

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

MINUTES

Online Only

February 1, 2021

CONVENE: 1:33 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Gabe Johnson, Chair
Councilmember Michael J. Molina, Vice-Chair
Councilmember Tasha Kama (out 5:00 p.m.)
Councilmember Kelly Takaya King
Councilmember Alice L. Lee
Councilmember Tamara Paltin
Councilmember Keani N.W. Rawlins-Fernandez
Councilmember Shane M. Sinenci
Councilmember Yuki Lei K. Sugimura

STAFF: David Raatz, Supervising Legislative Attorney
James Forrest, Legislative Attorney
Alison Stewart, Legislative Analyst
Ana Lillis, Legislative Analyst
Rayna Yap, Committee Secretary
Lenora Dineen, OCS Assistant Clerk

Evan Dust, Executive Assistant for Councilmember Tasha Kama
Kate Griffiths, Executive Assistant for Councilmember Gabe

Johnson

Keisa Liu, Executive Assistant for Councilmember Gabe Johnson
Jordan Helle, Executive Assistant for Councilmember Yuki Lei K.
Sugimura

Davideane Sickels, Executive Assistant for Councilmember Tasha
Kama

Axel Beers, Executive Assistant for Councilmember Kelly Takaya
King

Michelle Del Rosario, Executive Assistant for Councilmember Kelly
Takaya King

Sarah Pajimola, Executive Assistant for Councilmember Keani
N.W. Rawlins-Fernandez

ADMIN.: Clyde “Buddy” Almeida, Housing Administrator, Department of
Housing and Human Concerns
Linda Munsell, Deputy Director, Department of Housing and
Human Resources
Jessica Crouse, Housing Specialist, Department of Housing and
Human Concerns
Mimi DesJardin, Deputy Corporation Counsel, Department of the
Corporation Counsel

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OTHERS: Nelinia Cabiles
Raymond Michaels
Tom Cook
Jason Economou
Diane Preza
Bruce U'u
Stan Franco
Sherri Dodson
Cassandra Abdul
Kellie Pali
Leilani Pulmano
Carol Lee Kamekona
Karen Comcowich
Rose Reilly
Delaney de la Barra
Kai Nishiki
Claire Apana
Kamiki Carter

PRESS: *Akaku Maui Community Television, Inc.*
Kehau Cerizo, The Maui News

CHAIR JOHNSON: . . . *(gavel)* . . . Okay. So aloha. Will the Affordable Housing Committee meeting of February 1st, 2021 come to order? Time is 1:33 p.m. I'm Gabe Johnson, Committee Chair; and welcome to the first Affordable Housing meeting of what I hope to be a promise and productive year. May I please ask that we all silence our cell phones and noise making devices. Joining us today is Committee Vice-Chair Mike Molina.

VICE-CHAIR MOLINA: Good afternoon and aloha, Mr. Chair, and congratulations to you on your, I guess, so-called maiden voyage today as doing your first Committee meeting. And aloha to all of my colleagues and everyone watching. Thank you.

CHAIR JOHNSON: Aloha, thank you. And Councilmember Kelly Takaya King.

COUNCILMEMBER KING: Aloha, and good afternoon. That was a great pronunciation. You would not believe how many people butchered that when I was growing up. But thank you. Good to see you.

CHAIR JOHNSON: Thank you. All right. And then, of course, we have Council Chair Alice Lee, welcome.

COUNCILMEMBER LEE: Haisai, Mr. Chair. And that's all the way from Okinawa. All your friends in Okinawa saying hello, and great success on your first meeting.

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CHAIR JOHNSON: Aww, that's wonderful. You know, I'm a little bit Okinawan too, right? So next we've got Councilmember Paltin, aloha.

COUNCILMEMBER PALTIN: Aloha 'auinalā mai Maui komohana.

CHAIR JOHNSON: Great. And now we have Councilmember Vice-Chair Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha 'auinalā, Chair. Mai Moloka'i nui a Hina. Haisai kākou. I said it wrong. I said it wrong, didn't I?

COUNCILMEMBER LEE: Haisai.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And congratulations on your first Committee meeting.

CHAIR JOHNSON: Thank you so much. All right. We've got...all the way from Hāna, we've got Councilmember Shane Sinenci, my man.

COUNCILMEMBER SINENCI: Aloha 'auinalā, Chair, mai Maui Hikina. And I'm excited for you and looking forward to some lively discussions in the AH Committee.

CHAIR JOHNSON: We'll have that. Okay. Councilmember Yuki Lei Sugimura is on. Welcome, aloha.

COUNCILMEMBER SUGIMURA: Yeah, aloha. I am in Kula, and nice to see all of you again.

CHAIR JOHNSON: Great, great. And finally, we have Councilmember Tasha Kama. Thank you for joining us.

COUNCILMEMBER KAMA: Aloha 'auinalā, Chair, and welcome to your very first and promising and profitable Affordable Housing Committee meeting.

CHAIR JOHNSON: Right on. Okay. From the Administration we have Deputy Corporate Counsel, Mimi DesJardin.

MS. DESJARDIN: Very good. Aloha everyone, nice to see you again.

CHAIR JOHNSON: All right. Thank you. We also have representatives from the Department of Housing, Human Concerns, if I could please ask them to introduce themselves and share a few more words as we begin this new session of work in our mutual goal of more affordable housing.

MS. MUNSELL: Hi, Chair, and Committee Members. I'm Linda Munsell. I'm absolutely thrilled to be here with this new term and helping you move things forward in the area of housing and human concerns. Thank you.

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MR. ALMEIDA: Good afternoon, Chair, and Committee Members. Buddy Almeida, Housing Administrator, and I share Ms. Munsell's comments, and look forward to doing a lot of good work together. Thank you.

CHAIR JOHNSON: Mahalo for that. Okay. So our Committee Staff today is...we have Alison Stewart, Legislative Analyst. We have...

MS. STEWART: Aloha, Chair. Aloha, Members.

CHAIR JOHNSON: We have Rayna Yap, Committee Secretary.

MS. YAP: Good afternoon.

CHAIR JOHNSON: We have James Forrest, Legislative Attorney.

MR. FORREST: Aloha, Chair.

CHAIR JOHNSON: Aloha. We have Ana Lillis, Legislative Analyst.

