the most simplest way to think about this is there's a pipeline that we have to put something in to get something out at the end, lots to be awarded. And the number of lots are directly related to how much gets put in. So, given the, if we were fortunate enough that the Legislature continues to fund us and the Governor asks for that \$25 million and we can continually put in \$10 million each year, you know, you can see that that is going to equate to about 300 lots a year that we can do. If we get...

COUNCILMEMBER LEE: Proportionally, do you develop as many, well, the same amount of lots let's say on the Big Island as Maui, and even Oahu?

MR. AILA: It's, okay, so, this is no secret, the amount of lots that get developed in each county is usually a direct result of the appropriations that we get from the Legislature. And so, it's usually related to how successful the legislators in that county are.

COUNCILMEMBER LEE: How successful have we been?

MR. AILA: You guys have been amazing.

COUNCILMEMBER LEE: Amazing?

MR. AILA: Maui has been amazing.

COUNCILMEMBER LEE: Yeah, Maui is amazing.

MR. AILA: Yes.

COUNCILMEMBER LEE: Yeah, we are amazing. And...

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CHAIR KAMA: Yeah.

MR. AILA: Yeah, so, right now, about 50 percent of all the CIP is coming to Maui.

COUNCILMEMBER LEE: That's good to hear. Yeah, so, what, well, is there anything else that you need from the County Council that we can help you with?

MR. AILA: Well, you know, without putting Corp. Counsel on the hot seat right now, I mean, we, Tasha and I have been talking and they're, we can certainly look at creative ways of co-developing. It may be that, you know, we have this Hawaiian Homes Commission Act is pretty clear. We're supposed to serve beneficiaries who are 50 percent or more Native Hawaiian. So, we could get in trouble in some cases for developing housing opportunities on Hawaiian Home Lands for non-beneficiaries. If we could figure out a way that we can deal with that, or if we can figure out a way that the County develops a project but the Hawaiian Home comes in and finds some money to, let's say, you're going to do a vertical four story, three story, two story. But the Department is able to come in and purchase part of the units that are in that vertical construction. Then we would share costs, right?

COUNCILMEMBER LEE: But that sounds good. But a better one would be infrastructure. I mean, you know, major roadways, bridges, things like that. We certainly could partner on those types of projects because it would benefit all of us.

MR. AILA: Like we're doing with HHFDC in bringing the waterline across the gulch, absolutely.

COUNCILMEMBER LEE: Right.

MR. AILA: We'd be happy to look at any way that we can leverage the, you know, the minimum dollars that we all have, yeah. But I think the County's looking at developing units. And if we can, if there's a vertical situation that we could purchase a floor maybe, and that way, and the reason I brought up the Corp. Counsel is, we'd have to figure, 'cause generally you're going to end up using mostly Federal funds that the County gets to do that. There has to be a way that the County can feel comfortable in that the Department has a preference policy that HUD has recognized because of the way the Hawaiian Homes Commission Act has been written that we can, you know, bad word, discriminate for Hawaiians, right? But if you use Federal funds, then you have to be careful about discrimination. So, if we could figure out a way, that situation where if we own and maintain a part of, and we paid for it, right, it's no Federal funds, we paid for that part, if that would be comfortable to any of the counties. I mean, that's one idea that...

COUNCILMEMBER LEE: And that's a great idea. But our bigger challenge is with infrastructure, and that we would have no problem with discrimination.

MR. AILA: Okay.

COUNCILMEMBER LEE: Yeah. Thank you very much.

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MR. AILA: Then, you and I, we go down the Legislature and we lobby them guys.

COUNCILMEMBER LEE: Just let me know when.

MR. AILA: Okay.

COUNCILMEMBER LEE: Thank you. That's all I have.

CHAIR KAMA: Thank you. Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Chair Aila.

MR. AILA: Aloha.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your presentation. Okay. So, I agree with Member Lee that, you know, infrastructure is a challenge for us and for DHHL too. I guess the way I see it is, as one of the testifiers pointed out, and we all know that kanaka oiwi are, make up a lot of those who are houseless, and who pile into homes, and are served at Ka Hale A Ke Ola, Hale Mahaolu. And so, if we can get housing on homestead land, it could open up beds at Ka Hale A Ke Ola, it could open up units at Hale Mahaolu, and it could get a lot of our kanaka out of living in their cars and living on the beaches and where else they're living. So, I believe earlier this year the Governor signed, what was it, administrative rules for DHHL to allow for rental housing, multi-family homes, and kupuna housing. What is the status on that right now? How far away are we to seeing something like that come to fruition?

MR. AILA: We, on, in urban Honolulu we put out a request for proposals on, we have a piece of land that is primarily situated in Moiliili. And so, we're expecting the proposals to come in. It'll be a 14-story, I don't know how many stories are allowed in that area, but it'll be a multi-story opportunity for a developer to come in with a plan to offer all of those things, rental housing, kupuna housing. And in this type of, in this situation and in that situation, because the, in our zoning the parcel was zoned Commercial, there can be a commercial, or a commercial retail portion of the building, which helps to subsidize kupuna housing. So, kupuna housing is something that is really, really nice and it feels really, really good. But the subsidies are very, very high. So, unless you can figure out a way to provide subsidies to a development like that, that is not coming out of trust funds, you know, on a regular basis, that will make it a successful project if you don't have to eat the corpus of your trust down in doing that. 'Cause you could eat through, you know, \$100 million fairly easily. So, that'll be the first. And then, we can look at other areas, depending on lands that are available, opportunities to co-develop with private entities. You know, they would have to serve beneficiaries, so, that's always a challenge.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right. Okay. So, I'm sorry, that's great that that first project is happening in Moiliili. Do you know, do you have a projected date of, start date or end date for that project?

