

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

MINUTES

January 27, 2020

Council Chamber, 8th Floor

CONVENE: 1:33 p.m.

PRESENT: Councilmember Michael J. Molina, Vice-Chair
Councilmember Riki Hokama
Councilmember Kelly T. King
Councilmember Alice L. Lee (in at 1:37 p.m.; out at 3:24 p.m.; in at 3:37 p.m.)
Councilmember Tamara Paltin
Councilmember Keani N.W. Rawlins-Fernandez (out at 2:03 p.m.; in at 2:10 p.m.)
Councilmember Yuki Lei K. Sugimura

EXCUSED: Councilmember Tasha Kama, Chair
Councilmember Shane M. Sinenci

STAFF: Alison Stewart, Legislative Analyst
Ana Lillis, Legislative Analyst
Stacey Vinoray, Committee Secretary

Zhantell Lindo, Council Aide, Molokai Council Office (via telephone conference bridge)
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)
Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Gary Murai, Deputy Corporation Counsel, Department of the Corporation Counsel
Linda R. Munsell, Deputy Director, Department of Housing and Human Concerns

Seated in gallery:

Lori Tsuhako, Director, Department of Housing and Human Concerns
Clyde "Buddy" Almeida, Housing Administrator, Department of Housing of Human Concerns

OTHERS: Autumn Ness
Stan Franco
Michael Williams
(5) additional attendees

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

PRESS: *Akaku: Maui Community Television, Inc.*
Axel Beers, Publisher, Maui Time Weekly

VICE-CHAIR MOLINA: . . .*(gavel)*. . . The Affordable Housing Committee meeting for Monday, January 27, 2020 will now come to order. It's three minutes past 1:30, 1:33. I'm Committee Vice-Chair Mike Molina. I'll be facilitating today's proceedings for Committee Chair Tasha Kama, who's a bit under the weather today, as well as Councilmember Shane Sinenci. I'd like to recognize our Members in attendance this afternoon. First of all, Councilmember King, good afternoon.

COUNCILMEMBER KING: Good afternoon. Happy --

VICE-CHAIR MOLINA: Aloha.

COUNCILMEMBER KING: --to be here.

VICE-CHAIR MOLINA: Good morning. Good morning...afternoon. And also, speaking of afternoons, Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha auinala, Chair.

VICE-CHAIR MOLINA: Aloha auinala to...

COUNCILMEMBER RAWLINS-FERNANDEZ: Looking healthy.

VICE-CHAIR MOLINA: Oh.

COUNCILMEMBER RAWLINS-FERNANDEZ: Thank you for...

VICE-CHAIR MOLINA: Well, thank you. Yeah, those are still healthy, yeah. Councilmember Hokama.

COUNCILMEMBER HOKAMA: Chairman.

VICE-CHAIR MOLINA: Aloha. And, Councilmember Paltin.

COUNCILMEMBER PALTIN: Aloha awakea.

VICE-CHAIR MOLINA: Aloha. And, Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Good afternoon.

VICE-CHAIR MOLINA: Good afternoon. And thank you for being here. And today also from...we have our Committee Staff. We have Ms. Alison Stewart; and our Secretary, Stacey Vinoray. And from Corporation Counsel's Office, we have Mr. Gary Murai, who's filling in for Mr. Ed Kushi.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

MR. MURAI: Good afternoon, Mr. Chair.

VICE-CHAIR MOLINA: Yeah, and from Administration, we have Deputy Director Linda Munsell.

MS. MUNSELL: Good afternoon, Chair.

VICE-CHAIR MOLINA: Good afternoon. And of course, we have Mr. Williams who'll be doing a presentation on one of our items a bit later. But before we do that, Chair will entertain public testimony. Just a couple of quick rules for testimony, you'll have three minutes to testify, and please state your full name for the record and any organizations that you may be representing. And please turn off all noisemaking devices if possible. That goes for Councilmembers as well too. So, with that being said, let's go ahead and proceed with public testimony. First to testify, we have Autumn Ness, and she'll be followed by Stan Franco. And Ms. Ness will be testifying on item 17(14).

. . .BEGIN PUBLIC TESTIMONY. . .

MS. NESS: Aloha, Committee. My name is Autumn Ness. Today, I am offering suggested language to possibly be included in the RFP for the housing plan, emphasis on the word plan, specifically as it relates to farm worker housing, which I'm going to call from now on farm-force housing, as housing has been identified as one of the biggest barriers to farmers' success and to the stability of their workforce, which is increasingly problematic as we try to increase local food production here. The proposed language I gave you is broken into two areas. I'm going to address on-farm housing first. This area in the language specifically takes the burden of producing farm-force housing off of the County and aims to empower existing productive farms to move forward on the solutions that fit their farm and their needs. These suggestions are based on a Statewide small and medium farm needs assessment I did a few years back, and the results are still very, very relevant. Across the board, farmers just need the ability to house more workers on their farm, and to do so simply, cheaply, and ASAP. This alone will support the success and growth of many active farms and will provide stable housing for one of our lowest-paid and most important class of workers. And we don't need to have the County plan or build anything. Last year, we unanimously passed a Senate resolution at the State Legislature asking the State Department of Planning to move forward on this. It was...it's been really challenging to get the State to convene this task force, but the Legislature is in full support. In the meantime, Maui County can absolutely move forward on this and get our farm worker housing situation improved. The resolution was supported widely by Farm Bureau, Farmers Union, State and House ag and housing committees, and numerous planning and zoning people at the State Legislature. So, I can attest that the language in here represents real problems in the codes, real solutions, and a desired and needed way to give support to our ag and housing situations. I attached the resolution for your review. The language that I drafted for the RFP used the Senate resolution as a

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

jumping board, and then added things like utility hookups and the kind of details that have come up in my conversations with both County and State planning offices when we talked about modular homes over the years. And some of those conversations actually happened in committee hearings in this room with Planning and Zoning guys. A quick note on why the on-farm housing plan focuses on module homes...modular homes as not a small part of the solution but as the focus of the proposal, this comes from years of work about how do we allow increased density on ag land without encouraging investment on ag land. Three quick reasons, I'm going to run out of time, I'm so sorry. One, it's more economically realistic for a farm to build, for example, 1 to 4 modular homes for 20 to 60 grand each than it is for 1 ohana unit for 350. Number two...I can continue if you want to hear the other two --

VICE-CHAIR MOLINA: All right --

MS. NESS: --but I want to be respectful...

VICE-CHAIR MOLINA: --I'll give you another 30 seconds, Autumn.

MS. NESS: Okay. For number two, modular homes are less attractive to investors. If small modular homes are the only type of structure that are allowed on ag land and density, developers are less likely to want to turn that into a luxury or short-term rental cluster. And the last one, when and if that farm or ag land changes hands, gets sold or bought, or whatever, the modular homes can be easily moved off property if needed, and there's no permanent loss of that ag land, which none of us want anyway. I can answer any questions if you'd like. Thanks for the extra time.

VICE-CHAIR MOLINA: Okay. Thank you very much, Ms. Ness. Members, any need to clarify Ms. Ness' testimony today? Seeing none, thank you very much, Autumn, for your testimony.

COUNCILMEMBER RAWLINS-FERNANDEZ: Sorry, real quick.

VICE-CHAIR MOLINA: Oh, I'm sorry. Member Rawlins-Fernandez, followed by Member Paltin.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Just quickly, I think...did you cover both on-farm and off-farm in your testimony?

MS. NESS: I didn't. I ran out of time but...

COUNCILMEMBER RAWLINS-FERNANDEZ: Primarily...so, your recommendations for off-farm, how do they differ from the on-farm?

MS. NESS: Well, the language is clear there, and all I would say is that it's as easy as finding a parcel of land, designating it for farm-force housing, RFP'ing out the build-out of that, and then all the other things you have to consider on that paper so I don't want to have to go over them. But yeah, thanks for asking.

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Mahalo, Chair.

VICE-CHAIR MOLINA: Okay. Thank you, Ms. Rawlins-Fernandez. Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Ness, for your extensive work in this area and your commitment to affordable housing. I was wondering like when you say non-permanent homes, has there been any discussion or looking into like if they would sustain like what type of hurricane force winds, and if like how permanent is non-permanent? And I guess is there any looking into the safety factor of that like how last 2018, there was like hurricane five coming at us, and even our regular houses might not stand up to that. So, any discussion or plans in that arena?

MS. NESS: That's actually the reason that we had...that we asked the Legislature to work with Planning to convene this task force because there are a lot of questions like this. I will say that when we were talking about this, and in my mind's eye I'm envisioning things like mobile homes. So...or existing tiny homes on wheels that currently as it exists now, if your home...if your property is zoned to allow one more unit, you are already legally allowed to build and put a tiny house on wheels that is up to Building Code. So, this is not asking us to rewrite the Building Code or make any exemptions for that. It's really the focus is when it's appropriate on a working farm to allow increased density of these specific types of homes. Do you know what I mean? Does that make sense?

COUNCILMEMBER PALTIN: Yeah.

MS. NESS: Yeah.

COUNCILMEMBER PALTIN: So, we're not touching the...

MS. NESS: Yeah, it's not asking anything to tinker with the Building Code at all. It's just tinkering with zoning and what density we would allow on a working farm, and how to handle the infrastructure needs and utilities of that small cluster. That's why that language is the way it is.

COUNCILMEMBER PALTIN: Thank you. And then, when it say farm workers, like, you know, are you thinking of an hours-per-week requirement or a dollar amount income requirement? 'Cause, you know, for Lahaina, I could see folks making the majority of their income possibly like waiting tables or something, and then what they're doing might be considered gardening, or not that gardening isn't farming --

MS. NESS: Right.

COUNCILMEMBER PALTIN: --but like it's happened in the past with Launiupoko and other ag lands that were made for farmers, and it's actually barely a garden kind of thing. So, any insight into how that kind of thing would be regulated?

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MS. NESS: That's a really good question. Since you bring that up, it would be probably a topic of discussion to put like a...to put in this plan a line that, you know, along with other bullet points that requires the Committee or the person who's doing this draft RFP to put a minimum work requirement or something. One important point, I don't know if this Committee is aware of what's happening currently as we speak, like when I went to the small and medium...I did a Statewide farm tour, and I noticed...I started asking farmers why are you succeeding and your neighbor failed, you know, what's the difference here? And across the board, it was...they were housing their workforce in these little shanty, lean-to totally illegal structures. Most of them are WWOOFers. Has anyone not know what a WWOOFer is? It's like this free organic farm volunteers. And in exchange for working on a farm free, they're really low-cost or no money, they house and feed you. But...and that's like the tenet of what allows small farmers to succeed. But housing those people on a farm in any kind of a quantity that allows that farm to function is illegal according to Zoning Code. So, currently, right now, on a lot of farms, there are WWOOFers living in battered old tents under trees, and it's really disgraceful. Like these guys are feeding us, you know, and they would allow these farmers to grow our food. So, your concern is super valid, and I think that having a minimum hourly, you know, weekly work requirement in here is a great idea. Also, just know that this is already happening, and it would allow...like a farmer can't tell someone in their 20's, I want to...I want you to stay here and farm with me for any amount of time if they can't house them. So, giving them something that's more respectable to live in kind of creates a housing situation and support for farmers.

VICE-CHAIR MOLINA: Okay.

MS. NESS: But yeah, a minimum work requirement is great --

VICE-CHAIR MOLINA: Okay.

MS. NESS: --I think.

VICE-CHAIR MOLINA: Member Paltin, if you don't mind, first of all, I'd like to recognize Council Chair Lee to our proceedings today. I'll give any of the other Members first another opportunity to clarify Ms. Ness' testimony. If not, then I will go back to Member Paltin. You said you have two questions?

COUNCILMEMBER PALTIN: Yeah.

VICE-CHAIR MOLINA: All right, Members. Go ahead, Ms. Paltin?

COUNCILMEMBER PALTIN: So then, my first of my second questions is would...these wouldn't be like for sale to the farmers working? It would be rent and it...would you envision it being rent-controlled like so that it's like low or in exchange for work? Or I mean is there...the farmer going to be making profit off the rentals or off the farming?

MS. NESS: Great question. I think it wouldn't be a terrible idea to write that in as well, some kind of a rent control, or from what I understand is currently happening now.

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

So, to kind of codify that this be the way things happen, the farmers can only pay a farm worker X amount of dollars, you know, \$12 an hour or something. But try finding housing for \$12 an hour. So, they make up for the fact that they can only pay their farm worker \$12 an hour by giving them--right now it's free 'cause it's a tent, you know--free housing. So, we could work something out. I'd be happy to talk to whoever is doing this RFP about how to put good language in there or how to set a qualification and make sure that they're not making money off this. That it's actually --

VICE-CHAIR MOLINA: All right.

MS. NESS: --you know...

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: And then my --

VICE-CHAIR MOLINA: And, Ms. Paltin, last --

COUNCILMEMBER PALTIN: --last question --

VICE-CHAIR MOLINA: --question?

COUNCILMEMBER PALTIN: --is could you see this expanding to like homelessness and maybe folks that don't have a job, learning to farm and getting a place to live out of the deal, or even just guys that don't want to farm like somehow the modular homes where the issue of so much homeless living on the beach?

MS. NESS: Yeah, I mean I don't know if that belong...that language belongs in the RFP. But if it does, or even if this is a discussion after the fact, I'd love to be a part of that discussion. But I see a lot of potential for this for a lot of reasons.

COUNCILMEMBER PALTIN: Thank you. Thank you --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: --Chair.

VICE-CHAIR MOLINA: Thank you, Ms. Paltin. Any other need to clarify Ms. Ness' testimony? If not, thank you very --

MS. NESS: Thank you.

VICE-CHAIR MOLINA: --much, Autumn. Interesting points brought up. Okay. Next to testify, we have Stan Franco. Mr. Franco will be testifying on all three items today, number 17(14), Affordable Housing item 31, and Affordable Housing item 22. Good afternoon, Mr. Franco.