MS. LILLIS: Good afternoon, Chair. Good afternoon, Members.

CHAIR JOHNSON: Aloha. Thank you. And then finally, Lei Dineen, OCS Assistant Clerk. Okay. We're going to start things off by sharing my overall vision for this Committee, which is to create and amend legislation and policies that enable truly affordable homes for the residents of Maui County, and to support the houseless population in finding shelter and comfort in their time of need. I hope to do this through collaboration and Committee consensus by purchasing...by pursuing and approving housing projects that will ensure affordability. This is especially critical for low- and moderate-income families that are experiencing a desperate housing crisis, on top of a crippling pandemic. I look forward to working with each of you as we move forward and make this vision a reality. Members, we have two items on the meeting agenda today, that's AH-15, Amendments to Section 2.96.30, Maui County Code, Relating to Workforce Housing Projects Developed Under Chapter 201H, Housing [sic] Revised Statutes, and we have AH-16, Effectively Promoting the Availability of Affordability Housing...Affordable Housing, pardon me. So today, let's begin, as we always do, with public testimony. Testifiers wanting to provide oral testimony should join the meeting via BlueJeans meeting link, or the phone number and the meeting code posted on the agenda. Written testimony can be sent using the eComment link next to the agenda on the website, mauicounty.us/agendas. Instructions on how to submit testimony via eComment can be found at mauicounty.us/eComment. Oral testimony is limited to three minutes per agenda. If you are still speaking beyond that time, I will kindly ask you to complete your testimony. If you are testifying on both agendas, an alarm will sound after three minutes...after a three-minute interval. And while awaiting your turn to testify, please be courteous to others by turning off your video and microphone. When you are called upon, please state your full name for the record, and please state that you are testifying on behalf of an organization or a paid...or if you are a paid lobbyist. Staff are monitoring people joining the meeting and adding

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them to the testifiers list, which is available at the least...at the link posted in the chat column. Chat should only be used to indicate your desire to testify or be removed from the testifiers list. Chat should not be used to provide testimony or commentary, or to engage in other participants. If you wish to view the meeting without providing testimony, please disconnect from BlueJeans and watch the live on *Akakū* Channel 53, or visit mauicounty.us/agendas for live and archived videos, or watch the Facebook Live broadcast at the County Council's Facebook page. All testifiers will be disconnected from the BlueJeans meeting once the testimony is closed. Again, thank you for your cooperation and patience. Members, I would like to proceed with oral testimony if there's no objections.

COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR JOHNSON: Seeing none. Ms. Stewart, will you please call for the first testifier?

. . . BEGIN PUBLIC TESTIMONY . . .

MS. STEWART: Yes, Chair. The first testifier is David Johnston, to be followed by Nelinia Cabiles.

MR. JOHNSTON: Skip my testimony, please. Thank you. Just going to listen.

MS. STEWART: Okay. The next testifier will be Nelinia Cabiles, to be followed by Raymond Michaels. Ms. Cabiles seems to be joining the meeting now.

MS. CABILES: I'm sorry, I accidentally disconnected. Good afternoon. My name is Nelinia Cabiles. I wish to give public testimony as a private citizen to the proposed bill amending Section 2.96.030 relating to Workforce Housing, and 201H Housing...Hawai'i Revised Statutes Housing Projects. Thank you for the opportunity to do so. I will not pretend to know anything about the methodology used in calculating median family incomes or income limits for rental homes or any of that. I'll be the first to admit that my knowledge is purely experiential, from what I know having grown up on this island. The availability of housing has long been an issue on Lānaʻi, even when I was growing up. It was an issue for my family when my older sister and her family moved into my mom and dad's house, and this was back in the 1980s. The inventory of homes to rent back then and now is close to zero. The housing shortage is real. As I understand it, the 201H application is an expedited approval process, which requires that at least 50 percent of the units be offered at affordable rates according to guidelines set by the County. By increasing it to 75 percent of units to be offered at affordable rates, which is what this bill proposes to do, would impede the process, introducing long delays to the project. There'd be the risk of homes staying empty, there would be fewer affordable homes. It just doesn't make sense to me, with all...the Hokuao Workforce Housing Project is fair, builds to the law, and would mean affordable single-family homes to rent sooner rather than later. It would mean an end to the housing shortage on Lānaʻi. So for these reasons, however

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facile they may be, I'm against the bill to increase the percentage of affordable housing units to 75 percent. Thank you.

CHAIR JOHNSON: Thank you. Okay. We have a question from Councilmember Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Thank you very much, Nelinia, for testifying. And it was kind of broken, so are you saying you support...this is the first bill on the agenda, that takes the 201H process from 51 to 75 percent. So are you against that bill . . .
(inaudible). . .?

MS. CABLES: I am against. Hi, I am against that.

COUNCILMEMBER SUGIMURA: Okay.

MS. CABLES: Thank you.

COUNCILMEMBER SUGIMURA: Thank you. I just wanted clarification because of the connection. So thank you.

MS. CABLES: I'm sorry. Thank you.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR JOHNSON: Okay. Thank you for your testimony. We have another question here from Councilmember Tamara. Please go ahead.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. And thank you, Ms. Cables, for your testimony. I just had a question because you said that your concern, I believe, is for the Lānaʻi 201H. And we recently had a bill about social host gathering where Molokaʻi and Lānaʻi was exempted, and I just was wondering, would that be a possible solution to this situation if Lānaʻi was exempted? Or what are your thoughts on that, just to clarify because you specifically mentioned Lānaʻi.

MS. CABLES: I don't know about that exemption. I'm not aware of that. So maybe Mr. Johnson, Gabe Johnson could speak to that.

COUNCILMEMBER PALTIN: Oh, I guess it...

MS. CABLES: I was . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: I just wanted your opinion. But if you don't have an opinion or you don't know or you don't want to answer, then that's fine. I don't...I can ask Gabe's opinion, I guess when we deliberate. I just was asking you a question. But if you don't know, then I can accept that.

MS. CABLES: Okay. Thank you.

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COUNCILMEMBER PALTIN: Thank you.

CHAIR JOHNSON: Okay. We have one more question from you for Councilmember Mike Molina. Go ahead, please.