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MR. AILA: For that project?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

MR. AILA: We expect that...

MR. MATSUNAGA: We are receiving proposals at the end of the year. And so, depending on what is made available and going through our evaluation committee, and then through the Commission, they'll make the decision as far as which proposal is the best for the trust.

MR. AILA: Then there would be the environmental, and then the plan, design, and then the construction. So, several years, I mean, I don't want to promise anybody something too fast. So, it'll be several years before that gets built.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, for that project, do you think the Department is more inclined to wait to see how that project pans out before looking to do another project like that? Or...

MR. AILA: Not necessarily. If an opportunity comes up someplace else, say on Maui, we would definitely look at that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay. And then, I know one of your, one of the questions Member Lee asked was about funding. And I just wanted to point out that USDA also gave DHHL a grant. So, additional Federal funding to do that Hoolehua --

MR. AILA: The water project.

COUNCILMEMBER RAWLINS-FERNANDEZ: --water system improvement project. Okay. And then, for the...

MR. AILA: They also gave us money to work on another water project, actually, two other water projects, one on Kauai in Anahola, and then, in...

MR. MATSUNAGA: In Laiopua.

MR. AILA: Oh, in Laiopua in Kona.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MR. AILA: But they're grant/loans. So, we gotta pay part of it back.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then, for the Hoolehua, Palaau, and Naiwa subdivision, I know for the Naiwa, the 58 lots it says that construction funding is required. Is that construction for vertical or for construction as in --

MR. AILA: That would be for infrastructure --

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COUNCILMEMBER RAWLINS-FERNANDEZ: --the waterlines --

MR. AILA: --roads, waterlines.

COUNCILMEMBER RAWLINS-FERNANDEZ: --infrastructure only. Yeah, 'cause those are the five-acre ag --

MR. AILA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: --lots. And so, that's the infrastructure for potable water that you're waiting for? 'Cause I thought Representative DeCoite already got funding for that?

MR. AILA: It's potable, it's expensive water for irrigation. So, we're also looking, how do we tap into --

COUNCILMEMBER RAWLINS-FERNANDEZ: The MIS.

MR. AILA: --the Department of, yeah, the Department of Ag's water supply.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, that's something that's on the DHHL's...

MR. AILA: We're continuing to look at how do we tap into that irrigation system.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh --

MR. AILA: For, 'cause it's farming, right?

COUNCILMEMBER RAWLINS-FERNANDEZ: --I showed you guys how in a presentation last year.

MR. AILA: Well, we gotta get them to agree and, you know.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, yeah, I think that's important because, you know, as we discuss a lot, the availability of potable water is, you know, decreasing, especially after the USGS study came out showing the sustainable yield for Molokai is a lot less than what we expected it to be or had anticipated it would be. And, you know, using surface water for agriculture is a high priority so that we're not using up our groundwater to water our crops.

MR. AILA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, the extension of the Molokai irrigation system I hope is a high priority for DHHL.

MR. AILA: As quickly as we can get funding for it, yes.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Alright. And, okay, one last one. So, at what point does the, does DHHL get TMKs for the subdivision? I understand that that's one of the holdups in the Naiwa subdivision is getting TMKs --

MR. AILA: Each county is slightly different. But...

COUNCILMEMBER RAWLINS-FERNANDEZ: --and since that's under County jurisdiction.

MR. MATSUNAGA: Generally speaking, after the subdivision achieves final approval from the County, Hawaiian Home Lands then files the subdivision map with the State Bureau of Conveyances, and the State Survey Office. We get a file plan, and then, from there the file plan is submitted back to the County for establishment of TMKs for the parcels.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Mahalo, Chair.

MR. AILA: One of our challenges in getting more awards out, of course, is this process. So, if we could, you know, agree with the counties that we can go and move forward with some preliminary lot land description designations to get people on the land and have it catch, have the process catch up is one thing that we would love to discuss with this County, especially in the area of Hana.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, great. I'd love to discuss that too. And I guess, I'm guessing we're not going to discuss that today though?

MR. AILA: No.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. But you have like a roadmap on how we would achieve that?

MR. AILA: Each county's going to be slightly different. So, the best thing is --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, for Maui County.

MR. AILA: --let's sit down and talk story, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Alright, mahalo.

MR. AILA: And then, I just want to add that, you know, you brought up multi-generational families.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes.

MR. AILA: I have four generations in my house right now. So, I know what that feels like.

CHAIR KAMA: It feels good.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Yeah, me too. I get four generations, too.

CHAIR KAMA: Mr. Hokama?

COUNCILMEMBER HOKAMA: Depends which generation you're asking in the house the question. Okay.

MR. AILA: There you go.