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MR. FRANCO: Good afternoon, Chair. Thank you for allowing me to be here, Members and Chair. I'm sorry to hear that Tasha is sick. I've been a housing advocate for 30 years, and now the chair of the Stand Up Housing...Maui Housing Committee. Today, we start housing plan two. In 2017, FACE Maui, currently Stand Up Maui, sent a letter to the Council asking that 250,000 be placed in the budget to develop a plan, a housing plan. We had discussions with the Council, Housing Chair at that time, Stacy Crivello, and with Mike White. As we know that Mr. White decided to hire SMS to do an Affordable Housing Policy and Implementation Plan. Of the recommendations that MS...SMS made was to develop and I quote, "an affordable housing plan that describes how the County will move forward to meet the housing needs of residents over the next five to ten years." Today, we are here to take up a proposal plan by Mike White [sic], a member of the SUM Housing Committee and president of Maui Tomorrow.

UNIDENTIFIED SPEAKER: Mike Williams.

MR. FRANCO: Study after study...

UNIDENTIFIED SPEAKER: Mike Williams.

COUNCILMEMBER SUGIMURA: Mike Williams.

MR. FRANCO: Mike Williams, sorry. How can I forget Mike Williams? Study after study including the '29 [sic] SMS Housing study shows the greatest need are for households that are in 100 percent of area median income and below, and we have no policy or strategy to build at those incomes. Ironically, the money that the County of Maui collects every year comes from the people of Maui County. The people are struggling to buy or rent a home. People are doubling up to afford to live here and people are leaving to the US mainland because we are not spending the money that they give to us each year to build the homes that our people need. Therefore, I challenge this Council and the Affordable Housing Committee to make our people whole by investing in them, in our people, for our people. Set aside money to fund the creation of a plan to develop the homes our people need at the prices they can afford. Moving on to AH-17(14). And both of these other agenda items I think should be part of the plan. I think without a plan, you know, we're going to ask for qualifications for people developing affordable housing project, but what are they going to be doing? You need to...a plan as to what they should be doing before we put out a request for qualifications. The other thing I'm wondering about because in Mike's proposal, I should say our proposal because I'm part of Mike and the Stand Up Maui Committee...Housing Committee, affordable housing was defined...is defined as 0 to 80 percent. And I hear a lot of people saying affordable is 0 to 140 percent. So, there's some confusion for me as to what affordable housing is defined as. Going to AH-22, the County Housing Authority. Again, this has been discussed. We also had Molina's coming up with an idea of a separate Department of Housing. I think this should be fully vetted in the plan, a discussion of the plan. And the housing authority that we're talking about here is supposed to be autonomous, and I don't see how that

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

can be. It has to be connected to the County of Maui, semiautonomous organization. That's what I would think would work best. But to be fair to Mike and others who have different ideas about this, it should be fully vetted and should be part of the plan. Thank you so much.

VICE-CHAIR MOLINA: Okay. Mr. Franco, is that it for all three items?

MR. FRANCO: That's it.

VICE-CHAIR MOLINA: That's it. Okay. Members, any need to clarify Mr. Franco's testimony related to all three items on the agenda? Member King?

COUNCILMEMBER KING: Thank you, Chair. Thanks for your testimony and for all your years of advocacy, Stan. So, can you clarify for us like what you see as the difference because you were a big lobbyist for that previous pot of money that went into the Council Budget last term that ended up in the SMS study. So, what do you see as the major difference between that effort, and then the effort to do an...to put out an RFP for a plan, the one that we're talking about today?

MR. FRANCO: So, the last time around, even after many meetings with Stacy Crivello and her staff, coming up with a proposal that we presented to Mike White and to Stacy, we didn't go and develop a plan. We did basically what I would say is an update of the study that was done by SMS in 2016. But the nice thing about this...that discussion or the document we got it...got was that it recommended developing a plan. So, again, what we started off in 2017 saying that we needed was not done but was recommended that we do something about it. So, hopefully, the housing plan number two will get to that point of creating a plan.

COUNCILMEMBER KING: So, at least you know you were right. We do need a plan. Thank you.

VICE-CHAIR MOLINA: Okay. Thank you, Member King. Any other need to clarify Mr. Franco's testimony? Seeing none, thank you very much, Mr. Franco.

COUNCILMEMBER PALTIN: Chair --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: --can I ask a question?

VICE-CHAIR MOLINA: Oh, I'm sorry, I didn't see you. Ms. Paltin, go ahead.

COUNCILMEMBER PALTIN: Thank you. I just wanted to clarify, so, you're for semiautonomous, and was that housing authority or housing czar?

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MR. FRANCO: So, the semiautonomous housing authority would be a...like I think how we run our hospital. We have State funds going into the hospital but it's, you know, a separate entity that's running the hospital. Something along those lines.

COUNCILMEMBER PALTIN: But you weren't for the czar idea...czar?

MR. FRANCO: Which one?

COUNCILMEMBER PALTIN: Czar idea.

MR. FRANCO: Well, I think the plan, we came up with that idea of the czar. We called it an advocate later. Actually, many, many years ago, the MEO had a task force that came up with the same idea. So, these ideas have been floating around for the last 20 years. You know, I don't care when you call them czar or advocate or something else, it is somebody to implement the plan. You know, once the plan is created, we need somebody to carry it forward. And it could be whoever is in charge of this housing authority would have the responsibility to carry out the plan itself.

COUNCILMEMBER PALTIN: Okay. Thank you.

VICE-CHAIR MOLINA: Thank you, Member Paltin. Any other need to clarify Mr. Franco's testimony? Seeing none, thank you very much.

MR. FRANCO: Thank you.

VICE-CHAIR MOLINA: Ms. Stewart, do we have any testifiers on Molokai, have you been informed at this point?

MS. STEWART: ...*(inaudible)*...

VICE-CHAIR MOLINA: Okay. So, for the record, no testimony on Molokai. On Lanai, have we received any e-mail confirmation of testifiers at this point?

MS. STEWART: ...*(inaudible)*...

VICE-CHAIR MOLINA: Nothing. Okay. And of course, out in Hana, anything from Ms. Oliveira-Medeiros?

MS. STEWART: ...*(inaudible)*...

VICE-CHAIR MOLINA: Okay. We'll note that for the record. Anyone in the gallery here would like to come up and testify on our agenda items for today? Seeing none, okay, with all that said, Members, any objections to closing public testimony for today's agenda?

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: TK, SMS)

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: Seeing none, so ordered. Thank you very much, Members.

...END PUBLIC TESTIMONY...

AH-17(14) DISCUSSION ON A REQUEST FOR QUALIFICATIONS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING PROJECTS (RULE 7B)

VICE-CHAIR MOLINA: Okay. Let's get right down to business with our first agenda item, which is a Discussion on a Request for Qualifications for the Development of Affordable Housing Projects, which is Affordable Housing-17(14). And my understanding is Councilmembers Hokama and Kama, Committee Chair Kama, have been working on the steps to have the County directly address our affordable housing crisis by taking the role of developer for a future series of affordable housing developments on lands that the County would acquire and then provide with the needed infrastructure. And the first step is to identify those builders who can cost-effectively provide the vertical construction of houses based on pre-approved plans. Chair would like to recognize Mr. Hokama for opening comments.

COUNCILMEMBER HOKAMA: Chairman, thank you. The comments I share this afternoon is basically that of Chairman Kama, and her visioning and her leadership, and how she would like to guide us to go forward. I would agree with the testifiers in general, we have a lot of housing plans, Chairman. We're not good in implementing housing plans but the State has a functional housing plan as of 1978 through Act 100. So, the State had a philosophy from 1978 with housing. We have our community plans, our General Plan, Chairman. And even when Council has supported projects, definitely quickly with money and authorization, years later, we still see no vertical construction or a completed project even when we own the land. So, I can say that the Council shares the frustration that many have in the community. It is not just a portion of the community that has frustrations, Chairman, or anxieties about the ability of us to perform. I think even those of us in government share those same anxieties and frustrations. So, this afternoon, Chairman Kama and I have worked on, I took some of her ideas and I gave it a little bit of a push from my side, Chairman. And we both believe that while the private for-profit and non-profit sectors have a important role to play in providing the housing, the County cannot just stand by the side awaiting those sectors to deliver the product. And again, neither is the County should be viewed by the community as the white knight to deliver us from this crisis. We believe that the County can leverage technical expertise of the private sector to deliver the housing we need. And the first step is creating the lever. Chairman Kama uses the lever. I look at it as building that runway to allow those planes that we want landing, or for her, the ability of having the lever then release those resources for attaining those same objectives. So, first thought, we were...was to develop a prequalified list of builders for this County to consider for vertical construction. And we have again done our due diligence, Mr. Chairman. We've talked to people like Mr. King, Chief Procurement Officer for the County of Maui, about how we would approach purchasing and procurement without any violations of State law or legal procedures, and how to proceed in a process regarding specific projects. And after receiving those information,

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

and I thank Evan and her office for really being able to put those information very precise enough for Chairman Kama to make some determinations. This afternoon, I'm requesting on her...both of our...of us I would say, that we consider issuing a request for information instead of a request for qualifications to move forward this subject on how we're going to do things on our own property, Chairman, with our own resources, with our own agencies. And interesting enough, Secretary Chao is doing something very similar in transportation where she is now also putting out a request for information on how to move transportation CIP projects forward. So, it's interesting that even at the Federal level, we are looking at joint sector cooperation, and there's efforts to I wouldn't say bypass procurement. It's to, I would say create a more efficient procurement process and timely process to move forward. So, we're...I believe the Staff has a, copies of the draft that we have put forward. So, if you could please present it to the Members. Okay. So, hope you guys all have it, Members. It's on your desk, RFI Number 20-001. Okay. Ms. Kama...Chairman Kama's intention is...I know we're open...she's open to any of your comments for...in revisions, improvements. The intent is to put this out at the end of the month with submittals due on March 1, 2020. She's then going to be looking for qualified contractors with experience in delivering housing for households with both less than 140 percent of the area median income, and less than 80 percent AMI. The quality of the projects within the developers' portfolio is of interest. And of course, they need to be authorized to do business in the State of Hawaii, have no outstanding liens, or issues with other governmental agencies regarding doing business in this State. So, I'm happy to answer any questions that the Members may have, but that this is something that your Chair believes may help us expedite certain projects, Chairman, on County-owned lands. Thank you.

VICE-CHAIR MOLINA: Okay. Thank you very much, Mr. Hokama, for that overview. Members, any questions? We'll go just down the line. First, Chair Lee, any comments on the proposed draft from Member Hokama and Committee Chairperson Kama?

COUNCILMEMBER LEE: Thank you, Mr. Chair. I have a question. Are you saying that we adopt the recommendations of this submittal and forego a housing...the study that was proposed?

VICE-CHAIR MOLINA: Mr. Hokama?

COUNCILMEMBER HOKAMA: I'm not...

VICE-CHAIR MOLINA: And by the way also, no legislative action needs to --

COUNCILMEMBER HOKAMA: Yeah.

VICE-CHAIR MOLINA: --be taken on this. But at the same time, we can consider all of the considerations . . . *(inaudible)* . . . Member Lee. Mr. Hokama, response?

COUNCILMEMBER HOKAMA: Thank you, Chair, and thank you for bringing up the status, yeah, that, you know, it wasn't Chair's [sic] Kama to ask for a decision today, but

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

make the Committee aware of a couple of things. One, she thinks the study will definitely help in a couple of areas. One, reverify the need, and hopefully will be more specific about the area that needs to be of prioritization, instead of just saying 10,000 units, 10,000 units where? Is it all in Central? Does it have to be for West Maui? You know, part of the project should be project location for project delivery especially with the infrastructure components. So, Chair Kama is very open to all of these things. I think part of the frustration she has with all of us is she would like to see something happen now. We keep talking about things and it's like okay when it's now two years later, two years later down the road. She believed that this is something we can start moving within the current term. And hopefully if we do it right, we could actually start pushing dirt. We have pre-plan approvals in Planning Department on affordable housing units, various types, studios, one bedroom, two-bedroom, three-bedrooms. We know what it takes to build Hawaiian homes Waiehu Kou and other projects for various income levels, Chairman. The key is do the...does the County have a site with such enough flexibility even through a Legislative action like experimental housing designation, or as one Member put up and I'm open, we should consider things that we can put on wheels for under mobile construction, Chair --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER HOKAMA: --for . . .*(inaudible)*. . . So, you know, I would say that Chair Kama is open to all of it, but she would like to see something happen this term if at all possible.

VICE-CHAIR MOLINA: All right. Thank you, Mr. Hokama. Chairman Lee, does that answer your first question?

COUNCILMEMBER LEE: Can I ask another one?

VICE-CHAIR MOLINA: Sure, of course.

COUNCILMEMBER LEE: Thank you. Thank you.

VICE-CHAIR MOLINA: That's a very good, extensive answer from Member Hokama. Go ahead --

COUNCILMEMBER LEE: Yeah --

VICE-CHAIR MOLINA: --Chairman Lee.

COUNCILMEMBER LEE: --my question was really short. But now, this other one that I have is...well, it's actually two parts. Yeah, I agree that we need to have something done now. So, I think we have to be specific in our...the goals and objectives that we set. In other words, we would like to have 200 units, 300 units, 400 units now, you know, it's something like that. Not...the way things are now, it's so broad and so fuzzy that it's very difficult to achieve an objective that we create but for which we do not oversee or

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

implement, yeah. So, the other part of setting goals and objectives is to make sure that the implementation is completed. That means we need the absolute cooperation of the Administration. So, that's the second part. Because frankly, every housing study that's ever been done talks about the Council being the culprit when it comes to over-restricting a project. We pile on conditions after conditions. So, that's our, you know, we're guilty of that. But the other part of it is the Administration takes forever, you know, with regard to reviews and approvals. And so, it's a two-part thing. I think we can have control over our part. And to me, that's being specific and being realistic. And then somehow, we're going to have to figure out a strategy to ensure that the Administration is a part of our partnership. So, you know, I'm hoping that that's what Chair Kama and Member Riki Hokama is also taking into consideration. Thank you.

VICE-CHAIR MOLINA: Thank you, Chair Lee. Appreciate your comments. And I guess with...from the administrative perspective, it's a little bit both on us and Administration to see how we can expedite things. Councilmember King?