VICE-CHAIR MOLINA: Okay. Thank you, Mr. Chairman. And thank you, Ms. Cabiles, for your testimony. So in general, you support affordable housing, I presume, because the bill here would actually increase inventory, or require developers to provide more additional units under the 201H process. So I guess my simple question is, do you support affordable housing in general?

MS. CABLES: I do support affordable housing, but as I understand it, I don't see how this, I guess, increases the stock of affordable houses because there would be no projects, I guess, brought forward, as I understand it. So maybe I need to be educated on what the points are of this bill.

VICE-CHAIR MOLINA: Okay. Thank you for your comments. And once we get into deliberations, I'm hopeful that you can, you know, hang around and listen to the discussion. But thank you for your testimony. Thank you, Mr. Chair.

CHAIR JOHNSON: Thank you. Okay. Did I see that Councilmember Keani Rawlins-Fernandez, followed by Chair Lee, have questions?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair Johnson. Aloha, Ms. Cabiles. Mahalo for your testimony. I just wanted to clarify because my colleagues, I think, were trying to get the point that I wanted to try to get to. So my understanding of your testimony is that you fear that this amendment could prevent projects from being able to pencil out, and therefore, there wouldn't be projects. So that even though this bill is proposing to increase it from 50 to 75 percent, which would be more affordable houses, your concern is that developers won't be developing under 201H or 2.96 because of the increase in percentages of affordable housing.

MS. CABLES: That's correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And is your...so you cited Hokuao...the Hokuao Project specifically on Lānaʻi. So is your concern for Countywide, or Lānaʻi specifically only?

MS. CABLES: Lānaʻi specific.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So what Member Paltin was trying to ask is, would you support this bill if Lānaʻi was exempt from it?

MS. CABLES: I suppose yes.

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

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CHAIR JOHNSON: Okay. Thank you. And Chair Lee, thank you.

COUNCILMEMBER LEE: Hi. I just wanted to again to reiterate what you just said to the testifier. My assumption is the 75 percent requirement would probably scare away developers because it's hard for any developer to make a profit at 75 percent; is that correct, Ms. Cabiles?

MS. CABLES: Yes, that's correct.

COUNCILMEMBER LEE: Okay. So don't be afraid to say I don't know, you know, when the Members ask you a question because sometimes testifiers only come to testify about one thing, and they might be asked another question that they weren't prepared for. So please feel free to say I don't know. Thank you.

MS. CABLES: Thank you.

CHAIR JOHNSON: Okay. For some reason, on my screen I am not seeing other Members. Okay. Now I see Chair Lee.

COUNCILMEMBER PALTIN: What about now? Do you see me?

CHAIR JOHNSON: I just only see...oh, now I see Councilmember Tamara.

COUNCILMEMBER PALTIN: Maybe if we talk that'll help?

COUNCILMEMBER KING: Try...Gabe, try pressing the icon with the four squares in it --

CHAIR JOHNSON: Um-hum, that's what we're using.

COUNCILMEMBER KING: -- at the bottom left. Did you --

CHAIR JOHNSON: Yeah.

COUNCILMEMBER KING: -- press that one?

CHAIR JOHNSON: But okay, everyone else is seeing, yeah?

COUNCILMEMBER PALTIN: Yeah, you're on...on *Akakū*.

COUNCILMEMBER KING: We're all seeing each other.

COUNCILMEMBER PALTIN: I can see you on *Akakū*.

CHAIR JOHNSON: Okay. It's popping up right now for some reason. Go ahead, Councilmember Keani Rawlins-Fernandez.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So on your settings, top right, if you choose settings and go down below the three boxes, there's a don't show participants with video off or turn off expanded gallery view. Are those checked?

CHAIR JOHNSON: No, they're not.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Check those.

CHAIR JOHNSON: Okay. All right. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: That should help.

CHAIR JOHNSON: Okay. Great. All right, we're going to move on to, if there's any more questions, I think we can move on to the next testifier.

MS. STEWART: The next testifier is Raymond Michaels, to be followed by Tom Cook.

MR. MICHAELS: Thank you, Council Committee. My name is Raymond Michaels. I am the owner of Maui Plumbing, and I'm also the Vice-Chair for the Construction Industry of Maui. I would definitely concur that we need more affordable housing, and I'm really grateful that the Council is taking up this issue. The housing market, in terms of rentals and inventory for purchase, is quite obscenely low. I've lived here all my life and I've never seen it this bad. And I noticed this firsthand when I recently moved back here from...four months ago from O'ahu when I was looking for a long-term rental myself. So what...I definitely agree that we need more inventory in the market so that we can drive costs down and our community doesn't have to struggle with finding an affordable home. Affordable housing developments are also beneficial for our construction workforce as well. We are participating in a couple affordable housing projects, one being Kenolio Apartments in Kihei, which is just wrapping up, and the other one we're going to be starting is Kaiāulu O Kupuohi in Lāhainā. And we find that these projects not only provide good paying jobs for a multitude of different trade workers, but they definitely give our workers (*audio interference*) build homes for our working class families on Maui. However, I think that increasing the requirement to 75 percent isn't quite the solution. My fear is that this will become unaffordable for developers, and the cost will become too great. You know, oftentimes when we're faced with a problem, we tend to look outwards for the solution. The idea, I think, that we should mandate these developers to build 75 percent affordable units will just cause developers to seek other locations for their projects. And I think perhaps it's time to look and see how we can make it more attractive for developers to build more affordable housing projects here on Maui. And personally, I think one of the things we should look at is our permitting system which, as some may be aware, has become very inefficient and a bit of a bureaucratic nightmare to navigate. Many developers I've spoken to personally say that our permitting system is one of the main reasons for their excessive soft costs involved in starting a project, which in turn makes larger projects unviable, and therefore, why they often scale back on the number of units they would...would've initially liked to build. We definitely support affordable housing projects, but the increase to 75 percent is a little nonsensical in the sense that it

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makes these projects unaffordable for developers. And I think we really (*audio interference*) other way to incentivize developers to help us increase the supply of affordable housing here.

CHAIR JOHNSON: Thank you. Members, any questions, clarifications?

UNIDENTIFIED SPEAKER: Chair?