COUNCILMEMBER HOKAMA: Okay. You might get four different answers. Okay, Chair. So, Mr. Aila, thank you. I appreciate your presence. I know your time is of a great demand. So, we appreciate your time with us. And unlike my colleagues, our uniqueness is of course, one island with three islands. So, each island again being slightly different in the County, again yeah, you realize yeah, our Hawaiian community on Lanai has a different attitude from other communities in general.

MR. AILA: I can tell you each Hawaiian community has a different attitude.

COUNCILMEMBER HOKAMA: And that's part of the uniqueness.

MR. AILA: I get 'em all.

COUNCILMEMBER HOKAMA: And that's part of the uniqueness, depending how you grew up, how your kupuna, you know, mentored, the values and, you know, other factors. So, I understand what you deal with. And so, I first say good luck in your --

MR. AILA: Thank you.

COUNCILMEMBER HOKAMA: --endeavors because you're going to need to convince 76 people in Honolulu that your path is the right path.

MR. AILA: Yes.

COUNCILMEMBER HOKAMA: So, it's a big challenge. But a couple things that I would ask in continuation of my colleagues so I can have a greater appreciation. And again, my willingness again to work with your Department to find solutions or a compatible projects of mutual interest. So, for me, the first one is, try to understand the productive versus nonproductive lands and is that by a decision of your trustees, your board as how it looks at agrarian businesses and agricultural practices and how they're foreseeing the current values of ag land and whatnot that is determining what is productive versus nonproductive?

MR. AILA: It, the discretion that the Commission --

COUNCILMEMBER HOKAMA: Right, right, right.

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MR. AILA: --and the Commission is the ultimate authority. There are many things that the Governor, or past Governors think that they can do. However, that jurisdiction lies with the Commission.

COUNCILMEMBER HOKAMA: Right. So, understanding that if...

MR. AILA: So, I just say that as the opening --

COUNCILMEMBER HOKAMA: Okay.

MR. AILA: --because in addition to the discretion that the Commission has, the Department for the last 20 years has gone through a planning process. So, there are island plans, there are regional plans, and in going through this process, which went through lots of community input, we have certain areas on each island that are designated as commercial, industrial, or community, or homesteading. So, it is part of the planning process, and then the discretion of the Commission to identify these lands which now become income producing lands which help further the Department's mission.

COUNCILMEMBER HOKAMA: I'm just wondering, is this a big driver of how you're designating lands for various uses, or housing can happen on nonproductive as well as productive designated lands for the Department? Does it matter, the designation?

MR. AILA: Productive lands is a question that is best answered by is there availability of water, inexpensive water if there's farming. So, Honokowai, those lands we're looking at for subsistence ag, and there's a reason that we looked at, we, that the Commission approved this new category of agriculture, subsistence. What we're finding is, a lot of the lessees are getting old and less likely to farm now and their children are educated and not interested in coming home and farming. We're finding that there's opportunity. For example, in, on Molokai with the 40-acre lots, if we can get the water question answered where subdivision could be something that we could go in, chop up those lots smaller if we could provide water. In other areas we're finding that because the applicants on the waitlist are averaging in their, I think the average waitlist is somewhere around 55, 56 right now. When they signed up for ag, they were ready to go 30 years ago. However, things are different now. So, regular agriculture you're required to have a farm plan, you're required to cultivate two thirds of your land within a year. Subsistence ag, you're just required to grow something. In addition, you could choose to put a residence on, you could choose not to and just have a residence and go on this, you know, one to three-acre plot and plant. So, there's no simple...

COUNCILMEMBER HOKAMA: Nonproductive could be your commercial and those type of other uses the Department would consider that is nonagricultural, the nonproductive lands?

MR. AILA: Right, right.

COUNCILMEMBER HOKAMA: But still could have housing?

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MR. AILA: We could. It depends on where and what infrastructure, how much the development costs are going to be.

COUNCILMEMBER HOKAMA: And again, yeah, I'm asking you so, 'cause I'm trying to figure out how we can find legal mechanisms to potentially have joint projects together. So, if the answer is on the nonproductive, we wouldn't even put beneficiaries on there for housing. Then, maybe we can make an argument to the beneficiaries that the benefit of joint project with the County is the revenues that we would help generate for you to put housing on the lands that can have those construction. So, that's part of how I'm trying to, yeah --

MR. AILA: I see your point now. So, yes.

COUNCILMEMBER HOKAMA: --understand how you folks doing productive, nonproductive designations, Chairman. So, Puunani subdivision is on nonproductive land?

MR. AILA: Puunani subdivision was not even in our inventory. We were able to acquire it.

COUNCILMEMBER HOKAMA: Okay. You acquired it 'cause you had --

MR. AILA: Affordable...

COUNCILMEMBER HOKAMA: --affordable credits. So, you purchased non-Hawaiian homestead land for Hawaiian home beneficiaries' future units.

MR. AILA: Yes.

COUNCILMEMBER HOKAMA: Okay. That's interesting too.

MR. AILA: Well, I've been told I need to be more creative. So, this was a creative way.

COUNCILMEMBER HOKAMA: No, that was creative. And, you know, I would say you should thank the Legislature for giving away Maui County credits that I thought was us to give away instead of the State to give away.

MR. AILA: Well, we would be happy to work with you if there's areas that you can see where these credits would make more sense.