COUNCILMEMBER KING: Okay. Thank you, Chair. I didn't know if Mr. Hokama wanted to respond to us, but I'm ready...

COUNCILMEMBER HOKAMA: I'll just say quickly, Chairman, that yeah, and that's one...and I appreciate Chairman Lee bringing it up because we're just half the battle. She's absolutely right. Processing of permits, timely review, all of that matters too 'cause at the end of the day, time is money. But what I can tell you is that we've already...are looking at things that have been done that make sense. So, if you look by the airport, Honolulu going down, what is that, Nimitz into the industrial area, you see housing by the Lagoon area Drive, Lagoon Drive area, yeah. A lot of that where we...was from experience of the Fukushima incident in Japan. And part of that construction, design and style was from that disaster. We know how they did it. We know how fast it took. We can duplicate that. We know exactly what permits would be required that would be on government land. We can make that happen really fast if we had the gumption to. That's all it takes. Political will --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER HOKAMA: --and Ms. Lee is right, on the Legislative side, as well as the Administration side, but we can do that.

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER HOKAMA: I have...if I . . . *(inaudible)*. . . --

VICE-CHAIR MOLINA: . . . *(inaudible)*. . . .

COUNCILMEMBER HOKAMA: --in days, not months.

VICE-CHAIR MOLINA: Councilmember King, do you have a question for Mr. Hokama?

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

COUNCILMEMBER KING: Yes, I do. Thank you. So actually, I have a couple part question. But my first question is the purpose of doing this RFI, is it to develop...is it to find out what everybody is intending to do as far as developers? Or is it trying to come up with a comprehensive list of developers, and then only those people can develop housing? I mean what happens when new developers come in and have proposals? And is this a way of giving automatic approval?

VICE-CHAIR MOLINA: Mr. Hokama?

COUNCILMEMBER HOKAMA: I would say, you know, for...as Chair Kama and I talked, this isn't the silver bullet, yeah, this is the energy to push...start the ball rolling down the hill. We want that ball to get off standing on the dime, Chairman, and start moving forward. And so, what I believe Chairman Kama and I are trying to do is push that rock off --

COUNCILMEMBER KING: Okay.

COUNCILMEMBER HOKAMA: --the dime and start it going down the hill. What it becomes will be everybody's collective input. But I will say to, just to start, I think the Chair just would like to have projects moving to construction. And I think we can do short-term things really fast.

VICE-CHAIR MOLINA: Okay. Councilmember King?

COUNCILMEMBER KING: Okay. So, that is just to clarify, it's not a way of --

COUNCILMEMBER HOKAMA: This is, yeah...

COUNCILMEMBER KING: --just getting a list of developers and saying these are the only ones who can develop --

COUNCILMEMBER HOKAMA: No, no --

COUNCILMEMBER KING: --in our County --

COUNCILMEMBER HOKAMA: --no, no, no, no.

COUNCILMEMBER KING: --far...as far as affordable housing. It's not a way of pre-approving projects. It's --

COUNCILMEMBER HOKAMA: No.

COUNCILMEMBER KING: --just a way of finding out what...who's doing what, who...what intentions...

COUNCILMEMBER HOKAMA: Who has what capacity. So, if --

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

COUNCILMEMBER KING: Okay.

COUNCILMEMBER HOKAMA: --the...if, you know, we might find out the magic number for minimum is you don't do anything 150 units and above, it's hard to pencil for the road, for the water, the sewer line, the power. Okay, we get it. We got to look at the number of 150 or more units to make certain things work. Whatever that number is, at least we'll be doing it from a educated and a smart sense regarding pro forma's --

COUNCILMEMBER KING: Okay.

COUNCILMEMBER HOKAMA: --and what works, and what doesn't work. And again, we have a valuable tool in the Code. We can designate experimental projects to reset standards for that particular project and take care of the building, plumbing and electrical code requirements, Chairman.

VICE-CHAIR MOLINA: Okay. Councilmember --

COUNCILMEMBER KING: Okay.

VICE-CHAIR MOLINA: --King?

COUNCILMEMBER KING: So, yeah, okay. So, thank you for the explanation. I was just trying to figure out what the intent of getting this list was 'cause and it feels like it fits into the idea of having a plan, you know, putting...seeing who's planning to do what. I'm glad to hear it's not intended to bypass community --

COUNCILMEMBER HOKAMA: No.

COUNCILMEMBER KING: --input --

COUNCILMEMBER HOKAMA: No.

COUNCILMEMBER KING: --so that we would still be looking for...because I, you know, I'm a real proponent of appropriate affordable housing. And so, I think we have to look at each project for its own merit, as well as the merits of the developer. And also, I...we don't know who's out there that might come in. Five years ago, we didn't have a Doug Bigley to develop the type of affordable rentals that he's doing, and it's great. So, we want to be open to new input and new people coming in to our community and trying to help us with that. So, I appreciate that, Chair, and I'm hoping that we can kind of fold this idea into the whole idea of a plan and try to make it comprehensive. Thank you.

VICE-CHAIR MOLINA: Thank you, Member King. Council Vice-Chair Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. And mahalo, Member Hokama and to Committee Chair Kama, for putting this together. I don't have any questions right at this moment.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for the questions that Member King and Member Lee asked. So, I kind of get a little more information. But I'll pass for now. Mahalo, Chair.

VICE-CHAIR MOLINA: All right. Thank you very much, Committee Vice-Chair...or excuse me, Council Vice-Chair Rawlins-Fernandez. And of course, today's intent is just for to gather comments for Members Hokama and Kama to consider as it relates to the proposed legislation. So, Members, Chair is just only going to do one round on this today, and then I'm sure this will be brought back by Chairman Kama for further discussion and possible Legislative action. Okay. Councilmember Paltin, any comments or questions for Mr. Hokama?

COUNCILMEMBER PALTIN: Just a few. I just was...if you can correct me if I'm wrong in the understanding of this. Would the deadlines and the dates for somebody to submit their information, is that...is it going to be like kind of starting a baseline of developers that are okay, like kind of like how Member King was saying? Is that information going to be available to the public so that, you know, other developers from wherever or different islands, different towns, or whatever can say this is the benchmark rate and I can go below it, and when is the second opportunity to submit this information? Like I don't understand the deadline theory. If, you know, if the information is going to be transparent and made public, what if someone sees this information like I can do this, I can do that, and then somebody else is like whoa, I thought I couldn't do that good but I can do better than that --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: --you know, or...

VICE-CHAIR MOLINA: Let's have Mr. Hokama answer that first part of your question. Mr. Hokama?

COUNCILMEMBER HOKAMA: Part of the deadline was to one, show the private sector that...and again, we're open to their comments, and I can tell you we have reached out to the trade sectors and asked for their comments about wages, about productivity, ability to perform, to get a sense of how we could structure this proposal, Mr. Chairman. So, I appreciate that question. I will say for us, what we did as part of the proposed timetable is to show the private...those that are interested, what we believe is a doable timeframe, that it doesn't have to take months for everything, or years. We can do certain thing in days if we have things lined up properly and we're structured accordingly, and we have the mind to build affordable housing. I think we can get certain things done. Okay. All the counties in this State are under AFSCME representation, the same collective bargaining unit. Why does one county can do it in couple weeks and takes another months? Okay. It's the dedication of the employee to get the job done.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: So, then --

VICE-CHAIR MOLINA: Member --

COUNCILMEMBER PALTIN: --a couple --

VICE-CHAIR MOLINA: --Paltin?

COUNCILMEMBER PALTIN: --of follow-ups, say you get two information, I guess 'cause it's not proposals, yeah, it's you get information from various...

COUNCILMEMBER HOKAMA: Yeah, so simple yeah, we're going to follow whatever is procurement requirement as we've been advised by Mr. King as our Chief Procurement. And so, whatever is required by public or is public information is going to be made open to the public. We will not...you know, we don't have the authority to keep things confidential and closed.

COUNCILMEMBER PALTIN: Well, that wasn't my question.

COUNCILMEMBER HOKAMA: Yeah. Everything is going to be open.

COUNCILMEMBER PALTIN: My question was if we get several proposals that are like pretty similar, then is it our choice to hire anyone? Or is like these guys got it in by the deadline, like I mean, I guess...

COUNCILMEMBER HOKAMA: Those criteria is going to have to be set up.

COUNCILMEMBER PALTIN: Okay.

COUNCILMEMBER HOKAMA: Yeah.

COUNCILMEMBER PALTIN: And then the pre-approved housing plans, what if they come in with like some other plan and it's not pre-approved but it might be...

COUNCILMEMBER HOKAMA: If it saves the project cost, it lowers the unit to the eventual resident buyer, people like me wouldn't be objective to that.

COUNCILMEMBER PALTIN: And then my last question is...or I don't know if it's a question or comment but maybe both. I like the idea of doing this, you know, like to get the ball rolling like you said, but I think that we need to also do it on the other end like, you know, the projections of how much houses we need and like that. I think we need current numbers and real data's and figures. So, like I mean if this list isn't any guarantee that we're going to choose the developers, I think we should do a request for information from the buyers' side as well with their paperwork pre-approved so that,

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

you know, it's not to say that's how many we're going to build but that's a real target, that's not moving and updated annually, and say like these people are actually pre-approved in the 60 percent AMI, and they're on this list. You don't have to be on the list to get it, but we know right now there's a 100 folks here and there's 300 in the 80 percent and 5,000 in the 60 percent or whatever, just I mean data isn't a bad thing. And if we're getting information from the builders how hard would it to be just to compile a list from perspective buyers. 'Cause everything we're doing right now is based on projection, and I mean I could ask 500 people in Maui that they want to buy a house but they don't know what their AMI is. They don't know like what any of that other information is. They only know they want to buy a house. So, I mean I think real data would also help us on the buyer side and update that annually so that when...like Lahaina has over 1,289 homes coming up, units coming up within the next 10 years on paper. And so, you know, I don't know if people know that that's even available. So, for me, I...especially the ceded lands, but I want to make sure like my community is ready for that opportunity when they come and know, and start getting their paperworks together so that they're like I make 50 percent AMI, if I can hang on, I see the construction happening, if I can hang on for 5 more months or 1 year, 2 years, I'll be ready when that thing comes up. So, you know, just from A to Z, not only getting the builders ready but getting the local residents who work and live here ready as well I think is important. Because I think we've all see in the newspapers of how much out-of-town buyers coming in, and we'll never have enough to meet that kind of desire. But if we can start out meeting with the local need, I think I'll feel more comfortable about talking about building 20,000 new units or whatever, you know.

VICE-CHAIR MOLINA: Okay. Yeah, it's a perspective much appreciated. So, I'd like to go on to Member Sugimura, if you have any questions for Mr. Hokama?

COUNCILMEMBER SUGIMURA: Yeah, just quickly. Thank you, Chair. So, I like this idea of trying to think outside of the box and trying to grab the problem from a different angle. And I like the idea that this may spur conversation and interest from the community and getting the County to become partners, private-public partnerships. And the...once a developer then becomes part of this list and they'll have projects that they want to do, so they'll have land and an idea, or is it the County is going to come from the other way?

COUNCILMEMBER HOKAMA: Part of it is Chair Kama has already requested a list of suitable government lands for consideration. So, within the community plan areas we'll be breaking down what is the current land use classification, County zoning, proximity to infrastructure. And then part of this could be we would propose the site 'cause I would say we have a 40-acre site, we're open to a mixed single-family, multi-family project between this range and this range, water and sewer already available.

COUNCILMEMBER SUGIMURA: That's great.

COUNCILMEMBER HOKAMA: Yeah. I, you know, again, what is interesting about this is it's going to be flexible that we, you know, this will just for us to take one part of a big

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

problem, yeah, so we can start. So, if we want to target working homeless as living in cars, well then maybe we do something that is more mobile, you know. We just put like areas that have the infrastructure and we allow them to hook up to the sewer, the water, provide the bath, and whatnot, but they want to live in their car but they still get access to hygiene and sanitation and safety at night, we can do that. I mean there is no set project, Mr. Chairman. I just think this allows us to attack it from so many different ways, you know, that again, with the appropriate departments working with us and we...I think we can make certain things move real fast.

VICE-CHAIR MOLINA: Okay. Ms. Sugimura, any other --

COUNCILMEMBER SUGIMURA: Yeah --

VICE-CHAIR MOLINA: --questions for --

COUNCILMEMBER SUGIMURA: --so --

VICE-CHAIR MOLINA: --Mr. Hokama?

COUNCILMEMBER SUGIMURA: --I support this concept and I hope that we're able to take steps together. I like this. So, Administration and the Council working together, and with the private sector, 'cause I think we all need each other. Thank you, Mr. Hokama and Ms. Kama, for putting this thought together and...so, we'll have an opportunity to discuss it further and come up with...okay. Thank you.

VICE-CHAIR MOLINA: Okay. Thank you very much. Members, so on that note...

COUNCILMEMBER HOKAMA: And quickly, Chairman, just --

VICE-CHAIR MOLINA: Briefly, Mr. Hokama?

COUNCILMEMBER HOKAMA: --you know...'cause I know I can feel my colleagues' brainwaves going, yeah. You know, Chairman Kama and I believe that, you know, each island or each area should be able to come up with their own, you know, they're more maa of their issues, yeah. We understand that. So, we think that, you know, if Molokai has a unique strategy that they believe works for them then we think we should allow Molokai to exercise that option. Just...

VICE-CHAIR MOLINA: Kind of a one size does not fit all.

COUNCILMEMBER HOKAMA: Not for this County, Chairman.

VICE-CHAIR MOLINA: Okay. Good point, Mr. Hokama. Well, very good. This certainly as you made the point, Mr. Hokama, earlier about thinking outside of the box, and Member Sugimura saying all parties must work together to address this affordable housing crisis, which will be around for some time. And I'm sure at some point, the Administration will be able to weigh in on this, which this matter will be revisited I'm

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

sure by Committee Chairperson Kama in the near future. So, I appreciate the discussion. I know, Mr. Hokama, you got a boatload of comments and questions to consider in working on this with Member Kama. So, we look forward to the next time we revisit this issue. So, with that said, Members, Chair's recommendation is to defer this item. Any objections?