CHAIR JOHNSON: Go ahead, Yuki Lei Sugimura. Thank you.

COUNCILMEMBER SUGIMURA: Thank you...thank you, Chair. So Mr. Michaels, thank you for testifying. I'm apologizing because I have a really bad connection. So are you testifying on behalf of...did I hear Na Hale O Maui? No? All right.

MR. MICHAELS: No.

COUNCILMEMBER SUGIMURA: Can you say who you're...okay.

MR. MICHAELS: I'm with Maui Plumbing and I'm also –

COUNCILMEMBER SUGIMURA: What was your opening, your name and ...

MR. MICHAELS: -- the Vice-Chair for the Construction Industry of Maui.

COUNCILMEMBER SUGIMURA: Oh, okay. For the Construction Industry of Maui. Okay. So you're opposed to this proposed resolution...proposed bill --

MR. MICHAELS: Correct.

COUNCILMEMBER SUGIMURA: -- amendment to the bill to increase the percentage to 75 percent. And you said because it would affect, of course, construction. So do you have any...and I apologize if I didn't hear, but do you have any data that you could share with us that the construction...

MR. MICHAELS: Not at this time.

COUNCILMEMBER SUGIMURA: Okay.

MR. MICHAELS: No, not at this time. But if you're interested, I'd be happy to gather that data.

COUNCILMEMBER SUGIMURA: Okay. Thank you. Thank you.

CHAIR JOHNSON: Thank you, Councilmember. Did I notice Shane Sinenci had his hand up? Go ahead, Councilmember.

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COUNCILMEMBER SINENCI: Thank you, Chair, and mahalo, Mr. Michaels, for your testimony today. You mentioned about the permitting process --

COUNCILMEMBER PALTIN: Molina's getting all the heat and not mine, so that's good.

COUNCILMEMBER SINENCI: -- and the soft cost of starting, of startup projects. I had a question about...for the construction industry. Is there any challenges with inspectors coming out to projects? Have you seen where projects have been delayed through the inspection process?

MR. MICHAELS: Not through the inspection process, no. At least on our end, we deal mostly with the Plumbing Department. As a plumbing contractor, they've been phenomenal at coming out, you know, within, you know, sometimes less than a day's notice. So not on that end. Usually it's on the front end where developers get delayed.

COUNCILMEMBER SINENCI: Okay. And then my second question, Chair, was, you know, the County adopted Conservation Codes where you could use, you know, less expensive materials. Have the industry looked into some alternative...I guess, not cheap materials, but alternatives that doesn't require the cost of some of these projects to get elevated?

MR. MICHAELS: I'm not a building contractor per se, but that is something I can...I'm actually curious about myself, and I can reach out to a couple builders and see if that's something they've looked at.

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

CHAIR JOHNSON: Okay. Thank you, Councilmember. Moving on to Tasha Kama, I noticed Councilmember Tasha Kama had a question.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you for your testimony, Mr. Michaels. I just wanted to understand. You mentioned in your testimony that we should make development a little easier for the developers, and that we should incentivize them. Did you have any thoughts about what...could you share what that means to you?

MR. MICHAELS: I think helping to fast track a development that has affordable housing in it. You know, I've spoken to a couple of developers, and they're saying, you know, getting permits through can take, you know, over two years in some cases. And I think if we had an expedited permitting system, that would help these projects get off the ground faster so we can mitigate some of these soft costs involved. I think that would definitely be an incentive for these developers to build more affordable housing units.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

CHAIR JOHNSON: Okay. No questions further...oh, we do. We have Councilmember Tamara, go ahead.

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COUNCILMEMBER PALTIN: Thank you, Chair Johnson. Thank you, Mr. Michaels, for your testimony. I just was wondering, when you said that you are going to be beginning the plumbing part for Kaiāulu O Kupuohi --

MR. MICHAELS: Um-hum.

COUNCILMEMBER PALTIN: -- and I just was...it was my understanding that it, that one is 100 percent affordable. And I just was wondering, like, you know, we've had 201Hs and we've had projects that have been 100 percent affordable, and so I just was wondering if you could clarify...you know, it doesn't seem necessarily that it's the percentage that makes it the deciding factor of what's affordable. There seems to be possibly other factors because there are 201H projects, or even change in zoning projects that are 100 percent affordable. And so I would imagine that there's other factors than just percentages.

MR. MICHAELS: It's my understanding that some developers will do 100 percent affordable development, and that will satisfy their requirement for affordable units to go on to build other developments. And if I'm wrong, then I stand corrected.

COUNCILMEMBER PALTIN: Oh, okay, okay. So like if the 201H was added from 51 to 75 percent, you're saying, like, normally if they did 100 percent, they'd get credit for the other 49 is what you mean, percent that . . . *(inaudible)*. . . affordable?

MR. MICHAELS: That's what I believe. I believe if they've built a development...let's say, like, Kaiāulu O Kupuohi has 89 units, so that would satisfy their requirement. So their 25 percent requirement, it's 89, now they can go on to build perhaps...I think that would be just under 400 other units at market rate. That would...that's my understanding because they've fulfilled their 25 percent, and now they can go on to build other units.

COUNCILMEMBER PALTIN: Okay. All right. Thank you for that clarification.

CHAIR JOHNSON: Thank you, Councilmember. Moving on to Councilmember Mike Molina. Do you have a question?

VICE-CHAIR MOLINA: Yeah. Thank you, Mr. Chairman. And thank you, Mr. Michaels, for your thoughts on the proposal. Something you mentioned in your testimony, permits...the permit process. So in your opinion, is the, I guess, dragging of feet with the permit process, that is a major hindrance to all housing, especially affordable housing?

MR. MICHAELS: Absolutely. It's something that's echoed in the construction industry whether you're a developer, or a building contractor, or even a subcontractor. You know, getting a building permit, or especially a permit for a development like the ones we're working on take a really long time and just involve a lot of soft costs where the point is, the developers are hiring another individual just to navigate the permit system. You know, that's a cost that shouldn't necessarily have to be there.

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VICE-CHAIR MOLINA: Okay. Yeah.

MR. MICHAELS: So yeah, I think that's a big issue we should definitely look at to help these projects move forward.