COUNCILMEMBER HOKAMA: Well, in general when we established it, we thought that the credits would be for overall general community, yeah, it wasn't geared for a specific component of the community --

MR. AILA: Right.

COUNCILMEMBER HOKAMA: --which again, we all have our priorities of how we're going to address it yeah.

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MR. AILA: Yes, but if we're able to, you know, there's 161 units that are planned for this area. If we're able to get 161 Hawaiians on lands, that theoretically makes more opportunities available for non-Hawaiians. So, I think that's the --

COUNCILMEMBER HOKAMA: Right.

MR. AILA: --scope that we should be viewing this, that we're all sort of in this boat trying to get people into houses as quickly as possible.

COUNCILMEMBER HOKAMA: And we happy for borrow your Stewart, you know, if you ever want to lend him to us because if he's figured out a way to deal with SHPD and State Surveyor's Office, please tell us how because that is holding up our own County projects, State Surveyor, and SHPD. So, if you found the nut to crack, we happy.

MR. AILA: Is the State Surveyor's Office that...

COUNCILMEMBER HOKAMA: Bad, it is.

MR. AILA: Okay. Okay. So, it's good to hear. So, the next time I sit with the Governor I can suggest that we improve the services of that office.

COUNCILMEMBER HOKAMA: And maybe Ms. Lee can help you when you lobby the 76 Legislators. But, you know, one thing I would ask yeah, Mr. Aila, when we work together, yeah. I think we need to help our general community. But also, your beneficiaries know in this County, what the County's already doing assisting your Department as well as what your Department is really doing for beneficiaries in Maui County regardless of which island of the County, I think would be helpful. Because I think there's a misunderstanding of that currently there's no cooperative effort trying to be done, yeah. You know, this Council has funded hundreds of thousands of dollars for youth facilities in Paukukalo Hawaiian Homes, yeah, transportation services for the youth at Waiehu Terraces and whatnot that is under Hawaiian Homes. We've done things jointly together. But I don't think the information is out there of how we help each other out in the general community. So, there's a sense that maybe the County hasn't helped Hawaiian Homes and we need to do more. But yet, I feel we've been doing quite a bit of support. And in this County, my personal opinion is, without the County, the State cannot operate because we are basically using our ball fields, our gym facilities for schools, it's our parks and whatnot for assistance in PE programs, it's our youth centers and everything that does after school care programs, Boys and Girls Clubs wherever it is, Paukukalo or Kahului, Wailuku, Lanai. So, again, yeah, I think one of the things we can work together positively is help our community understand our roles and what we currently are doing because I don't think they're really aware of how much your Department and how much the County is currently doing for the program within this County currently.

MR. AILA: Okay. I'd be happy to sit down and try to understand from your perspective.

COUNCILMEMBER HOKAMA: The last one I would say is I'm with Ms. Lee, I think one area I think we can work jointly to benefit, and it's something we've talked about with our

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past legal people also, yeah, Corp. Counsel, is joint housing projects that are close maybe in either abutting or close proximity where we could possibly share wastewater operations and how we can then avoid injection wells and other things that, you know, we find we need to do it in a better way and a cleaner way. So, West Maui I believe we have opportunities to do projects that involve your land, a little bit of DLNR, and the County where possibly we can do a smart wastewater project in joint partnership and get the housing for your beneficiaries and for our residents. So, I'm like with Ms. Lee, but I would push the wastewater issue as a top priority for West Maui.

MR. AILA: Okay.

COUNCILMEMBER HOKAMA: And then, we can work on other outstanding issues as time permits, Mr. Aila. Thank you, Chair.

CHAIR KAMA: Thank you.

MR. AILA: Thank you, Councilmember.

CHAIR KAMA: Ms. Sugimura?

COUNCILMEMBER SUGIMURA: So nice to see you here.

MR. AILA: Aloha.

COUNCILMEMBER SUGIMURA: Thank you, thank you very much for making the time. I'm enjoying this discussion because in my community, which is Upcountry, Kula, I will tell you that a very prominent person in our community, she's going to become our new president of the Kula Community Association again is Pua Canto. I think it's going to be in November. I hope I'm not announcing anything too soon. But everybody please vote for her. That was at last night's meeting. Anyway, but through her I've learned a lot about Hawaiian Home Lands and I will tell you that the vision of the way I've seen you enter our community for the, I've only been there like 27 years so not that long, but when the housing project, your housing project came up in Kula, the community was not sure to expect. And I saw it with the elementary school, and I want to commend your organization for educating the community about its benefit and what you've done. So, I wanted to just put that out there as well as somebody like Pua who really loves the community and does a good job. I have, I think there's another community coming up in Kula that recently there was, and I think I saw Mr. Matsunaga there for pulling names for beneficiaries at Pukalani Elementary and it was so heartwarming, and I hope you do much more. What else do you have planned Upcountry?

MR. AILA: Waiohuli . . . *(inaudible)* . . . we have all of those lots. Do we have anything else?

MR. MATSUNAGA: We do have the expansion of other phases within the adjoining areas. So, 76 lots is the next phase that's coming up for construction in early 2020. That information is on one of the slides in the PowerPoint. Also, a second, actually a third, second and third phase. So, we have been pretty successful in the Legislature for

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funding construction for those projects. And so, it is with all of our intent to encumber those funds, design the projects, and get them out to the beneficiaries.