COUNCILMEMBERS VOICED NO OBJECTIONS: (Excused: TK, SMS)

VICE-CHAIR MOLINA: Okay. So ordered.

ACTION: DEFER.

AH-31 FUNDING FOR COMPREHENSIVE AFFORDABLE HOUSING PLAN (CC 19-519)

VICE-CHAIR MOLINA: Okay. Members, we are on our second item for today, which is a presentation related to Funding for a Comprehensive [sic] Affordable Housing Plan. The Committee is in receipt of County Communication 19-519, dated December 20, 2019 from former Council Chair Kelly King, referring the matter relating to funding for a comprehensive affordable housing plan. And today, we're going to be receiving a presentation from Michael Williams of Stand Up Maui and Maui Tomorrow Foundation on parameters for developing a strategic plan for housing. No legislative action will be taken on this today. But, Mr. Williams, you've been allotted 20 minutes for a presentation, and right after that, we'll go into a Q and A with the Members. So, Mr. Williams, you have the floor.

MR. WILLIAMS: Thank you, Vice-Chair Molina. With your permission, I'd like to stand while I give this.

VICE-CHAIR MOLINA: Yes, you may stand. Kind of a perfect description for Stand Up Maui, right? There you go.

MR. WILLIAMS: That's right. And I want to especially thank Chair Kama of this Committee for moving this to the front of her Committee's agenda this year, and for all the work she's done on affordable housing in the past. We've given you a...I think it's a 19-page single-space draft of a request for proposals for a comprehensive plan. And I'm not going to go through that today in any detail. I'm going to just hit the highlights of this. And I want to stress again, this is not just my proposal, our draft proposal, this has come from all the people that have worked with FACE Maui and Stand Up Maui for years including Autumn Ness and Stan Franco, and Kehau, and Bill Greenleaf, and a whole host of other people that I list on my last slide. Does it work? Something's wrong.

VICE-CHAIR MOLINA: Do we need to take a short break to address our technical matters? Okay.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

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

VICE-CHAIR MOLINA: Are we doing okay, Ms. Stewart, on this? You know what, Chair is going to call a recess. Recess subject to the call of the Chair. . . .*(gavel)*. . .

RECESS: 2:24 p.m.

RECONVENE: 2:25 p.m.

VICE-CHAIR MOLINA: . . .*(gavel)*. . . .Housing Committee meeting for Monday, January 27, 2020 is now reconvened. We're currently in our presentation from Mr. Williams from Stand Up Maui and Maui Tomorrow Foundation. Proceed, Mr. Williams.

. . .BEGIN PRESENTATION. . .

MR. WILLIAMS: All right. What we mean by an affordable housing plan is that it will have the types and numbers of housing needed. It will have a map. It will have a schedule. And it will have a budget.

VICE-CHAIR MOLINA: Mr. Williams, could you speak directly into the microphone please?

MR. WILLIAMS: Yeah.

VICE-CHAIR MOLINA: Yeah, there you go.

MR. WILLIAMS: A map, a schedule and a budget. Well, once again, there we go. So, the first topic is the types and numbers of housing needed, broken into the AMI segments. Zero to 80 is what the Mayor has called affordable housing. Eighty to a 140 is what he's called workforce housing. These can be rentals or for-sale. They would ideally be in planned communities with walkable business centers, parks, and tied to mass transit nodes. This is...these are the numbers and the types of housing according to the latest SMS study that we got about two weeks ago. I understand there is a new draft revision of that study that just came out today that I have not seen. And I frankly think these numbers are low but they say in the last version of their report that we need 4,300 of those affordable units and we need 1,400 of the workforce units. But the caveat they give on Page 44 says, the analysis for these tables did not account for people who are currently doubled-up for economic reasons. And there's a lot of households that are doubled-up. So, I think these numbers are low substantially. It's also not clear how many housing units are really in the pipeline. But the point I want to really make is that all the plans we've been working on focus on this range, and almost none of them focus on this lower range. Stan and I met with the Mayor's staff on Thursday, Saumalu Mataafa and Stacy Crivello, and they're working hard with developers to come up with better 201H proposals, but they all address this part because they're dealing with private developers on their own land. And what we really need is for the County to acquire some land. So, the map will show what TMKs the

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

County should acquire, where the housing project should be exactly located, and the other land, assorted land uses and the infrastructure to support those projects. What is preventing nonprofits from building more units? Kevin Carney who's the head of the EHA [sic] Housing in Honolulu, and he's got several projects here, he told me it's the same thing that prevents for-profits from building. They need to have the land. It needs to be properly zoned, and they need to have the infrastructure taken care of. So, the main idea is that the County has to acquire land to lease to developers for both rental housing for the lower end of the AMI bracket and also for-sale housing. Because if your goal is to have houses that are affordable in perpetuity with some kind of shared appreciation so people can still create wealth as they own the house, that needs to stay on County-owned land in my opinion, and be leased to developers to build those houses. The criteria that we think the vendor should look for and specify in site selection is land that's designated for residential housing in the community plans, although there's some of those community plans are pretty old and they should look at other land too. They can remove the residential land they find that they don't think is suitable and they can add agricultural land if they do think it's suitable. That would all be part of the plan you're...you'd be buying here. You want to prioritize housing project locations on land that's marginal for agriculture, not too rocky or steep for...that would raise construction costs, and that are outside of the Special Management Areas. The plan will also have to consider future climate change impacts, sea level changes, flooding and stormwater runoff, fires, need for safe locations out of the tsunami zone, and minimize the future relocation of infrastructure. For each proposed housing project, the plan should provide the required zoning changes, any special permits or other entitlements that need to be done, and strategies for how to speed those up for each housing parcel on County land. The schedule that we think should be in this plan would show the dates for land acquisition, for the infrastructure build out, for the issuance of the RFPs we've been talking about to developers that are qualified to build these projects, would have estimated construction start dates and completion dates for each housing project. It would have a master list of qualified tenants that would...Councilmember Paltin and Autumn Ness were talking about is, create a master list now of everybody in the County, get them qualified for whatever income range they are, and then maintain that list and keep it up to date every year so you always going to have, you know, people ready to go. And right now, it's just a list by project by project, and that's a very inefficient way to do it. And then we believe that you should really prioritize the housing projects at the lower end of the spectrum, the 0 to 80 percent of AMI, which has not been getting much attention at all in the last several years. So, this, the what kind of a master list of qualified applicants are we talking about. Well, we want to prioritize new housing for the...for current or recent residents to the maximum extent the law allows. We want one Countywide master list. We want to help the applicants qualify, keep them qualified, and then maintain and update that list as the years go by. The budget for the master plan will show the amount of County funds needed annually for land acquisition. Some of the developers may need a little special extra subsidy to get a particular project going. And then, the budget also needs to deal with where you're going to get the money to buy the land and build out the infrastructure. And that comes from the real property tax reforms that you've all been working on, which I'm going to go over here in just a minute. I went backwards. There's a lot of

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

non-County money that's available for these projects. The developers that...like EAH and Doug Bigley's operation, they know all these sources. They know how to build the stack of capital to fund each housing project. I personally don't think you're going to need a housing authority to try to do the same thing. I think you can rely on the expertise of the non-profit developers who have already done this over and over again. But there is a lot of money that can be tapped once the County provides the land and the infrastructure. Then you need to be sure the plan looks at the Opportunity Zone Federal subsidy, which we haven't really tapped yet in this County much. Wailuku, Haliimaile, portions of Makawao, and almost all the land around Kaunakakai on Molokai are in Opportunity Zones and are...can use that big Federal tax subsidy to help fund projects. So, the components of a comprehensive plan, we're asking them to do a feasibility study for a County housing authority that Tasha Kama wants. Plan for community outreach meetings as soon as you hire the provider of this plan. They should start scheduling those meetings to talk about where the housing project should go. They should look at increasing County aid directly to renters and buyers, expanding the First-Time Home Buyers program both in terms of how much money is available and how many people it can help. And then also, look at recent innovative programs that can ease the security deposit burden of low-income renters. Member King sent me a recent program from Cincinnati that does just this and seems to be successful. Oops. And then I know the Administration wants to do this, evaluate any proposed changes to the 2.96, inclusionary zoning provisions that the County already has, and also evaluate possible improvements to the County's 2.97, 100 percent affordable fast-track program. Farm workforce housing we heard from Autumn Ness already about this, and this is just a summary of her ideas. But we want the main plan, the...your comprehensive plan should address these types of farm worker housing. We also believe the County should partner with DHHL and the Hawaiian Homes Commission to look for infrastructure projects that can help house Native Hawaiians, and also help the rest of the County with roads and streets. And remember, if you...for every Hawaiian family you move into a homestead home, you're going to free up maybe another unit that somebody else on the island can live in. So, I don't see any reason why the County shouldn't be planning to spend County money to help build homes on the Hawaiian Home Lands. You...the plan should ask for a cost savings in providing homes, alternative designs and materials; possibility of building them up to maybe even eight stories high in some places; experimental, non-conventional designs, bamboo, hempcrete, mobile homes; and also utilize low-cost design features like carports instead of garages, no recessed lighting, ceramic tile instead of stone on your countertops, that kind of thing. Now, let me talk about real property tax reform because you got to pay for all of this somehow if you're going to buy all this land and build all this infrastructure. And I think the two main components of that are create a real property tax incentive for long-term rentals so that the property owners who rent long-term to locals here get a tax break, and then raise extra revenue to finance bonds for your land acquisition and infrastructure buildout. So, what I recommend is you divide your new class of non-owner occupied into two new classes, long-term rentals, which will be all the parcels that are not owner-occupied but have at least one long-term rental on them, and then that will leave a class of properties that no resident lives in. The owner doesn't live there and no local resident lives there. That new class is basically going to be your investment

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

homes, your second homes, your vacant homes. You'll end up with six classes of parcels with dwellings on them, owner-occupied; long-term rental, that's the new classification I'm proposing; non-condo long-term rental apartments 'cause we have about 3,500 genuine apartments that are rented long-term. Short-term rentals there's about 11 or 12,000 of those right now. Commercialized residential, which is the bed-and-breakfast, there aren't really many of those. And then the final category that I'm proposing you create of these vacant homes, second homes, whatever, that have nobody...no local lives in them. And you already heard today, Maui's housing market is very different from the rest of the world, and frankly, even the rest of the State. Almost half of the homes here are sold to out-of-state buyers. And that market force is a huge component and driver of why our home prices here are unaffordable. Many Maui homes are even owned by people from Oahu, and that also helps to drive up the local housing prices here. At the same time, Maui County's property tax rates are the lowest in the country, and for resort tropical locales around the world are close to the lowest in the world. So, how much new tax revenue can you create if you tax those second homes? Let's just suppose there's 5,000 of them. Ms. Marcy Martin and I have discussed this over and over and RPT doesn't really have the data that tell us exactly how many there are, but 5,000 I think is a reasonable guess. They're all going to be in the high end. I think their average value is at least a million, probably higher than a million dollars. Right now, they're being taxed at the Residential rate, which is \$5.60 a \$1,000. That's only 0.56 percent. If you increase that to 2 percent, which is still lower than a lot of tax rates around the country, that would raise their rates on a typical home worth a million dollars from 5,600 a year to \$20,000 a year. That's \$14,400 per parcel, extra. If there's 5,000 of them, that raises \$72 million a year out of those second homes. And the benefits of having all that extra revenue would be you can use a portion of it to fund the plan implementation, which is mostly going to be funded with bonds for the land acquisition and the infrastructure build out. And just an extra \$40 million a year in revenue will support the issuance of \$800 million in bonds. If you're thinking about a 30-year payoff of that 800 million. Now, you obviously wouldn't borrow 800 million every...the first year. You'd borrow it as you need it for land acquisition and infrastructure build out, but it is very possible to do this. It would also allow the County to use a lot of the other extra revenue. Again, this is all coming from the second vacant homes to cut fees on rubbish collection, vehicle taxes, and so forth, benefitting everybody that lives here. All right. Now, how can you pay for this plan? This plan is going to cost something. I don't know what it's going to cost. It may cost a million dollars if you get the right vendor. The Maui County Charter says you can use the Affordable Housing Fund for planning. Now, I heard that Corporate Counsel didn't think that this was right. So, I've talked to Mimi DesJardins about this, and she agrees the Charter doesn't bar you from using the Affordable Housing Fund to pay for an affordable housing plan; however, Corporate [sic] Counsel still takes the position that the Maui County Code forbids it even though what the Code says is the Council may make appropriations from the Affordable Housing Fund for the following: C. For planning of affordable housing. Corporate Counsel says that still somehow bars you from using the Affordable Housing Fund for this plan. All you got to do is change the bill. You could change this ordinance by a, you know, five-four vote. So, I think that's what you should do if Corporate [sic] Counsel doesn't change their mind. There's the list of everybody that's helped me. It's

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

been...I've had a lot of help from the Administration. Buddy and Linda are always willing to meet with me when I need to and so forth. And so, I thank you, and I'm done.

. . .END PRESENTATION. . .

VICE-CHAIR MOLINA: Okay. Thank you very much, Mr. Williams, for that very comprehensive overview of this proposal. Okay. Members, the floor is now open for questions. We'll just do a round-by-round deal of one question and a follow-up after that, and then if necessary, we'll come back for a second round. So, we'll start with Chairperson Lee. Oh also, you know what, before we do that, Deputy Director Munsell, any brief comments before I open the floor for questions?