VICE-CHAIR MOLINA: Okay. Yeah, that's something we've all heard a lot about. And, you know, I've proposed, you know, maybe looking at the Department in one specific area possibly, auditing, see what we can do to help improve that area. But that's for another time. But thank you for adding that to your testimony. I really appreciate it, especially...you're in the building industry, so you know what's going on in terms of permits and trying to expedite those permits. Thank you, Mr. Chair.

CHAIR JOHNSON: Thank you, Councilmember. Okay. Seeing no other questions, let's call the next testifier. Thank you for your time.

MS. STEWART: The next testifier is Tom Cook, to be followed by Jason Economou.

MR. COOK: Aloha, Councilmembers. Am I...can you hear me? Good, my...it's...my audio is working, I'm happy. Congratulations to all of you. Thank you for having this meeting. Anytime you talk about affordable housing, I get excited. I'm not necessarily an advocate or proponent of this particular bill increasing the percentage. I've put that...I want to bracket that, I am not a developer. I don't do the performance for development. I am just simply, you know, parroting what other people in the business who do the financing and whatnot. My feedback and my encouragement to the Council and to our community as a whole, when it comes to whether it's affordable housing and building permits are sort of joined at the hip, and that is basically, we need to look at our land use, we need to have an attitude adjustment about allowing people to build and embracing the fact that we need to increase our population, which is going to impact our traffic and more homes because our local people need places to live because they've got three or four living in a house and there's a bunch of cars parked on the side of the street because there's not enough room. So I'm just saying, our challenges are our entire community recognizing the fact that we need to build more homes, and it's going to impact us. I can't...I'm afraid to share my screen because I think I'll disconnect, but I'm looking at from November 2001, Building Industry, the cover of the magazine, it's Davide Goode, Kimo Apana, and John Min, and the...it says Maui Construction and Controversy. That was 19 years ago. I kind of get chicken skin and I'm a little emotional because I've been working as a general contractor and a construction worker with boots on the ground for the last 30 years. And our community has a tremendous amount of talent of the political arena, the design arena, the construction arena, the financial arena, the selling arena, everywhere. We got choke talent, and we have not been able to address this issue constructively in boom times, in bust times, high interest rates, low interest rates. It doesn't seem like the challenges are external. I believe the challenges are internal, and that we are part of the challenge. So I'm not...I'm trying to be a cheerleader here. I'm trying to be encouraging and roll up our sleeves and work together. Elle Cochran's TIG, Temporary Investigative Committee some years ago, the group of people came up

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with some good ideas. I would encourage you to possibly address that with developers again. As far as the . . . *(timer sounds)*. . . time up.

CHAIR JOHNSON: Please conclude your testimony.

MR. COOK: OKAY.

CHAIR JOHNSON: Mahalo.

MR. COOK: As far as the permitting, I want to say that the rank and file of all of the people who are actually receiving and reviewing, processing at the initial, and instigating the review process are all doing the best they can. Maui County is short on engineers, Maui County has a thick catalogue of rules and regulations that don't necessarily jive. The Planning Department is the biggest challenge. I hope nobody takes that personally, but the Planning Department will micromanage absolute everything, and they are the number one impediment to getting anything done. So anyway, thank you for your opportunity to give testimony. If you have any questions, I'd be glad to weigh in.

CHAIR JOHNSON: Thank you, Mr. Cook. Councilmembers, do we have any questions for Mr. Cook? Okay. Chair Lee.

COUNCILMEMBER LEE: Thank you, Mr. Chair. Good afternoon, Tom.

MR. COOK: Good afternoon.

COUNCILMEMBER LEE: So I didn't hear you say you were in favor or not in favor of the 75 percent requirement of affordable housing.

MR. COOK: I apologize. I did state that I am not in favor.

COUNCILMEMBER LEE: Oh, you're not.

MR. COOK: And I said the reason I am not in favor is because of talking to other people who actually finance and build projects. I'm a contractor, not a developer. So this is not something that I normally deal with.

CHAIR JOHNSON: Okay. Thank you. Any other questions for Mr. Cook? Seeing none. Council [sic], thank you. Please call the next testifier.

MS. STEWART: The next testifier is Jason Economou, to be followed by Diane Preza.

MR. ECONOMOU: Good afternoon, Committee Chair, and Committee Members. Thank you for allowing me the opportunity to testify. My name is Jason Economou. I am the Government Affairs Director for the Realtors Association of Maui, and I am testifying in that capacity as an employee of RAM. Let me address both of these bills. So, Councilmember Paltin, I'm sorry, I'm going to give some heat to AH-16. But let me

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start with AH-15. I echo everything that has been said regarding that 75 percent threshold. The fact is, in Maui County since 2014, we've had approximately 424 affordable housing units completed under 201H. If you make the threshold for getting that fast track permitting under 201H more difficult, raising it up to the 75 percent, you're going to get less housing. So you guys aren't kings. You can't mandate developers to build 75 percent of your housing for X cost. You just can't do that. Also, nationally, there is a housing boom. The real estate industry is the strongest sector right now nationally, and there's plenty of opportunities to build in other jurisdictions. So making the threshold to build on Maui more difficult will not result in more housing, even if you say it will. So I would oppose that. But also, cutting out that 120 to 140 percent AMI category from 201H affordable housing seems like a bad idea. That group in that above moderate-income level, you know, what is...according to our housing guidelines, that is...120 is \$117,000. That's two people with very working-class jobs. Granted, they might be getting paid very well for what might be a blue-collar job, but that's still blue-collar work. So, you know, simply cutting those folks out of affordable housing guidelines doesn't change the fact that they need affordable housing, and that they can't compete for market rate housing on their own. So if you want to help the working class, don't just decide that workforce housing doesn't apply to people making more than the average amount of income. The truth is, housing affordability in Maui County has been quite bad for some time now. Currently, based on our most recent market statistics, an individual making 100 percent of the area median income is only making approximately 46 percent of what they would need to afford the median priced house in Maui County under prevailing interest rates, and interest rates are good right now. So if affordability is that bad for somebody making 100 percent AMI, it's not going to be much better for somebody making 120 percent AMI, or 140 percent AMI. So regarding AH-15, I think it's a great bill for conversation, but even the testimony, the written testimony you've received in support, if you read it carefully, it really just complains that wages are depressed in Hawai'i. It's not complaining about the housing policy . . . (timer sounds). . . it addresses the fact that housing isn't affordable but that's because people aren't making enough money...