COUNCILMEMBER SUGIMURA: Excellent. I wonder, a lot of the, the challenges that are, the other Members are talking about is infrastructure. And I would really like to see us jointly solve some of those problems. I think we both can contribute to opening doors and making it happen. And I wondered on the, your water meter and water availability Upcountry, I think that the agreement that we have with you is that you have first come priority over the rest of the community. And I just want to be sure that we do provide that to you as it is our commitment. Is that a Mr. Matsunaga question or...?

MR. AILA: No, I mean...

MR. MATSUNAGA: I can --

MR. AILA: Yeah, go ahead.

MR. MATSUNAGA: Thank you for that question. About let's see, about 20 years ago Hawaiian Home Lands entered into an agreement with the County Department of Water Supply for half a million gallons per day of source capacity. And so, we are enjoying that agreement today. That agreement does cover all of our future lot development requirements in Kula. And it, let's see, so yeah, we're, it's similar to the agreement that, and thanks to the Council for approving the licenses and the agreement recently for the 200,000 gallons per day. So, that agreement is very similar where it's going to provide the source water for, in Honokowai for 330 lots and in Kula the half a million gallons providing for over 800 lots. So, we have it pretty much all accounted for up there.

COUNCILMEMBER SUGIMURA: So, do you have in your plan to find more source? I think it's always our challenge too. But I wonder what kind of plans that you put into place.

MR. MATSUNAGA: It is, we're always on the quest for source development. We are actually working with the County Department of Water Supply for source development for our Pulehunui project that involves both commercial industrial as well as agricultural homesteads. So, as part of our legislative request, we have funding proposed to do acquisition, and source, and storage development. And that kind of reminds me of the question regarding Lanai. So, out of our \$79 million legislative request, there is \$3 million to start looking at the offsite infrastructure and that kind of ties into Councilmember Hokama's issue regarding shared infrastructure. So, there are a lot of opportunities where we can get into, let's say, in Lanai, you know, everybody needs a wastewater pump station, the State, DHHL, the County, maybe Department of Education. And so, I think we can resume our discussion in that line and yeah, there's a lot of other opportunities --

COUNCILMEMBER SUGIMURA: That's good.

MR. MATSUNAGA: --wastewater in, with...

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COUNCILMEMBER SUGIMURA: Yeah, that's really good. I think this discussion is going to be helpful because I think we're all looking for similar things and we planned for our community. And I'm wonder if you get, do you get special Federal types of funding because of the work that you do?

MR. AILA: Well NAHASDA is, well, access to grants/loans from USDA for water systems, and that would include wastewater systems too right, which I think the County is also.

COUNCILMEMBER SUGIMURA: Yeah, we also do. I thought maybe you had, you know, like super special funds or something which I think you should.

MR. AILA: No, the answer is no. But we'll keep looking. So, we, you know, what we should do is we should get together and line up --

COUNCILMEMBER SUGIMURA: We should.

MR. AILA: --what your projects are, or your desired projects are, and see where we are close enough that jointly we can go and ask the 70, you know, 8 people that you refer to. It makes sense to jointly develop infrastructure to take care of all of our needs. So, yeah, I'd be happy to commit to sitting down and doing that.

COUNCILMEMBER SUGIMURA: Thank you very much.

MR. AILA: Thank you.

CHAIR KAMA: So, I have a couple of questions, Chair. So, you know, when you form developments in newly created communities such as Puunani, do you form homestead associations or try to gather people so that they would at least have some sense of community as they move into that, from people on the waiting list or...

MR. AILA: Yeah, so, the Department does not --

CHAIR KAMA: Initiate.

MR. AILA: --actively create homestead associations. That's something that's organic that should grow --

CHAIR KAMA: Yeah.

MR. AILA: --out of the development or the sort of physical proximity to each other.

CHAIR KAMA: Okay.

MR. AILA: We also don't get into disputes between homestead associations either.

CHAIR KAMA: Yes, I know. Thank you. So, the other question is, you know, the NAHASDA funds...

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MR. AILA: Yes?

CHAIR KAMA: So, we do know that the funding request has always been decreased because you hadn't been able to spend down. So, where are you in that?

MR. AILA: We spent it down. So, it's time to ask the congressional delegation to reallocate it back up again.

CHAIR KAMA: Okay. So, and I know normally you were getting like 9 to 10 million a year. Couldn't you ask for a little bit more?

MR. AILA: We can.

CHAIR KAMA: I think you should ask for more and see what falls because I think that, you know, we haven't been able to, I mean, I think we should at least make the attempt to try and ask.

MR. AILA: I think under the current...I'm going to say this politically correct, under the current situation of the Senate and the Presidency being held by Republicans, the current delegation is like, okay, just keep your head down and we'll wait for better times. When the better times arrive then hopefully, we'll remind them that that's what they suggested to us. And so, I believe that, you know --

CHAIR KAMA: Okay.

MR. AILA: --if things should change in the makeup of Congress that we should be more successful.

CHAIR KAMA: Okay. I get that, thank you. Members, any other questions from anyone? Okay.