MS. MUNSELL: Good afternoon, Chair. My name is Linda Munsell. I'm the Deputy Director for the Department of Housing and Human Concerns. I really appreciate the opportunity to be here. Also, with us in the gallery is Lori Tsuhako, our Director, as well as our Housing Administrator, Buddy Almeida. Really appreciate the fact that we're having this conversation. The RFP that Mr. Williams is proposing actually incorporates a number of things that were outlined in the strategic plan that Ms. Tsuhako presented last summer here in the...this Chamber, as well as some issues that were raised in the housing forum. And we appreciate seeing those brought all together in one place. Obviously, there are some issues and questions that we have about the RFP and where this might actually head. So, I'm really...we're really interested in listening to this conversation particularly today. Obviously, that some things that we're very concerned about is the costs of doing this assuming that...and I'm no financing expert, and nobody in our Department, you know, has that expertise. So, we're going to rely on Finance and the expertise in this Chamber as well. But also, the ongoing issues that is being proposed, we understand the interest in having a master list for instance of folks. There's a question of how to maintain that and what exactly that would require. So, there's going to be some things once this gets hashed through, if you decide to move forward with it, that we would be having to look at in terms of budget and things like that. But we are very interested in having this conversation. I have been in discussions with Tasha Kama's office concerning the SMS study, the new Hawaii Housing Planning study. We did find some problems in the initial study that was...that had come out. We did get a version this morning that we're going to be looking at. But we're...our hope is that we'll be able to come back to this body sometime in February. We're hoping for the 19th if that holds with the schedule here to update these numbers. And one of the things that we will be trying to look at is not only for use in your planning and our planning, is where the gaps are. So, we know that we're going to need a certain number of units. We know which AMIs those units are in. We've also done some preliminary analysis, which we've shared with you before in the strategic plan of where we think the units are being built. You just saw our presentation on 2.96, where we talked about what units are being built and what success we're having in the...in that area. We're also...we'll be talking about the affordable housing plan and some of the changes that we've made to address some of the gaps that we're seeing. But we're really excited to be able to have this

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

conversation, and then at the same time also be able to update here's where we are, here's where we need to go. And so, we feel like this is a pretty exciting opportunity today. Thank you.

VICE-CHAIR MOLINA: Okay. Thank you, Madam Director [sic]. Mr. Williams, just briefly.

MR. WILLIAMS: There was...one thing I forgot to mention is sort of a message from the Mayor. When Stan and I met with Saumalu and Stacy, I asked him if the Mayor has a position on whether there should be a request for a proposal for a comprehensive plan, and he said, well, as long as they use Office of Council Services to, you know, vet the final draft, the Mayor will not stand in the way. So, I think, you know, that...that's the Mayor's message to the Council from me.

VICE-CHAIR MOLINA: Okay. Thank you, Mr. Williams. You put the Mayor's feet on the fire. Okay. All right. Thank you. Okay. Thank you. Chairman Lee, thank you for waiting so patiently. You have the floor. One question with a follow-up question if need be. Proceed.

COUNCILMEMBER LEE: Thank you, Mr. Chair. And thank you, Mike. This was an outstanding presentation. Appreciate all the time and the group's time that you spent on putting this together. I'm...I support almost all, not all but a lot of what you presented. I really don't think us borrowing \$800 million is feasible. But yes, I agree that we need a tremendous amount of revenues and we have to work on that. I think though, Mike, one thing that you didn't really touch on, and you touch on almost everything, but one of the biggest hindrance to affordable housing is really the community. Because on the one hand, they want affordable housing but not in their neighborhood. So, until we can somehow overcome that, we're going to continue to have a lots of problems. Because we can't provide housing simply because it's good for them. We have to have the buy-in and support of the community. And somehow, the community has to realize that without new homes, there's really no future for their children. So, I'm not sure how we shape that message. Do you have any ideas?

VICE-CHAIR MOLINA: Okay. Mr. Williams?

MR. WILLIAMS: Well, one of my slides touched on is, and there's more detail in our full request for proposal. But the idea is to have this vendor as part of the development of the plan itself, start having community meetings in all of the areas where we're likely to need this affordable housing, South Maui, West Maui, Central Maui. And beyond that and using your, you know, you got the West Maui Community Plan Advisory Committee now, which is a pretty experienced body that can help tell you at least there where the community thinks affordable housing should go. We need the same kind of input from South Maui and Central Maui. I don't know any more than you do how to go about doing that other than to ask this expert vendor to help you design a way to get that input and get...and start building the acceptance you need.

COUNCILMEMBER LEE: Thank you. Because again, regardless of the need, nobody wants more traffic, and nobody wants, you know, more inconveniences. And so, that

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

becomes a huge...it competes...it really competes with the need. And I'm not sure how you shape that. You can have a million community meetings, it doesn't matter. 'Cause when it comes down to the vote, you're going to have people fill the gallery saying we don't want traffic, you're filling up our schools, you dot...dot...dot...you know, it goes on and on and on. So, these are the things that somehow, we have to work with the community to get them to understand that this is really the only way we can provide for their children and grandchildren. But in the meantime, I still thank you for all your great ideas. And I appreciate it because a lot of them, unlike other people I've heard from, a lot of them are very realistic, and I appreciate that. Thank you.

VICE-CHAIR MOLINA: Okay. Thank you, Chair Lee. Member King, question and a follow-up for --

COUNCILMEMBER KING: Yeah.

VICE-CHAIR MOLINA: --Mr. Williams?

COUNCILMEMBER KING: Thank you, Chair. Thank you so much for putting this all together, and everybody. I see some people had to leave the room, but I appreciate the collective intelligence that went into this presentation. And I kind of take a different take than Chair Lee. But I think because of the fact that this proposal came out of the community, we're starting right now as a public-private partnership with this proposal. And things that come out of the community tend to be supported by the community a little bit better. I know from my community that we...when things are brought to the Kihei Community Association or any of the community associations in South Maui, there's probably a 80 percent chance of support if they come there first, not after everything has been decided. So, I've seen a lot of activity in South Maui because of that, and support from the community associations that are around there. So, I like the direction this is going. And I have a...my question is about...it kind of relates to that last statement you made about the Mayor wanting OCS to completely vet this. 'Cause, you know, I mean I would feel more comfortable of obviously if the Housing Department was involved in it too, and I would hope that we would do this together with the Housing Department, as far as putting this RFP out and then having, you know, looking over the proposals that come in. I would hope that that would be done together. I don't know if he was just talking about put the money in OCS, or...and...or just have this be strictly a project of the County Council versus the County Council working with the Housing Department. Do you know what the intent of that comment was?

VICE-CHAIR MOLINA: Mr. Williams?

MR. WILLIAMS: The phrase I remember from Saumalu in his conversation was that they're okay with the Council doing this kind of thing and putting out this request for proposal as long as the Council is going to find the money to pay for it.

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

COUNCILMEMBER KING: Okay. Yeah, well, I...yeah. I think we have some money in there. It might not be enough but that, you know, the idea of going through the plan, Chair, doing a plan and then figuring out if the housing authority fits as the vehicle to enact the plan is we're, at least we're starting with a little bit there, but we do have Budget coming up. So, the follow-up question I have is when you mentioned, you know, it's in the Charter that we can use Affordable Housing Funds for planning, and then you provided this Maui County Code Section 3.35.040, which seems to say that it can be used for planning of affordable housing. So...but you said we should look at changing, what would we change it to if it already says planning is okay in there?

MR. WILLIAMS: Well, I wish --

VICE-CHAIR MOLINA: Mr. Williams?

MR. WILLIAMS: --Mimi were here because she's the one that tried to explain to me what the problem is with the Code. But as I understand it, there's a phrase in the Code that they think confines your use of Affordable Housing Fund money only for real things like housing and land and so forth, and not for planning. I mean I disagree with them if...the way I read the statute, you can use it. But as long as it's just a Code problem, just, you know, make a sentence that says we can spend Affordable Housing Fund on affordable housing plan so that will solve the problem.

COUNCILMEMBER KING: Okay. I don't have the Code in front of me. So, I was just trying to decipher from your slide. So, that maybe what they're talking about is they read it to mean planning of particular projects and not overall planning, is that...I see Mr. Murai nodding his head.

VICE-CHAIR MOLINA: Mr. Murai, would you like to further expound on this question?

MR. MURAI: Mr. Chair, as you know I'm pinch-hitting for Ms. DesJardins today. But in my brief conversation, I think Mr. Williams accurately presented their...represented their conversation, and Councilmember King also accurately, you know, anticipated what Ms. DesJardins' interpretation is, which is it's project specific as opposed to an overall plan.

COUNCILMEMBER KING: Okay.

MR. MURAI: But, you know, it's not, and it's not to say that we think this is a bad idea, it's just that perhaps there may need to be a change in the Maui County Code to accommodate what Mr. Williams suggests.

COUNCILMEMBER KING: Okay. So...but I know I've heard in the past that if there was a conflict that the Charter supersedes the ordinance. Is that still correct?

MR. MURAI: That's correct. But, you know, I'm not really prepared today to...

COUNCILMEMBER KING: Okay. No, I just was --

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MR. MURAI: Yeah.

COUNCILMEMBER KING: --wondering, I mean, you know --

MR. MURAI: As a...

COUNCILMEMBER KING: --clearly, if there's a conflict that we should try to reconcile. But yeah, I've heard that said by Corp. Counsel in the past. Okay. Thank you. Thank you, Chair.

VICE-CHAIR MOLINA: Okay. Thank you very much, Member King. Okay. Let's go to Vice-Chair Rawlins-Fernandez, any questions for Mr. Williams?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo, Mr. Williams, for your comprehensive presentation. I...so, my understanding...my question is actually for Ms. Munsell in the last comment that she made. She said that we don't need this comprehensive plan because the SMS study already provides the information that we're looking for. Okay. You want to rephrase what you said? Sorry, I don't want to misrepresent what you said.

VICE-CHAIR MOLINA: Madam Director [sic]?

MS. MUNSELL: Yeah, thank you. Thank you for the question. Actually, there are two different things. The study actually says this is what we need to be building. So, what you're trying to achieve with this RFP is where should we be building it and how do we finance those things. So, I think the two things go hand in glove. So, the idea would be once we get through the new study, we'll be able to actually present to you with data that says this is what we need and this is what we should be looking at if you're going to roll forward with this RFP.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. What new study, the study that was just published today from SMS?

MS. MUNSELL: The 2019 SMS Hawaii...I'm sorry 2019 Hawaii Housing Planning Study was actually released in...on January the 10th. Having in the process of reviewing that study, I...we found some errors. And so, this morning we received a updated version of that. I haven't had an opportunity to look at that to make sure that all of the corrections have been addressed. But as soon as we do, we will have that available to all of you, and then we would be coming to Council to present data and talk about kind of where our...what our status is.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. So, this update is of the 2018 SMS study?

MS. MUNSELL: The last one is the 2016 SMS study. The 2016 Hawaii Housing Planning Study, this Council or the previous Council had actually contracted with SMS to do a

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

different study having to do with barriers of housing and what we should be doing, what kind of policy changes we should be making. And in that study, they had recommended various things like some Code revisions, which are in the process now, and some other things that are being addressed. So, there were some good things that did come out of that study but I don't have that study with me right now.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, the 2018...August 15, 2018 County of Maui Affordable Housing Policy Plan Final Report, so that's the second one? But you're referring to the 2016 plan that was conducted by SMS that was just updated this month?

MS. MUNSELL: Yes, they're two different things. We --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. MUNSELL: --have for a number of years been doing a Hawaii Housing Planning Study. I think we started in like '98 or something. And we update that every so often, every few years. The last one was in 2016. The most current one has just been released. In the meantime, this Council had RFP'd for a policy study. And there were two parts to that. One was the policy, and then there was an implementation study. And those were published in 2018, and that was through this...through the...this body.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, in that August 2018 policy study, on...in its conclusion there were nine sections. On Page 56 of the study, it says...sorry...yeah, Page 56, a housing plan. Policy study demonstrates a need for a plan with updating and management on an ongoing basis. The plan will be a functional plan generated by and maintained by the Housing Division. It will guide government's proactive development activity. The Maui plan will begin with a number of units to be built next year. The plan will make specific procedures for accomplishing that task. The work will be evaluated each year. The objective of the evaluation is continuous improvement rather than accountability. So, this updated plan that was published this month accomplishes what this recommendation is?

MS. MUNSELL: No, those are two different things. The study that's just been published actually gives us the numbers. What have we accomplished? Where do we need to go as far as general statistics go? What you're looking at is the actual underlying plan. One of the things that we've been struggling with because we don't...didn't have personnel, we've recently just this past fall hired our Development Specialist. There are other elements to that as well. I think that they were identifying County lands, which would...could be developed, and we've gotten a list of those from...SMS had provided that. We've gone through a process of looking at those lands in terms of whether they make sense for development or not. And so, we're rolling forward with various other parts of it. As you heard in the presentation from Ms. Tsuhako in July about our strategic plan and where we need to be, there's a lot of other departments that have to be involved in this. And part of that is this infrastructure issue of making sure that we've got the infrastructure available and the money to build that out. There are also other things that were proposed in that study as well, things like rezoning

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

land that would be appropriate I think, that there was a list of lands or properties that were submitted to this Council through the Planning Department. You actually went through the process of rezoning one of those parcels in the previous Council meeting, or the previous...with the previous Council. That was kind of I understand, an interesting process in itself. So, there's a bunch of moving parts here.

VICE-CHAIR MOLINA: Okay. Thank you, Director [sic]. Vice-Chair Rawlins-Fernandez, do you have more questions? Otherwise, I wanted to complete the first round and we can come back to you for the second round --

COUNCILMEMBER RAWLINS-FERNANDEZ: Sure, Chair.

VICE-CHAIR MOLINA: --of questions? Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

VICE-CHAIR MOLINA: Thank you for your kind consideration. Councilmember Hokama, no questions this round? Okay. Councilmember Paltin, first question and a follow-up for either Mr. Williams or Director Munsell?

COUNCILMEMBER PALTIN: Thank you, Chair. And thank you, folks, at that desk. I like the plan. I just...I'm going to zero in, because we only have one question and one follow-up, on the parts that I don't agree with. So, majority of it, I agree with. I just don't want you to think I'm being...not liking your plan. I'm on the page that says divide new class of non-owner occupied into two new classes. And kind of the issue I have on this for being the resident of West Maui is a lot of the empty houses in West Maui, like especially in Launiupoko area and like that, they have more than one dwelling on the property. And so, they might rent out the second dwelling, and I don't feel comfortable giving them the tax break. And a lot of times when they rent out that one dwelling, it's not affordable. Like I know folks that pay five grand for a three-bedroom, you know, and then that's not even the main house. They have like the main house. And then a lot of times, those are gated properties. And so, you know, there's also the rumor that it's also an illegal short-term rental, and the person living on the property is the one, you know, changing the sheets and stuff like that. And because of the gatingness [sic] of it, it's, you know, they're like, no, you can't come in and check out my property. I don't want you to fine me or cite me or whatever it is. So, I mean that's kind of a issue I think needs more work.