CHAIR JOHNSON: Thank you, Jason, if you'd mind...

MR. ECONOMOU: Moving on to AH-16? I would love to. Regarding AH-16, once again, removing that 120 to 140 percent AMI group from affordable housing isn't actually helping people. So just don't do that. Also, it's going to make it more difficult if you change the definition for townhomes when it comes to workforce housing, and if you change the workforce housing levels. It's going to make it more difficult for developers to pencil out the expenses when they're applying for the 2.96 fast track permitting. Once again, if you want to look at the number of houses that have actually been built, or affordable units that have been built under 2.96, it is slightly more than 424, but it is still less than 500 units that have been completed in the past however many years under 2.96. So, you know, at least the past six years. So you could check that with the Housing and Human Concerns data. It'll check out. Now, extending the waitlist periods...that, from a consumer standpoint, could have real benefits, so that's true. However, one thing to keep in mind is that carrying costs for a vacant property are

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some of the higher costs for a developer. So if you extend all of the waitlist periods, those are costs that might be able to be absorbed by larger developers who might be based on the mainland and bringing in labor from the mainland, or other islands. But for those smaller mom and pop developers that are Maui based, it could potentially mean that they can't do jobs here on Maui and employ people from Maui. So, you know, you should do some research and check in with the developers because I am, you know, admittedly I'm not an expert in development or construction. Do some more legwork to determine how those waitlist periods might cause unintended consequences. And then to jump back to the issue of townhomes for the purposes of affordable housing, transit-oriented development, that's a big buzz term, you know, YIMBY, Yes In My Back Yard, there's a lot of these housing movements right now that are all focused on density, increased density. You can have more green spaces with more people living in the area if you increase the density on a single footprint of housing. That means townhomes, that means condominiums. Development is moving in that direction. So don't stop development of affordable housing in the form of townhomes simply because it's being offered to people who still aren't making a lot of money, but are making more money than you think the people that deserve it are making. So it's just inequitable. And finally, the reason to not move forward with both of these is that you've got a very intelligent person in Jeff Gilbreath and the folks at Hawaiian Community Assets working on a pretty comprehensive affordable . . . *(timer sounds)* . . . housing plan that involves a lot of community input. You've already paid for it. Wait until you can realize your investment. See what the Community Housing Plan has to tell you, and the guidance it gives, before you make large changes to Housing Policy that could make that Housing Plan essentially obsolete in some ways.

CHAIR JOHNSON: Okay. All right. Thank you for your testimony, Jason. We do have some questions. Go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. Thank you, Mr. Economou, for your testimony. I guess my question is, you know, like how you said that we're not ali'i, and we can't force people to build what we want. Even building it, we can't force people to buy it, you know. And so I guess that was my...that's my question. If we're building these townhomes for residential workforce for the one above moderate and moderate categories, and they're flipping out of affordability because people are not buying it, then it's basically what's going on anyway, you know. We can provide it for 120 and 140, but if people don't buy it and it flips out of affordability, then it's not residential workforce anyway. So I just was wondering if you have a clarification. Like if it flips out of affordability, it's not affordable, right?

MR. ECONOMOU: Yeah. So yeah, I can make a couple of suggestions there. One, if that's your specific issue that you're concerned about, then extend the waitlist periods for townhomes. If it's townhomes that are the ones that are flipping out of affordability, you extend those waitlist periods, then that might solve the issue. Similarly, you can have some sort of compromise where when a house or townhome exits the affordability waitlist period, if it's sold at market value, half the price of the profit gets put back into the Affordable Housing Fund. This way, it was intended to create affordable housing,

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and in some way, it'll still create affordable housing if the profits go towards the Affordable Housing Fund. This way, developers can still create it, it would still help pencil out the cost of development, you've addressed your issues concerning townhomes shifting out of affordability, and you're getting benefit to the Affordable Housing Fund. And you did all of that without stopping providing housing for people making that income level.

COUNCILMEMBER PALTIN: I have a comment, but it would be considered discussion, so I'll save it. And then I guess I have a follow-up question. For...you know, like so many people that like how you're saying is that the real estate market is hot, the inventory is low, and I just wanted to clarify, like, you know, if the demand is so great based on these numbers that you're looking for, then I'm not understanding. Like, I think Member King has said it before, like, I'm not understanding. We have this...such a great need for housing in all the categories, and so I don't see how extending the waitlist is the problem. Because isn't the need so great? I mean, the waitlist time, like if you could clarify that.

MR. ECONOMOU: So the problem isn't qualifying. It's getting buyers qualified. You know, Hawai'i, and Maui County, and the United States in general has done a terrible job of building capacity amongst our citizens, or our residents, to be able to qualify to purchase a home. That involves credit history, employment history...that involves, you know, just all these various things that go along with adulting that it's difficult for somebody to qualify for applying for a home. When I was trying to purchase my home, me and my wife were almost blocked from doing so because we had lived abroad for several years, and our employment history was difficult to track with tax records. So, you know, that's just one example of how somebody might not be able to qualify for housing. With that wait period, yeah, you might have folks who are ready for housing, or they think that they're ready for housing, and they're making that, you know, 70 percent AMI. But unless they can qualify with a lender, with the interest rates that we have, with all the lender requires for them to qualify with, then if they couldn't qualify in three months, they might not be able to qualify in six months. They might, but it's still not as though it's a guarantee. So the problem isn't necessarily just having a demand for people that want the housing, it's a demand of people who qualify for the housing that want it.

COUNCILMEMBER PALTIN: So if I understand what you're saying, you're saying, like, everybody wants a salary of a million dollars, but not everybody qualifies for that salary for a million dollars?

MR. ECONOMOU: Everybody wants a home. Everybody wants an affordable home. Not everybody qualifies for an affordable home. And that's...that's not my doing. I mean, this is just our capitalist system, so...

COUNCILMEMBER PALTIN: So I mean, I guess the question is, like, if you're...that's what you're saying, shouldn't we be building to the list of folks that are qualified? Because if we're building to folks that want a home, but aren't qualified, then it's going to flip

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out of affordability, and what's the point of doing the affordable for people that want affordable homes, but aren't qualified for affordable homes.