MR. AILA: Yeah, I would just say that we, you know . . . I am not opposed to trying new things. I'm much, much to my detriment, I am too high a risk taker sometimes people tell me. But we are in a situation where we have 27,000 people that are waiting. So, if we don't take risks, we're not going to be able to move forward in any appreciable manner. So, definitely, no idea is crazy with me. Staff has put up with my crazy suggestions. Some of them have left them scratching their heads, some of them clearly, no, you're going to go to jail for that. And that's okay, because we have to have that discussion. So, I'm very happy to meet with anybody on the Council if there's some good ideas that we should pursue like sitting down and putting our list together to see if we can make a much more attractive ask of the Legislature for infrastructure, so.

CHAIR KAMA: So, I think I'd like to be able to see if we can get maybe a, some kind of a working group together from the Council made up of a couple of Councilmembers if you're willing at some point in time. I'm not sure if we can do this or not. But I just want to throw that out on the floor so that maybe we can have a working group of

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some sorts, similar to the TIG but not an investigative group but just a working group if you all are open to that.

COUNCILMEMBER HOKAMA: . . .*(inaudible)*. . .

CHAIR KAMA: What is that, Mr. Hokama?

COUNCILMEMBER HOKAMA: I leave it to your guidance.

CHAIR KAMA: Okay. Well, thank you. Thank you much. So...

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: I think if you want to work with other Councilmembers you would have to create a TIG. That's the allowable interactions that's --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: --permitted under Sunshine Law.

CHAIR KAMA: Thank you. Okay. So, I just want to acknowledge Ms. Tamara Paltin from the west side who has just joined us. Thank you very much and you're just in time for questions.

COUNCILMEMBER PALTIN: Oh, right on, thank you. I just was wondering, you know, like for Leialii 1A, 1B, and the Honokowai lots, there's developers out there and, I mean, I don't think that Lahaina can wait for the State to appropriate money and all that process. Like is it possible just to put the RFP out and have the private developer or nonprofit developer do the EIS, do the road, and do the houses? 'Cause, I mean, right now we have water for 75 lots and, I mean, we desperately need 75 lots.

MR. AILA: So, the challenge for us becomes who's going to pay the developer because we don't have the funds yet. That's why we have to go and ask for the funds.

COUNCILMEMBER PALTIN: Well, so, if you just put out the RFP, then...

MR. AILA: The developer expects to be paid to do some work. So, that's our challenge, right? We need to get the money first in order to pay the developer to request the invitation for bids.

COUNCILMEMBER PALTIN: There are nonprofit developers out there that can do it without getting paid first if you...

MR. AILA: If you can bring one to us that's willing to do this, we will entertain it.

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COUNCILMEMBER PALTIN: I got one in the audience.

MR. AILA: Okay.

COUNCILMEMBER PALTIN: Maybe you guys can talk after.

CHAIR KAMA: Perfect, perfect.

COUNCILMEMBER PALTIN: Okay. Thanks.

CHAIR KAMA: Thank you. So, Members, if there are no further questions for our guests who are here today, and hopefully that you're going to have a discussion with the one developer that's in the galley [sic] at some point in time after our meeting, feel free to do that, please 'cause that's exciting 'cause she's here. But if you, there are no other questions for our guests today, I'd like to be able to thank them for coming and thank you for all your discussions and know that they will definitely be back to talk more about what we've discussed today. And if we have to put a TIG together, thank you very much, Vice-Chair, for that. And I don't know, maybe we should all be on the TIG too, I'm not sure about that. But we're certainly going to move forward with this very quickly, very efficiently, and thank you all. So, I just want to recess.

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

CHAIR KAMA: What is that?

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

CHAIR KAMA: Oh, yes, and we're going to defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER PENDING FURTHER DISCUSSION.

CHAIR KAMA: Thank you. Recess. . . .(gavel). . .

RECESS: 3:08 p.m.

RECONVENE: 3:17 p.m.

CHAIR KAMA: . . .(gavel). . . The Affordable Housing Committee will now reconvene at 3:17 p.m. Thank you, Members, for that wonderful discussion earlier.

ITEM AH-29: OHANA ZONE - KAHULUI AFFORDABLE HOUSING FOR HOMELESS FAMILIES PROJECT (CC 19-367)

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CHAIR KAMA: And so, now we're going to have a presentation by our Director, Lori Tsuhako.

MS. TSUHAKO: Good afternoon, Madam Chair, and Members. Thank you for hearing this matter. So, this afternoon the Department is asking for the Committee's support of an intergovernmental agreement between Mayor Victorino and the State of Hawaii that will allow the County to receive \$864,200 in Ohana Zone funding from the Governor's Homeless Coordinator and the Department of Human Services. This funding augments the \$5 million being received from the Hawaii Housing Finance and Development Corporation to pay for the renovation of the former UH Maui dormitories in Kahului. The refurbished dormitories will be used to provide permanent housing for 12 previously homeless families who are ready to move from homelessness either from emergency or transitional shelter into permanent affordable rental units. The Ohana Zone funding initially at \$30 million was appropriated, was first provided by the State Legislature in 2018 and was intended to facilitate assistance to individuals who are homeless or at risk of becoming homeless. So, the County of Maui applied for Ohana Zone funding in order to provide services to those families who would live at the affordable rental project. The funding will pay for two years of property management, security services, repair and maintenance, utilities, administrative expenses, and for case management services that will be available to, for the families who choose to utilize it. So, we ask for your support of this agreement.