VICE-CHAIR MOLINA: Okay. Mr. Williams, would you like to respond?

MR. WILLIAMS: Thank you, Vice-Chair. First response is if a very valuable piece of property with a very fancy home is trying to get into the long-term rental class by having the ohana rented out long-term for some local, you can get him with the tiering. Because you can still raise the rate on the upper end of the long-term rental class. So, the tiering gives you a way to make these adjustments. And then I agree with you that enforcement is an issue. I've been working on the short-term rental enforcement with the Planning Department for several months now, and I think that you're...if you do

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

the long-term rentals right, the owner is going to have to sign a declaration under penalty, perjury, and under civil fines, if they're lying about renting long-term to somebody. And I think you're going to have to be able to, you know, investigate and try to catch people that are cheating. I don't have any idea what rate the cheating will be, but probably a couple extra inspectors would catch a lot of those.

VICE-CHAIR MOLINA: Member Paltin, follow-up?

COUNCILMEMBER PALTIN: Oh, I don't have a follow-up. I'll wait --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: --for my next go-around. It's a different --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: --subject.

VICE-CHAIR MOLINA: All right. Thank you. Member Sugimura, question and a follow-up for --

COUNCILMEMBER SUGIMURA: Thank...

VICE-CHAIR MOLINA: --Mr. Williams or --

COUNCILMEMBER SUGIMURA: Yeah.

VICE-CHAIR MOLINA: --Director Munsell?

COUNCILMEMBER SUGIMURA: Thank you. Thank you for doing this presentation. I know you passionately have been working on many things. So, just one statement, as you and I are Upcountry. When you talked about creating a list of people, that immediately brings me to the Upcountry water meter list, and it creates expectations that are difficult to manage first of all, number one, as the Department kind of brought that up. And then if you...once you start getting into this list and if you're establishing a seniority of people who get on the list, have some kind of ability to have a house or not, or whatever this is creating, it brings up a lot of red flags for me. So, whatever that's going to be, I think a lot more thought needs to be put in it. And based upon, you and I know the Upcountry water meter list is hard. So, that's number one. The other thing is when you say in your statement, I just want to know what this means, the analysis of Table 32 and 33 did not account for people who are currently doubled-up for economic reasons. So, doubled-up means?

VICE-CHAIR MOLINA: Mr. Williams?

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

MR. WILLIAMS: This 2019 SMS study defines doubling up in there. And they have...and they've actually defined it in the 2016 study, and it's basically where you have adult children living with their parents --

COUNCILMEMBER SUGIMURA: Oh.

MR. WILLIAMS: --and they want to move out. Or you have two, you know, an aunt and uncle have to live together with their extended family in one household. That's basically what doubling up --

COUNCILMEMBER SUGIMURA: Oh.

MR. WILLIAMS: --means. And the real property data we have doesn't account for that. We...real property data for this County doesn't capture household information, just parcels and dwellings.

COUNCILMEMBER SUGIMURA: Okay. Thank you, Chair. I'm done.

VICE-CHAIR MOLINA: Okay. Thank you, Member Sugimura. Chair is aware of the time. I just have a question, and then we'll take our recess. First of all, thank you for all the work that you and the others have put into this proposal, Mr. Williams. You know, what you mentioned in one of your slides, where it says Maui County property tax rate is lowest in the country, very little compared to other tropical resort locales, can you cite an example of how we compare to other tropical locales, and our rate compared to others? 'Cause I know, you know, when you mentioned taxation of Maui County, no matter most people say, we still pay enough, and which is we have to walk as Legislative, we have to walk that fine line 'cause taxation is one of those issues that's never popular in most cases. But if you could cite some examples?

MR. WILLIAMS: Sure. Actually, I can't cite you examples. I saw this statement in...it's an article I read somewhere. But we're asking the vendor if you issue this request for proposal, the vendor will be tasked with getting you that, exactly those...that data. And then just a quick comment on we're taxed enough here. I agree with you. I think if you adopt the kind of property tax scheme that you've been working toward, and which I outline here, you're going...you won't be raising taxes on anybody that lives here. You're only going to be raising taxes on people who invest here from the mainland and from around the world. And those people should be paying more taxes until the housing crisis is over.

VICE-CHAIR MOLINA: Which could be for some time. But I appreciate that point. And just on one of the other slides about utilizing low-cost design features, hopefully, in that plan, it include recycled materials as well certainly with any County proposals. Okay. Members, we're going to come back for a second and final round for any of you who do have any questions for Mr. Williams or Administration. But in the meantime, we'll take a ten-minute recess. So, we shall...let's return to the Chambers at 3:30. Meeting in recess. . . .(gavel). . .

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

RECESS: 3:10 p.m.

RECONVENE: 3:24 p.m.

VICE-CHAIR MOLINA: . . .*(gavel)*. . . The Affordable Housing Committee meeting for Monday, January 27, 2020 is now back in session. It is 24 minutes after the hour of 3 o'clock. We last left off on the second item on our agenda, which is Affordable Housing item 31, Funding for Comprehensive Affordable Housing Plan. We are on the second and final round of questions for Mr. Williams or Director Munsell with regards to the presentation. Members, I've been made aware that we may lose quorum at around four o'clock. So, again, if you could keep your questions concise and, you know, reduce commentary if possible. The Chair would much appreciate that because we do have one other agenda item to address. So, coming back for the second and final round, I believe we had Vice-Chair Rawlins-Fernandez and Councilmember Paltin with follow-up questions.

COUNCILMEMBER KING: I don't think I had a second round yet if that's what you're doing.

VICE-CHAIR MOLINA: Oh, okay. And --

COUNCILMEMBER KING: Is that what you're doing?

VICE-CHAIR MOLINA: --Councilmember King, you also had a --

COUNCILMEMBER KING: I mean --

VICE-CHAIR MOLINA: --question?

COUNCILMEMBER KING: --I'm happy to have...okay.

VICE-CHAIR MOLINA: Okay. Go ahead --

COUNCILMEMBER KING: Okay.

VICE-CHAIR MOLINA: --Councilmember King?

COUNCILMEMBER KING: Okay. Thank you very much. I think we're going to make the deadline 'cause we had some attrition. But I do want to first of all thank you for the emphasis on the tax credit for those who rent to long-term residents. Because to me that's the other part of the stick that we're wielding coming down on illegal short-term rental, is encouraging people to do...then do...turn around and do the right thing and rent it to our residents long-term. And so, that credit I think is really important to the whole philosophy of what we're trying to do with affordable housing. And my question for you is about the Hawaii Affordable Housing Coalition. There's a Statewide coalition I understand that Maui County Council is not a member of but all the other councils in the State are members of. And I've been told that that would give us access to

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

additional funding for some pretty high-level funders. So, do you know...can you talk about that organization and how we could rejoin or join?

VICE-CHAIR MOLINA: Mr. Williams?

MR. WILLIAMS: Sure. That's a voluntary association of businesses and counties, and a bunch of housing advocates including developers, which gets together every once in a while, and looks for ideas to lobby the Legislature for more funds for housing, looks for innovative ideas on how to provide affordable housing, and so forth. And there's no reason why both the Mayor and the Council shouldn't be, you know, on that mailing list and taking part in those meetings. We...I know that Kehau kind of berated the Council at one of these meetings a few months ago because they...no one from Maui County was at the last meeting on Oahu. And I was there, Kehau was there. It was several...Cassandra from the Na Hale O Maui was there. But nobody from the government was there.

COUNCILMEMBER KING: Okay. And maybe, Ms. Munsell, maybe you could speak to why we're not members or how we could be members if you support that. And I think if it's a matter of a resolution, that's fairly easy for the Council to do. And I'm not sure how if it's a separate membership by the Mayor and then the councils. Do you know?

MS. MUNSELL: Chair?

VICE-CHAIR MOLINA: Director [sic]?

MS. MUNSELL: After Kehau mentioned that at the Council meeting, I went back to find out why it was...we weren't there, and it was because we weren't notified. We didn't know that that meeting was occurring. We got the e-mail at four o'clock on Monday. The meeting was on Tuesday morning and there was no way that we could even attend that.

COUNCILMEMBER KING: Okay. No, but it --

MS. MUNSELL: But that's...

COUNCILMEMBER KING: --wasn't the meeting, it's the actual membership in the --

MS. MUNSELL: Yeah.

COUNCILMEMBER KING: --coalition.

MS. MUNSELL: But we're now have been in contact with the people who are coordinating that, and we will be notified. And if we need to join as a member, we'll do that. But we haven't been told that we need to do that. So...

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

COUNCILMEMBER KING: Okay. And do you think it will be beneficial for the Council to join? 'Cause I was told that the Council was a member at one time, and then is not now. I'm not sure if that's true. But you don't know anything about that? Okay.

MS. MUNSELL: . . .*(inaudible)*. . .

COUNCILMEMBER KING: Okay. Thank you, Chair.

VICE-CHAIR MOLINA: All right. Thank you, Member King. And, Ms. Rawlins-Fernandez, second and final round.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, I guess before I start my follow-up questions to Ms. Munsell, I just wanted to mahalo again Mr. Williams. I support this effort. So, Ms. Munsell, just following up with my first line of questions regarding the updated plan, the plan that was updated this month. So, that's an update to the 2016 plan. And the 2016 plan was a implementable plan at that time too?

VICE-CHAIR MOLINA: Director *[sic]*?

MS. MUNSELL: Thank you. Actually, the Hawaii Housing Planning Study actually tracks statistics as to need and demand and other things associated with housing itself. So, the 2016 plan is where we got the 14,000 units by 2025. So, through that plan, we are able to identify what specific needs are and what we need to be investing in. So, for instance, if there was a desperate need for senior housing identified in that plan, then we could start targeting funds towards that need. And the 2016 was pretty clear that we need a lot of units in the lower AMI levels. And so, when we did our RFP for our Affordable Housing Funds for instance, we changed the scoring criteria to focus on those lower AMIs. It also said we needed rentals. And so, those were the focuses. So, we used that study to actually try to frame how we...our policies and our procedures go forward. So, the 2019 study is an update to the 2016, and...

COUNCILMEMBER RAWLINS-FERNANDEZ: Study...

MS. MUNSELL: Study, yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. MUNSELL: And the preliminary numbers coming out of that study says that not...we don't need 14,000 units, we need 10,400 and some odd units. That's the new study. Now, I haven't had an opportunity...and it also breaks it up into which AMI levels. It appears that I think it's the 80 percent and below, they're looking at about 5,000 or 6,000 of those units, and the remainder of those being in the...well, I think that's a 140 percent. I'm sorry I have to look at...I apologize, I shouldn't even be quoting numbers right now because I haven't had time to put together the presentation. But that the whole idea --

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

COUNCILMEMBER RAWLINS-FERNANDEZ: I think --

MS. MUNSELL: --is...

COUNCILMEMBER RAWLINS-FERNANDEZ: --my confusion has been cleared up.

MS. MUNSELL: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, the 2016 is a study, and then it...the 2016 study was updated this month, and is another study. So, I think that that's where the confusion was is it was called a plan and it's not a plan, it's a study. It provides us data for us to create a plan, and that's what this is. That's what the presentation was for us to take all this data that came from studies so that we can create a plan with a timeline and a budget. And so, I support that. Mahalo. Mahalo, Chair.

VICE-CHAIR MOLINA: Thank you, Vice-Chair Rawlins-Fernandez. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. And again, I don't want to be a downer, but the time constraints and whatnot, so I'm just pointing out things I don't agree with or find missing, or whatever the case may be. I'm not trying to be negative. So, another issue in my district, and I think also in South Maui, and maybe to...we'll hear about Molokai tomorrow I'm sure, is, you know, the short-term rental homes taking up homes from people like with the codification of the Minatoya list, there's thousands and thousands of homes, and especially South and West Maui that have been converted to short-term rental that are legal without permit. And I'm sure we've all heard of stories of friends or families that have to now move out because their landlord wants to convert to short-term rental. And I didn't see this addressed in here, but I know that you're familiar with it, and then you might have been working on the Cost of Government Commission. So, any comment as to that also being a source of the problems?

MR. WILLIAMS: Yes --

VICE-CHAIR MOLINA: Mr. Williams?

MR. WILLIAMS: --and I'm...I'm sorry, thank you Chair. I'm sorry I didn't make a slide about it. It's covered in some detail in the long version of our draft request for proposal. We're talking about the Minatoya condos that are in Apartment zones. There's about 6,500 roughly of those. And I have...as part of my work on the short-term rental problem I've talked to both Michele McLean and Marcy Martin about that, and there is a specific State Statute that Michele pointed out to me, that allows the County to rezone those Minatoya apartments back to not allowed short-term rentals if you give them a reasonable time during the phase out. It's literally in the State Statute, which we cite in our longer...the...in the full request for proposal you've got in front of you. And I know both the Planning Department and the Real Property Division are interested in helping you do that if you're interested in doing it. Marcy Martin suggested that you don't do it all at once, and that you leave the more valuable

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

short-term rentals on the ocean alone, and keep them in the short-term rental class, but start to rezone the Minatoya apartments that are not on the ocean, and phase them out over a period of whatever is reasonable, and you'll have to rely on Corporate [sic] Counsel for what that means because the statute doesn't say.

COUNCILMEMBER PALTIN: Fabulous, sounds like a plan.

VICE-CHAIR MOLINA: All right. Thank you very much for that closing comment on your inquiry, Member Paltin. Any last inquiries for Mr. Williams or Director [sic]...I'm having a brain freeze here, Linda. All right. Anyway, nothing? All right, Members, at this point, the Chair's recommendation is to defer this particular item, which I'm sure we will be discussing in the future under the Chairmanship of Member Kama in the near future. So, if there are no objections, Chair is going to defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: TK, SMS)

VICE-CHAIR MOLINA: Okay. So ordered.