MR. ECONOMOU: You're getting some of what I'm saying. Because yeah, it's far more likely that people in that income level of 120 to 140 percent AMI will qualify for a home before somebody making 80 percent AMI. So...so yeah, build houses to the folks in the affordability brackets that can qualify. And in both of these bills, remove housing for those folks. Both of these bills say, okay, we'll only build houses. Townhomes will only qualify as affordable if they're sold to people making 100 percent AMI or below. Well, now, you've just cut out a whole portion of qualified workforce housing recipients that won't be allowed to get a townhome. So --

COUNCILMEMBER PALTIN: Thank you.

MR. ECONOMOU: -- so yeah, you agreed with me. Finally.

COUNCILMEMBER PALTIN: No, I just said thank you.

MR. ECONOMOU: Oh, no. No, I'm talking about before when you said build houses for the people that qualify.

CHAIR JOHNSON: Okay.

MR. ECONOMOU: Yes. Build houses for the people that can qualify.

CHAIR JOHNSON: Okay. All right. Moving on, Councilmember Kelly King had a question for you.

COUNCILMEMBER KING: Okay. Thank you, Chair. Hi, Jason. Nice to see you.

MR. ECONOMOU: Hello, Councilmember.

COUNCILMEMBER KING: I think Member Paltin covered one of my earlier concerns because, you know, we do keep hearing from all these developers that there's wait...there's...there's hundreds of people waiting for these homes. And then when we extend this waitlist time, then they say, oh, well, we need...you know, we might not be able to sell them. So it's confusing...you know, as a Councilmember, it's confusing to hear that conflicting information from people who say that there...the demand is so high, and that there's a bunch of people waiting who are qualified, and then want, you know, extended...want to be able to flip them out of...well, into market so soon. But one of the things I wanted to ask you, Jason, is we had a...in my first term, which was the last of the...2018/2019 or 2017/2018 term, we had...we had some money go into what was supposed to be an affordable housing plan, but it ended up being an affordable housing study. I don't know if you remember that, but some of us --

MR. ECONOMOU: Yeah. SMS, yeah.

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COUNCILMEMBER KING: -- weren't really happy about that because it was not...we were not allowed, as a Council, to input into what we were going to be asking for that money. So in that study, which I think was done by SMS, they recommended that we...we shrink that pool down to 120,000, like, the...the up to 120,000 AMI. That was actually a recommendation in that study. So I just wondered if you had thoughts on that because I don't know if you read that...that study.

MR. ECONOMOU: I have read the study, and I still disagree with cutting out that...that income group, that gap income level. You know, there's...there's been debates over this for decades, and when you put it in percentages of area median income, it sounds like you're somehow catering to the wealthy and prosperous. But when you look at the actual numbers, you know, 120 percent of area...area median income for Maui County is \$117,000. That is two people making less than \$60,000 a year. That is...for...for Maui's cost of living, that is not a lot of money. So...so yeah, I get the impulse to abandon these folks because, you know, by virtue of 120 AMI to 140 AMI, it sounds like they're doing better than the average person. But they're still not doing so well that they can compete at this inflated housing market right now, or compete as a part of the inflated housing market right now. So... so I still disagree, even if you have a study that says that you should do that.

COUNCILMEMBER KING: Okay. Just...just curious. That study was...I think the...the recommendation was made based on the fact that we could get more affordable housing because we weren't reaching down into the low numbers. You know...you know, so I just wanted to get your thoughts on that. Thank you. Thanks for being...I mean, some of the other stuff I agree with you on, so I'm...I'm always happy to get your perspective. Thank you.

CHAIR JOHNSON: Thank you, Councilmember King. I know we have Councilmember Molina, and then on to Councilmember Kama.

VICE-CHAIR MOLINA: Thank you, Chair. Good afternoon, Mr. Economou. Whether we agree or disagree, it's always a pleasure to hear your input. You know, the 201H was designed as an option for the developers instead of going through the traditional, so-called traditional zoning entitlement process which, of course, is about...it takes a little bit more time. So this was the tradeoff. Use this option to possibly save time, get some exemptions, saving money, in return for the 50 percent affordable. Now, just a simple yes or no answer from you. Can the developer...if it is 75 percent, they could pass that cost onto the market rate homes, correct? They have that option. They can do that to offset their so-called losses on doing additional affordable units. They could, right?

MR. ECONOMOU: I think so, yes. I would...I would imagine so.

VICE-CHAIR MOLINA: Okay. Okay. Thank you. Thank you, Chair.

CHAIR JOHNSON: Thank you, Councilmember Molina. Next, Councilmember Kama.

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COUNCILMEMBER KAMA: Thank you, Chair. I just wanted to ask Mr. Economou, you know, when you talked...mentioned about people were not eligible or not qualified, what were you talking about?

MR. ECONOMOU: Housing and...buying a house is...is a difficult prospect, and there's a lot that goes into qualifying for housing...income levels, income history, credit history, all those things. With...I mean, it's...it's a process that's difficult, and it takes a certain level of sophistication that your...your average person, whether they're well educated or working class regardless, generally doesn't have a lot of knowledge about. You know, and especially if you are...if you are just scraping by to make ends meet, you...you're probably not the most knowledgeable as far as real estate transactions. Quite frankly, I...I've taken the bar exam three different times, I've had, you know, several courses on real estate law, and I don't know that much about the house buying process, and I work for the realtors. So...so it's one of these things where we can't anticipate that everybody's that knowledgeable. And if you really want to help people, you need to do something about wages, and you need to do something about building capacity. Teaching people, you know, how to save up that money for a down payment, how much money they need for a down payment, you know, how to repair their credit, what a credit score is...even building credit. You know, my father-in-law just got a credit card to build credit. It's...it's crazy how far behind some folks are on things. So...so that's the capacity building that I'm talking about.

COUNCILMEMBER KAMA: Okay. So that's when you...that's what made you talk about Hawaiian Community Assets and what they're doing in terms of helping people to build their creditworthiness, that they're becoming creditworthy to be able to qualify for those loans.

MR. ECONOMOU: I can go on all day about how much I love the programs that they're doing, but I won't out of respect for the Chair. I don't want to hijack this anymore.