CHAIR KAMA: Thank you.

MS. TSUHAKO: Thank you.

CHAIR KAMA: Thank you, Ms. Tsuhako. Yes, Mr. Hokama?

COUNCILMEMBER HOKAMA: So, real quick for me. I just got a few math questions. The \$5.86 million in total, that's sufficient to build and run the program through 2022?

MS. TSUHAKO: So, the \$5 million from HHFDC is what has been set aside for the refurbishing. We're awaiting the final structural analysis to actually give us definitive word about whether the structure is sound enough to refurbish or whether it needs to be torn down and rebuilt. The money before us today --

COUNCILMEMBER HOKAMA: Right.

MS. TSUHAKO: --in question, the \$860,000 and change is for the service part of the agreement.

COUNCILMEMBER HOKAMA: Right, and the service in the narrative says for a renovated, or something structure, right? It doesn't say reconstructed. It says renovated or refurbished. So, I'm assuming the Feds giving us the money on a rehab project, right, instead of a reconstruction project? Or is that just a semantic thing? It's a semantic thing? I gotta know because I've been waiting eight years for this stupid project to reach construction now.

MS. DESJARDINS: Chair, if I may?

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CHAIR KAMA: Yes?

MS. DESJARDINS: So, I think the wording was exactly as you said, refurbished. My understanding is, is that although there was one structural engineer report that said that they thought that the building needed to be torn down --

COUNCILMEMBER HOKAMA: Right.

MS. DESJARDINS: --that Department of Housing has retained another structural engineer to try to see if it's possible to support it. My understanding is that these funds would be used in the event that the refurbishing rehabilitation is possible. Yeah, and not for a complete tear down and, you know, rebuild.

COUNCILMEMBER HOKAMA: Okay. Thank you for that, Corp. Counsel. So, Department, my understanding is this agreement can be extended for no more than six months. So, what happens to this program after the term?

MS. TSUHAKE: We are assuming that after the term is over that the project may be more able to sustain itself so that the rents collected from the families who live there will be able to take care of the management costs and things of that nature. Part of the \$860,000 plus will be set aside in a reserve account --

COUNCILMEMBER HOKAMA: Okay.

MS. TSUHAKE: --to be able to accommodate anticipated repairs in the future.

COUNCILMEMBER HOKAMA: And just so we're clear and I can appreciate, some of the wraparound services that MCC is going to provide, is that already specific and quantified of what they're going to provide, what services they're going to provide this project?

MS. TSUHAKE: No, I don't believe that those services have been quantified. So, the request before you actually discusses what the State, through its Ohana Zone funding, will be paying for. We have not formalized any agreement about what services the college might be able to help the families who reside in that project. So, it may be, I'm anticipating that it may be a partnership with educational development or childcare perhaps. But we have not negotiated those agreements just yet.

COUNCILMEMBER HOKAMA: Okay. You folks pretty confident on that timetable you shared with us? 'Cause, you know, I think it's very doable, maybe you can even come in ahead of schedule, ahead of November 2020. But you folks confident on your proposed schedule to us 'cause I like it.

MS. TSUHAKE: I'm going to defer to the Deputy Director who can give you a little bit more detail about the timeline.

CHAIR KAMA: Go ahead, Ms. Munsell.

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MS. MUNSELL: Thank you for the question. We're actually hoped that we would have our draft structural assessment finalized last month. We ran up against a couple of issues that have delayed that. However, we do still feel like we are confident that, assuming we're going to do a renovation, that we will be in there in November.

COUNCILMEMBER HOKAMA: Okay. Well, I wish you luck because I would like to see this happen. So, thank you, Chair.

CHAIR KAMA: You're welcome. So, this is what my desire is, Members. Yesterday after we had a full discussion about what we knew and what we didn't know somebody mentioned that we needed training to do parliamentary procedure, right, so we understand. So, I said, okay, what don't I know that I should know. So, this is what I decided to do for today. And so, help me because we talk about and we ask all these questions, right, and then after we've all talked out, then we go ahead, and we do the motion and we do the talk all over again. So, to be able to not replicate things, I would like to entertain a motion to be able to approve this bill, Authorizing the Mayor of the County of Maui to Enter into an Intergovernmental Agreement with the State of Hawaii, Department of Human Services to Implement the Ohana Zone - Kahului Affordable Housing for Homeless Families.

COUNCILMEMBER SUGIMURA: So, moved, great idea.

COUNCILMEMBER SINENCI: Second.

CHAIR KAMA: It's been moved by Councilmember Sugimura, seconded by Mr. Hokama.

COUNCILMEMBER HOKAMA: Oh, Mr. Sinenci.

CHAIR KAMA: Mr. Sinenci, I'm sorry. Thank you very much.

COUNCILMEMBER HOKAMA: Thanks for sounding like me sounding like you.

CHAIR KAMA: I was looking at him, that's what it was. I was looking at him and I heard your... so, thank you. So, thank you for baring with me.

COUNCILMEMBER HOKAMA: Chair?

CHAIR KAMA: Yes, sir?

COUNCILMEMBER HOKAMA: Chair, may I ask if with the Members' agreement --

CHAIR KAMA: Yes.

COUNCILMEMBER HOKAMA: --that we allow Staff to make non-substantive changes?