ACTION: DEFER.

**AH-22 CREATION OF A COUNTY HOUSING AUTHORITY, INCLUDING
FEASIBILITY STUDY (MISC)**

VICE-CHAIR MOLINA: All right, Members, we have some...a few minutes left for our last item for discussion. We do have the option for Legislative action; however, the...your Vice-Chair's opinion, your meeting enabler and facilitator temporary for today is not to take any action because we have bare quorum. And I would personally not feel comfortable with, based on the amount of Members we have today, taking any action on this. However, I think it's fine to, you know, have some questions asked and considered before we lose quorum at four o'clock. So, that is the approach the Chair is going to take. And this is for Committee item AH-22, the Creation of a County Housing Authority, which includes a feasibility study, and it is a proposed resolution again which authorizes the Council Chair to contract for a housing authority feasibility study. So, at this point, the Chair would just like to offer to you the option of asking questions about this proposed resolution, and get input from the Department. So, Chair has a couple of questions. The floor is open, otherwise the Chair will take the privilege to start off first. I guess for the Administration first, for Director [sic] Munsell--see I remembered your last name--related to your November 29, 2019 letter regarding a separate housing department. You know, in the letter you pointed out that about the things that you can do and cannot do. Also, with the Current Division does not have the ability to become housing co-developers and the capability of working on housing policy, planning, financing, and other land uses. But you still recommend a comprehensive strategy before a Department of Housing can materialize. I think Member Rawlins-Fernandez with the previous item had mentioned about more studies, and if it's really necessary than what we already have. Can you tell me why another study is needed? Because personally, I think we've done

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

enough studies at this point. Any comment as to why you feel this more study is needed? Are needed I should say.

MS. MUNSELL: For the...sorry, Chair...for the housing authority?

VICE-CHAIR MOLINA: County Housing Authority, yeah.

MS. MUNSELL: This was actually forwarded by Councilmember Kama. As far as the...yeah, I'm sorry I'm coming up with a blank here on this.

VICE-CHAIR MOLINA: That's okay. We can...

MS. MUNSELL: Can you --

VICE-CHAIR MOLINA: Well...

MS. MUNSELL: --rephrase that for me?

VICE-CHAIR MOLINA: Yeah --

MS. MUNSELL: I'm sorry.

VICE-CHAIR MOLINA: --basically, you know, my question is because we've had other studies, why do we need a study for this, another...which will cost some taxpayer dollars? So, why do you feel we need...I know Committee Chair Kama made that...this recommendation. But from your perspective as the Director --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

VICE-CHAIR MOLINA: --why do we need this?

COUNCILMEMBER RAWLINS-FERNANDEZ: Perhaps I can help answer --

VICE-CHAIR MOLINA: Oh, perfect.

COUNCILMEMBER RAWLINS-FERNANDEZ: --your question.

VICE-CHAIR MOLINA: Proceed, Ms. Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Munsell. So, my understanding is this was something that was discussed last year during Budget Session, and we weren't ready to move on creating a housing --

VICE-CHAIR MOLINA: Thank you for refreshing --

COUNCILMEMBER RAWLINS-FERNANDEZ: --authority.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: --our memories.

COUNCILMEMBER RAWLINS-FERNANDEZ: And so, the idea was for us to, you know, have someone study the feasibility of creating the housing authority. And so, Member Kama had...I think she had asked to put some funds as one of her priorities to study the feasibility of it. So, it wasn't a recommendation from the Department. It was something that the Council had discussed and Member Kama --

VICE-CHAIR MOLINA: More being driven --

COUNCILMEMBER RAWLINS-FERNANDEZ: --you know --

VICE-CHAIR MOLINA: --by --

COUNCILMEMBER RAWLINS-FERNANDEZ: --kind of...

VICE-CHAIR MOLINA: --Member Kama.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, took the --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: --lead on.

VICE-CHAIR MOLINA: Okay.

MS. MUNSELL: And...

VICE-CHAIR MOLINA: Still want to comment?

MS. MUNSELL: Yeah, no, and, Chair, I mean part of it also was this discussion of creating a housing authority and bifurcation of the Department. You know, the question was if you're not giving the Department additional tasks and duties, it didn't make sense to do either of those things. And so, part of the question was what would...what is the goal? What would you have the Department do if this were created? And so, I don't think that that question had been adequately answered yet. And so, I think that was part of what our response was.

VICE-CHAIR MOLINA: Okay. And on the subject of the housing authority, my understanding is they address 0 to 80 percent, but the...not 81 to the 120 percent of the median income. So, if we were to go to a housing authority, how would we address those folks in the 81 to 120 percent median income? I see Mr. Williams wanted to offer his thoughts. Well, I'll ask --

MS. MUNSELL: Okay.

VICE-CHAIR MOLINA: --you, Director, first, to have the first opportunity.

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MS. MUNSELL: The 80 percent and below are typically housing units that need to be subsidized. And so, generally, what...and again, I'm no expert on housing authorities, so I think that that's primarily the focus of what we need to be working on now. We also have other ordinances and things like 2.96, which are trying to address those higher AMIs. And whether you have a...the housing authority also address those or not, is part of the structure that you develop when you develop your housing authority. I mean if you're talking about a housing authority as a holder of properties, you know, again having not studied other housing authorities, I, you know, I'm assuming that they hold the lower AMIs, but that not's always the case.

VICE-CHAIR MOLINA: And one thing with housing authorities, they're heavily Federal, Federally-regulated, yeah. So, we would basically forfeit our local authority if we were to go with a housing authority and, you know, we basically yield to the Federal government telling us what's best for us. Am I correct in that assessment? I don't know if Mr. Williams want to add something too, and I apologize, I, maybe an oversight. I mean I guess there's pros and cons to whether we separate the Department, the Housing Department and Human Concerns versus a housing authority. So, any comments on my thoughts?

MR. WILLIAMS: Sure. First, with the...last year the...or this fiscal year, the Council allocated a \$150,000 for this feasibility study that Tasha Kama would like to do. But what we proposed, and it's in this request for proposal is make that one of the first deliverables from this vendor that we hope you hire on whether we need a housing authority. I used to think we might. But after talking to the nonprofit developers, I think that they can bring to the table all of those non-County money sources, State funds, Federal funds, social impact funds from private foundations, which is...

VICE-CHAIR MOLINA: Oh. Okay. You have a little sound effects for you there, Mr. Williams.

MR. WILLIAMS: Yeah.

VICE-CHAIR MOLINA: Continue.

MR. WILLIAMS: Which...this Committee held a whole hearing on the housing authorities sometime last summer, and I've summarized the transcript for our Stand Up Maui group. And what I recall is they said the main thing the housing authority can do that the County itself couldn't do was go to these other funds, go to the State funds and Federal funds, and the social impact funds that the County has a hard time mustering. But after...again, after talking to the private nonprofit developers, I think they can do that for you project by project, and you don't need a separate housing authority. But let an expert tell you with, you know, part of this plan.

VICE-CHAIR MOLINA: Yeah. And I think just in my thoughts, even though we're not going to make any decisions today that maybe this resolution should consider or include an amendment that states an assessment of how the authority can increase available

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

housing as well. So, how can they, you know, what's their thoughts on increasing our stock of available housing or potential sites. But anyway, I'm just --

UNIDENTIFIED SPEAKER: Mr. Chair?

VICE-CHAIR MOLINA: --going all over the place here. So, yes, I'm going to recognize you. I'm just being greedy today. I'm taking the Chair's privilege. See what happens when you give me this . . . *(inaudible)*. . . Just trying to have a little fun late in the afternoon. Okay. Let's go ahead and we'll work our way down the line. Well, this time we'll start from...well, Chair Lee --

COUNCILMEMBER LEE: Oh.

VICE-CHAIR MOLINA: --we'll go with you, and then I'll...we'll work our way. We'll go you, and then we'll go Member Sugimura and --

COUNCILMEMBER LEE: Okay.

VICE-CHAIR MOLINA: --all the way though.

COUNCILMEMBER LEE: Thank you. Do we have to ask a question?

VICE-CHAIR MOLINA: No, if you want to --

COUNCILMEMBER LEE: Okay.

VICE-CHAIR MOLINA: --provide a comment in the short time --

COUNCILMEMBER LEE: Okay.

VICE-CHAIR MOLINA: --that we have left.

COUNCILMEMBER LEE: Okay. You're giving me the hint. All right. So, I just wanted to say that I'm not really supportive of a housing authority for all the reasons that Mr. Williams just mentioned, plus the fact that we tried to do that before and it didn't work. The problem with creating a housing authority is you...we would have to invest all that money in the beginning to hire people, yeah, and to the overhead of an office and equipment, and, you know, travel. All those kinds of things for them to get started, yeah. Whereas, you...we have nonprofits who...and people for-profit who have expertise already, and just could hit the ground running. So, the idea of a housing authority to me is very expensive and questionable on exactly what kind of deliverables they can produce. Because I believe we have the, enough nonprofits and people like--what's his name--Mr. Bigley, who not only knows or has the expertise of how to get grants but, you know, tax credits and all these other areas and avenues of revenues. You know, we need to work with more of those types of people, yeah. Thank you.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: Well, thank you, Chair Lee. You having been around a long time in the County as both an elected official and as a Housing Director, your insight is certainly is much valued and appreciated. Okay. Councilmember Sugimura, any questions or comments which relates to the Committee item on this feasibility study?

COUNCILMEMBER SUGIMURA: So, I'm fine. I'll just listen and look forward to future meetings for discussion. Thanks.

VICE-CHAIR MOLINA: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. My question is for Deputy Director Munsell. You know, I read the communication to Chair Kama's Committee about your Department's feelings on a housing authority. But that being said, I think most all of us know DHHC what it is right now, your Department what it is right now, and I just was wondering, you know, knowing that you guys came in and we have this housing problem, what is your vision for the future if not this housing authority?

VICE-CHAIR MOLINA: Director Munsell?

COUNCILMEMBER PALTIN: Like the role of the housing portion of Department of Housing and Human Concerns for Maui County into the future. Like do you see us what...I don't know, I'm asking.

VICE-CHAIR MOLINA: Director?

MS. MUNSELL: So, there's two different things that are being discussed. There's the bifurcation issue, and then there's the housing authority issue. And part of it depends on what this body wants to achieve from those two things.

COUNCILMEMBER PALTIN: Oh, just because we're on time, I wanted to fine-tune it in as like okay I read the e-mail that you're not really for bifurcation and you're not really for housing authority, so then what?

VICE-CHAIR MOLINA: Director?

MS. MUNSELL: So, one of the things that we're doing I mean is looking at...so there's the strategic plan that we talked about, which I know that you weren't excited about. There...well, no, through the Administration, but those are the things that we control. But that's opened up a conversation with the Administration in terms of the departments working together and coming together to make decisions about what the priorities are. And so, there is some movement in there. In the meantime, under the control of the Housing and Human Concerns is the programs that we oversee. And so, when we're looking at the numbers and the statistics of...that are coming out again in 2019, we can move our programs to try and address that. So, you know, we've already talked a little bit about 2.96 and the 201H process, and what AMI levels are being addressed through those programs. We've talked about changes that we've made to the Affordable Housing Fund to try and address those lower AMI levels. I just came

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

back from a conference in D.C. where they were talking about working financing programs together so that we can bring, you know...Maui County is not going to be funding all of the housing units that need to be built between now and then. We have to find other partners. And so, we're looking at how to strategically do that. We're looking at all kinds of different things that are slowly going to coalesce into all right, we know where we need to be, how are we going to get there, what other resources do we need to have. And, you know, I've expressed some...certainly some support for what you're trying to do here with the RFP that we talked about earlier today. But the Administration's feeling is that we will support your discussions and your conversations here. They don't support...we don't support the bifurcation or the creation of a housing authority.

COUNCILMEMBER PALTIN: So, to clarify, it's just basically similar with little tweaks and adjustments. And then I guess a follow-up question is if Department of Housing and Human Concerns has a Director, Deputy Director, and a Housing Division, and is that Mr. Almeida is the top guy of the Housing Division part?

MS. MUNSELL: Yes, he's our Housing Administrator, yes.

COUNCILMEMBER PALTIN: Okay. And then how much folks does he have? What's his span of control of workers?

VICE-CHAIR MOLINA: Member Paltin, would you like Mr. Almeida to come up or...

MS. MUNSELL: ...*(inaudible)*...

COUNCILMEMBER PALTIN: Yeah, unless Ms. Munsell knows the answer.

VICE-CHAIR MOLINA: Okay. Thank you, Mr. Almeida, for coming by. We figure we had to utilize you. You took the time out to come and join us. So, we want to make sure you have an opportunity to respond to any questions from the Committee. So --

COUNCILMEMBER PALTIN: Well --

VICE-CHAIR MOLINA: --Member Paltin --

COUNCILMEMBER PALTIN: --I just...

VICE-CHAIR MOLINA: --can you restate the question to Mr. Almeida?

COUNCILMEMBER PALTIN: Yeah, so thank you, Mr. Almeida. I'm just checking. You're the chief of the Housing Division, and how much folks work under you, and how much...if you think that's sufficient, and how much more you might need?

MR. ALMEIDA: Thank you, Chair. And thank you for the question. The Housing Division is broken up into the administration portion that sees over things such as the First-Time Home Buyers Program, the Affordable Housing Fund, 2.96, 201H projects. We have

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

eight individuals who man the administration portion. And also, the Section 8 Housing Choice Voucher Program is housed in the Division, 17 employees I believe presently in that Division.

COUNCILMEMBER PALTIN: Thank you. And then the follow-up was if you think that's sufficient?

MR. ALMEIDA: Sufficient presently for what we're doing. Depending upon what this body wants to move forward with expansion-wise, we need to reevaluate and see the type of personnel, the type of expertise that will be needed to move forward in those ventures or in those areas that this body wants to move towards. Presently, as Deputy Director Munsell mentioned, we did hire our Development Project Coordinator. So, he's coming up to speed on things, and we're moving forward in certain areas. So, we've been holding off on there. So, things are progressing. But how much you want to expand or the Administration wants to expand will dictate the personnel that would be required to be able to staff that and properly oversee and monitor.