CHAIR KAMA: Absolutely.

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COUNCILMEMBER HOKAMA: And that we allow them to prepare any appropriate filing as necessary for this item.

CHAIR KAMA: When the time comes.

COUNCILMEMBER HOKAMA: With no objections.

CHAIR KAMA: So, now we can go into more questions or deliberations should you want to continue to proceed. Questions, Members of our Staff? Yes, Mr. Molina?

VICE-CHAIR MOLINA: Yeah, Madam Chair, just a quick question for the Department.

CHAIR KAMA: Sure.

VICE-CHAIR MOLINA: And I want to state for the record, I do support the motion on the floor and for my first and probably only time which under parliamentary procedures will speak more than two times to the motion, yeah so --

CHAIR KAMA: Correct.

VICE-CHAIR MOLINA: --anyway. Good afternoon, Directors. And, you know, we're getting this money for services first before there's any improvements to the project. And any deadlines as to when the monies need to be expended by? 'Cause I mean, I mean, I'm hopeful that everything can be done by November. But in the event it doesn't, and I know we're awaiting the studies and everything else. So, could also these monies be used for other homeless families besides the potentially new tenants that are coming in?

MS. TSUHAKE: Thank you for your question, Councilmember. The answer is no. They can't be used for another project. So, the proposed contract that we would sign with the State identifies the property, identifies the services that will be paid for. The County submitted a budget that was approved by the Governor's Coordinator on Homelessness and the Department of Human Services. So, we would need to spend it on that project as we applied, not for other purposes.

VICE-CHAIR MOLINA: Okay. So, there's no flexibility, yeah? 'Cause I'm, not to be pessimistic, but in the event it takes a lot, this goes past November 2020 for the completion of this and of course the timing of the studies and everything else, so I just thought if there's, you know, one, there's a deadline on when to expend these monies, and two, if we can maybe use it for some other homeless programs in the meantime. So, okay, I just wanted that cleared. Thank you.

MS. TSUHAKE: Thank you.

CHAIR KAMA: Thank you. Any other questions, Members? If not, I'd like to call for the question. All those in favor of the motion, please say "aye."

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COUNCILMEMBERS VOICED AYE.

CHAIR KAMA: All those opposed? Hearing none, the motion's carried. Thank you very, very much.

VOTE: AYES: Chair Kama, Vice-Chair Molina, and Councilmembers Hokama, Lee, Rawlins-Fernandez, Sinenci and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending ADOPTION of proposed bill and FILING of communication.

COUNCILMEMBER SUGIMURA: Very good

MS. TSUHAKE: Thank you.

CHAIR KAMA: So, I guess there's no other business on the agenda for today. I want to thank you all for coming, but I do need to make an announcement.

COUNCILMEMBER SUGIMURA: Oh, yes.

CHAIR KAMA: The next Housing meeting is scheduled, well not scheduled but usually would occur on Wednesday, October 16. But because there's a housing forum that is taking place, I have decided to cancel that meeting and hopefully all of the Members of the Housing Committee, including Ms. Paltin, would show up at the housing forum. So, it's going to be at the MACC. Didn't you all get that flyer that Lois walked...okay, we'll --

COUNCILMEMBER PALTIN: Chair?

CHAIR KAMA: --make sure that you do get it.

COUNCILMEMBER SUGIMURA: Is it August?

CHAIR KAMA: Yes?

COUNCILMEMBER PALTIN: I wasn't able to complete my agenda for today --

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CHAIR KAMA: Okay.

COUNCILMEMBER PALTIN: --and they had a time sensitive subject. And so, the meeting that I had today has to continue --

CHAIR KAMA: Recess. Okay.

COUNCILMEMBER PALTIN: --until to October 16.

CHAIR KAMA: Okay. Okay. Well, thank you very much for saying that. I appreciate that. So, those of you, so, it's actually, it begins on Tuesday night five o'clock, and then it'll continue on Wednesday from the morning until evening, afternoon.

COUNCILMEMBER SUGIMURA: So, we can come.

CHAIR KAMA: So, you can come Tuesday evening, yes. Yes, Ms. Keani?

COUNCILMEMBER RAWLINS-FERNANDEZ: Who's hosting the forum, Chair?

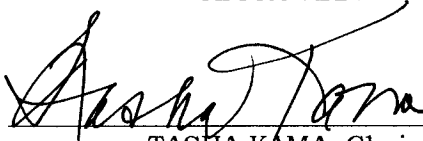
CHAIR KAMA: The Mayor and I guess me. Oh the, but Chamber of Commerce is actually...

COUNCILMEMBER SUGIMURA: Coordinating.

CHAIR KAMA: Thank you, thank you. So, please, you're all invited. So, if there's nothing else, I'm going to adjourn this very short meeting. Okay. Meeting's adjourned.
...*(gavel)*...

ADJOURN: 3:29 p.m.

APPROVED:



TASHA KAMA, Chair
Affordable Housing Committee

ah:min:191002:mt

Transcribed by: Marie Tesoro

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CERTIFICATE

I, Marie Tesoro, 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 21st day of October 2019, in Wailuku, Hawaii

A handwritten signature in cursive script, appearing to read "Marie Tesoro", is written over a horizontal line.

Marie Tesoro