COUNCILMEMBER PALTIN: Last question.

VICE-CHAIR MOLINA: Objections, Members? No, go ahead.

UNIDENTIFIED SPEAKER: No objections.

VICE-CHAIR MOLINA: Make...just make it quick, Miss...Member Paltin. Go ahead.

COUNCILMEMBER PALTIN: Thanks. Just wondering, you know, if you had the staff available what you thought about maintaining a list that wouldn't be like the Upcountry water list, meter...water meter list, but just for data purposes for us. That wouldn't be like you're in line kind of, but just to assess the need and also the side benefit of getting people to know, you know, things like AMI and like that.

VICE-CHAIR MOLINA: Mr. Almeida?

MR. ALMEIDA: Thank you, Chair. So, Member Paltin, just to make sure for clarification, I understand like it...more of an informative, like special list with regards to communication with the community as far as education purposes?

COUNCILMEMBER PALTIN: Yeah, and then, you know, we'd utilize the data and saying, you know, like when housing projects are coming up like, you know, there's probably more than this, but at this time, we know of so many people in the 60 percent that are working with us and want houses, so many people in the 70 percent, so many people in the 80 percent. And then knowing that information if 201H projects or whatever kind of project comes up, we can say, well clearly, the 80 percent portion has a great need, and skew the percentages in that way to tailor it towards what the greatest needs are.

VICE-CHAIR MOLINA: Okay. You got all that, Mr. Almeida?

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MR. ALMEIDA: Yes, thank you, Chair. So, I believe I'm following, Member Paltin, what you're saying along the lines of Mr. Williams' presentation. So, you're referencing based on the data that we get say from the updated study for 2019, and establishing the waitlist that Mr. Williams mentioned like having a County database waitlist that would have data for all AMI ranges, and be able to have that information readily available for projects that come on line. If we were to move to that course, then we would need additional staff to do that. We do not have the capabilities right now to maintain such a list and to do such outreach at this time.

COUNCILMEMBER PALTIN: Oh, my question was how do you feel about moving towards that direction, if it's beneficial as a whole or you don't have any opinion because it's a policy decision?

MR. ALMEIDA: I think that there are benefits to maintaining such a list. I mean currently under 2.96, the responsibility falls on the developers for maintaining waitlists for the individual projects that they do. I haven't given extensive thought to it with regards to overall benefits. I just know that that was done in the past when the County was more active in development. There were successes and issues. It takes a lot of maintaining to keep a list. As you know, incomes change, jobs change, households change. To be able to keep that list up-to-date and current would, you know, could be challenging. That's the only concern that I would have.

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER PALTIN: Thank you.

VICE-CHAIR MOLINA: All right.

COUNCILMEMBER PALTIN: Thank you --

VICE-CHAIR MOLINA: Thank...

COUNCILMEMBER PALTIN: --for the leeway.

VICE-CHAIR MOLINA: Thank you, Member Paltin. Before I recognize Member Rawlins-Fernandez, just dovetailing off of one your issues that you had mentioned, Member Paltin, with regards to the issue of bifurcation. Director [sic] Munsell, in that letter, the November 29th letter, you mentioned that, you know, bifurcation has been part of the conversation with previous Councils for roughly 20 years. Just briefly, can you tell me why do you think the reason why bifurcation has not occurred? Why there's been, I don't know if it's resistance or a lack of a push to seriously consider dividing this Department in terms of housing section and a human services section, or departments I should say?

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

MS. MUNSELL: Yeah. Thank you for the question. I think Ms. Lee could probably respond to that question better than I can. She's been involved in those discussions. My impression is that it's mostly a cost issue.

VICE-CHAIR MOLINA: Okay. Okay, which is expected. Do you concur with that --

COUNCILMEMBER LEE: What was --

VICE-CHAIR MOLINA: --Chair Lee?

COUNCILMEMBER LEE: --the question again?

VICE-CHAIR MOLINA: Yeah, basically, I guess, you know, from back in the days when you were on Council, and maybe even when I was there, there was some discussion about bifurcation, separating the Department with, you know, like what we're considering with a proposed Charter amendment that will be coming up in my Committee soon. What were some of the reasons or reason for not moving forward with this? And Director Munsell has --

COUNCILMEMBER LEE: Yeah.

VICE-CHAIR MOLINA: --stated cost was probably the...

COUNCILMEMBER LEE: Money.

VICE-CHAIR MOLINA: Oh, money.

COUNCILMEMBER LEE: Yeah. I recommended to the Council at that time that we needed to separate the two and have housing become its own department. And nobody agreed with me and because it would have cost too much. So, that's the answer to that one.

VICE-CHAIR MOLINA: Yeah. And of course, the housing crisis wasn't as bad as it is now, I presume. So, maybe that's why it wasn't...could I maybe take an educated guess, that's why maybe nobody seemed to listen at that time?

COUNCILMEMBER LEE: No, I think they just didn't want to spend the money. The housing...we didn't have the level of housing crisis as we do now. But at that time, the County was still building its own homes. It did its own projects. So, that's the reason why I felt there needed to be a separation because the Housing Division was overtaxed with projects that they themselves were developing and monitoring, and also qualifying people, and they were doing just too much. So, I think that's one of the reasons why I think they got out of the business, really.

VICE-CHAIR MOLINA: Well, maybe it makes more sense today to seriously consider the bifurcation, possibly, or at least put it on the ballot maybe. Anyway, just...I'm just throwing my thoughts out there, but...

AFFORDABLE HOUSING COMMITTEE MINUTES

Council of the County of Maui

January 27, 2020

COUNCILMEMBER LEE: I still wouldn't agree with that.

VICE-CHAIR MOLINA: You still won't?

COUNCILMEMBER LEE: No, I wouldn't agree --

COUNCILMEMBER KING: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: --with that. I don't agree with the bifurcation mainly because there's so much expertise out there with private developers and nonprofits that they could...to have a department requires a lot of money 'cause you're talking about many employees and a lot of resources, and they need everything to be in place. I mean you can't expect them to go buy the land and get them...and get the land entitled, and do all of that work. And then on top of that, try and build houses. That's quite a task.

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER LEE: Yeah.

VICE-CHAIR MOLINA: So, no housing authority or no...from your perspective, or...and no bifurcation the way you see it at this point?

COUNCILMEMBER LEE: Yes.

VICE-CHAIR MOLINA: Okay. Great. I'll get off my soapbox. So, being that this matter was discussed, so there were studies. Am I correct, Director Munsell? Maybe I guess I'll make the request to Chair Kama to have...if the Department has these copies of all these studies performed on the bifurcation issue, I would like that to be part of the Committee record so we can kind of look at what was said in the past and what were some of the reasons. Obviously, cost certainly was the forefront --

COUNCILMEMBER KING: Chair --

VICE-CHAIR MOLINA: --at the top of the forefront.

COUNCILMEMBER KING: --point of order, that --

VICE-CHAIR MOLINA: Yes?

COUNCILMEMBER KING: --I don't think that's a topic though that we're on right now, right? Bifurcation is not...

VICE-CHAIR MOLINA: But there was a letter from the Director, November 29th, submitted to this Committee with...that talked about the --

COUNCILMEMBER KING: Right, but I mean --

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: --subject.

COUNCILMEMBER KING: --our topic right now is the housing authority, correct?

VICE-CHAIR MOLINA: But it did mention in that letter that was sent to this Committee about the bifurcation studies. And so, I...well, I'll leave it to Chair Kama. But I...in my opinion, I think it's appropriate to just request those studies to be made of the record here. So, I will make that or...so I respectfully disagree with your assessment, Member King, but I would like to make that request to Chair Kama. And of course, it's being documented that this request is being made for Committee purposes. So, anyway, that is where I'm going to come from. Okay. Let us go to Member Rawlins-Fernandez for wrap-up on any questions regarding this matter.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I know we're almost at four o'clock. I have one minute. Okay. I only have ten questions. Just kidding. Just kidding. So, in Ms. Munsell's opening remark, she basically said for this item what do we hope to achieve with a housing authority. And I think that is the main question that we're all discussing here. And so, from that, I think we need to know where it is that we want to go. What...how are we set up now? How is our Housing Division set up now to take us...what direction is it taking us? And if that is not the direction that we want that Division to take us, what do we need to do with staffing, whether it's the number of staff, whether it's different type of expertise to build up our Division so that they can take us to that destination. And so, when Chair Lee was talking about when the County was developing our own housing, if that's something that we want to do again that looking at how, you know, bifurcation for example, if that while it may cost a lot of money, if ultimately it would achieve our goals faster than what we're doing now then perhaps I'd argue that it would be a good investment of that money. And that's really all I have. Mahalo, Chair.

VICE-CHAIR MOLINA: All right. Thank you, Member Rawlins-Fernandez. And, Councilmember King?

COUNCILMEMBER KING: Thank you, Chair. You know, I didn't mean to suggest that you shouldn't ask for that document. I was just...didn't want to get off topic because I was afraid we are running out of time, and I wanted to be able to make my comments. But whether...whatever version we do or don't go to as a change, I agree with the testifiers from this meeting and earlier meetings about needing a plan. And then in the plan, there should be a recommendation for the best vehicle to use to implement the plan. But...and that's why I think it's so important that the Housing Department be part of that discussion. Because my question to you is, in your current form, do you think you could be more effective if you had a plan with the components that were presented today and, you know, by Stand Up Maui? If you had a pretty concrete plan with a timeline, and then the funding to do that, could you...do you think you could be more effective as the current...in the current form you are? Or do you think it would be helpful to look at a possible different format for that for the efforts?

VICE-CHAIR MOLINA: Director?

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

MS. MUNSELL: So, part of the, you know, the...Councilmember Rawlins mentioned the study that this body had done in 2018. And in there that it talked about policy and implementation. And a lot of those things had to do with identifying appropriate lands for development and the infrastructure that was required and where we get in the way with our policies and procedures, and changes that we need to make. Those are Countywide, not necessarily DHHC or the Housing Division's specific items. As those things start to get addressed, as those are addressed, it becomes much easier for us to work with developers in our current form to advocate for development. Now, the other thing that we'll be working with this body on are, you know, things like our incentives, requirements for 2.96 and 2.97, and things like that. So, if we have...and this RFP in identifying the areas and the infrastructure and the cost, obviously, that's going to be very, very helpful to us because then you can start to work with making sure that the land is properly entitled. All of that makes development much more easy in this County, which is an issue that's been identified as a major barrier.

COUNCILMEMBER KING: Okay. Thank you for that. And, you know, what I see is, and it was talked about earlier by Mr. Franco, is that we get a lot of studies that tells we need these things. And so, here is an RFP that is requesting a consultant to tell us these things that we keep saying we need. You know, we have to bridge over to where we identify the barriers to actually doing the work. And I think that's what's held up for so many years, partly probably because of funding and partly because it's such a gigantic task. But I think this Council's, you know, I'm hoping that we're ready to undertake that. It...to me, it parallels what we have to do in Climate Action. It's a huge undertaking to come up with a climate action plan but it has to be done. So, I'd like to get to the point. I support this RFP. And I'm really thankful for outlining the exact components that we are asking somebody to give us because that's how we're going to get to where we need to go. I think we all know the barriers. We've been...they've been iterated and reiterated, and then the numbers are something that we need to see kind of jive with where we're at with certain projects. I'm...we're not sure which ones are being counted and which ones aren't. But I'm excited about it, and I hope we can move forward as quickly as possible. And I really hope that the Department can support it and give, you know, give your advice on how do we...okay, we, you know, we support a plan, now how do we implement it, and it's all, you know, without worrying about what it means about what we proposed or what you guys are doing, we're just like what is the best way to move forward and, you know, so we can get to where we need to get with housing on our island for our residents. So --

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER KING: --thank you, Chair.

VICE-CHAIR MOLINA: Yeah --

COUNCILMEMBER KING: I appreciate the conversation.

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

VICE-CHAIR MOLINA: --thank you, Member King. Well stated. Certainly, we've had a lot of discussion and...but now it's time for action, call to action. But anyway, easier said than done, I agree. But nonetheless, we've taken it upon ourselves to make this commitment to take very aggressive action to address the housing crisis. Okay. Members, before we close, we have a major announcement from Vice-Chair Rawlins-Fernandez. You have the floor.

COUNCILMEMBER RAWLINS-FERNANDEZ: It is a major announcement. The Council is going to be on Molokai tomorrow. Thank you, Councilmembers, for flying over. And we're going to have a Economic Development and Budget Committee meeting at 1:00 p.m., an amazing presentation on the new vote-by-mail system by our Clerk at 4:15. And then at five o'clock, Committee Chair Paltin will have her Planning and Sustainable Land Use Committee meeting. So, mahalo, everyone, for flying over and I hope to see everyone on Molokai tomorrow. Mahalo, Chair.

VICE-CHAIR MOLINA: Mahalo. Thank you for that announcement. It should be a very active and busy and fun night on the island of Molokai. And before we close, Chair's recommendation for this item is to defer. Any objections?

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: TK, SMS)

VICE-CHAIR MOLINA: Okay. Seeing no objections, we will defer this item.

ACTION: DEFER.

VICE-CHAIR MOLINA: I want to thank Committee Staff for your hard work, the Administration, and, Mr. Williams, thank you for being here and participating in a very, very healthy discussion on all three of our agenda items. Seven minutes after the hour of 4:00 p.m. This Affordable Housing Committee meeting for January 27, 2020 is now adjourned. . . .(gavel). . .

ADJOURN: 4:07 p.m.

APPROVED:



MICHAEL J. MOLINA, Vice-Chair
Affordable Housing Committee

ah:min:200127:acqp

Transcribed by: Ann Carmel Q. Pugh

AFFORDABLE HOUSING COMMITTEE MINUTES
Council of the County of Maui

January 27, 2020

CERTIFICATE

I, Ann Carmel Q. Pugh, 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 19th day of February, 2020, in Kihei, Hawaii

A handwritten signature in cursive script, appearing to read 'ACPugh', is written over a horizontal line.

Ann Carmel Q. Pugh