CHAIR JOHNSON: Thank you for that. I appreciate that, Jason. Councilmember Kama, are you good with questions?

COUNCILMEMBER KAMA: Yes, I am, Chair. Thank you.

CHAIR JOHNSON: Okay. Thank you.

COUNCILMEMBER KAMA: Thank you, Jason.

MR. ECONOMOU: Thank you.

CHAIR JOHNSON: Before I move on to Councilmember Sugimura, Jason, just kind of condense your answers a little bit, please, because we've got a lot of people.

MR. ECONOMOU: Okay.

CHAIR JOHNSON: Thank you. Mahalo.

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COUNCILMEMBER SUGIMURA: So Mr. Economou, nice to see you here, and I got calls about this from realtors. So there was like a slight panic, like what is the Council doing? What is the climate out there in terms of what you've heard from your...the realtors? I...I got calls about the first bill, not...I haven't heard yet about the second bill, but...

MR. ECONOMOU: To be perfectly honest, the climate is one of concern that this County Council is going to kill development. And not just high-end development, I'm talking the main is concern is in affordable development. That...and I don't mean to be insulting with that, but that...that's the concern of most of the realtor community. You can take that for what it's worth. And, you know, the first meeting out of the gate is to...to drastically change the 201H process to...to increase the threshold for affordable housing. It suggests that, you know, you guys might be interested in policy that sounds good, but could have unintended consequences. And I don't know if that's true. Chair Johnson has met with us before this meeting on...concerning these bills. I think you guys have good faith but, you know, I...I don't...the proof will be in the pudding. We'll see.

COUNCILMEMBER SUGIMURA: Okay. I think...I think that sounds like what I heard from the people who called me about this concern. It's like when affordable housing was, what, 50 percent, you know?

MR. ECONOMOU: Yeah, it killed it.

COUNCILMEMBER SUGIMURA: And then it went down to 25. Yeah. So it's the same kind of impact. Maybe some of it is perception, I don't know, but...

MR. ECONOMOU: That's the number one fear. I've had...I had people calling me, saying that they had the argument about 120 to 140 percent AMI ten years ago, that this group should be included in the workforce housing, and...and they're shocked that...that they're being removed from workforce housing now, so...

COUNCILMEMBER SUGIMURA: Working families. Thank you very much, Mr. Economou. Appreciate you being here.

MR. ECONOMOU: Thank you.

CHAIR JOHNSON: Thank you. Okay. We have one last question. Please try and keep our questions to yes and no and clarifying questions so we can move through our long list. Okay. Go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. My question isn't for Mr. Economou. Mahalo for your testimony. My question, actually, or comment is to you, Chair. During testimony period, generally, it's restricted to clarifying questions only, so that is under your authority to limit our questions to clarifying questions only. And if they would, if Members would like to ask questions beyond clarifying, that we can

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just designate someone as a resource person instead of using up the testimony period. Mahalo, Chair.

CHAIR JOHNSON: Yeah. Thank you for that clarification, Chair. So seeing no further questions for Jason, we can move on to next question. Thank you.

MR. ECONOMOU: Thank you.

CHAIR JOHNSON: Next testifier, I should say.

MS. STEWART: Chair, the next testifier is Diane Preza, to be followed by Bruce U'u. Diane, if you could please unmute yourself.

MS. PREZA: Okay. Aloha, Chair Johnson, and Members of the Council. I'm Diane Preza, and I appreciate the opportunity to testify on the proposed bill for an ordinance amending 2.96.030 Maui County Code, relating to workforce housing, and 201H HRS housing projects. I'm testifying as a Lāna'i resident. I was born and raised on Lāna'i, and my husband and I raised our family here because we wanted our children to have this...similar experiences growing up on Lāna'i. The rural lifestyle and closeness of the community is the reason that we choose to live here. Through the years, I've seen our Lāna'i community go through many economic and social changes. Although individual circumstances differ, a common concern I hear is the urgent need for affordable housing. Lāna'i may be different from the rest of Maui County in...in that they aren't...there aren't housing options available. Many Lāna'i families live in crowded conditions, not always by choice, but due to lack of housing. Even if residents have the ability to rent, there aren't any rentals available. I'm concerned about the unintended consequence of raising the requirement from 50 percent to 75 percent. It could result in fewer projects brought forth, meaning less affordable homes throughout Maui County. For this reason, I oppose this bill. There must be possible solutions to address the lack of affordable housing other than this proposed bill. Thank you for your time.

CHAIR JOHNSON: Thank you, Ms. Preza. Does anyone have clarifying questions for our...our testifier? Seeing none. Thank you so much. Okay. Moving on.

MS. STEWART: The next testifier is Bruce U'u, to be followed by Stan Franco.

MR. U'U: Hello? Can you guys hear me? Okay, hang on. I can't...I can't hear anybody.

CHAIR JOHNSON: We can hear you, sir. Please continue with your testimony.

MR. U'U: Aloha, everyone. Good afternoon. My name is Bruce U'u, lifetime resident of Maui. I'm testifying on behalf of myself, who...I consider myself a proponent for affordable housing, and also for the Hawai'i Carpenter's Union. And again, aloha all, Happy New Year, congratulations, Gabe Johnson. The 120 percent of that group we talking about is...is the group I represent. That is the construction industry. So to remove that group, I going have an issue with that because that's the people we

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represent, yeah. So I would like to reconsider that somehow, some way. We make about 60 to 80,000, give or take, a year, and if you paired it up with a nurse, which a lot of people on...spouse that's working, we...we hit the criteria or the threshold of making that 117,000 per household. So, you know, I have some concerns. I...I support affordable housing, but I don't support this measure. Back in...back in 2006, when they had the 50 percent affordable housing, from 2006 to...and again, correct me if I'm wrong, from 2006 to about 2012, I think there were two homes made at the 50 percent criteria for affordable housing. And I'll never forget that because I was on the Planning Commission. And the Council...some of the Councilmembers came and say, hey, let's just pass this. It's...again, good faith measure, it was a good faith measure, and it didn't pan out, and we went back, we regressed. And I always said, if...if it was so profitable for develop housing, or if the guidelines that the Council create were so influential and positive on developing affordable homes, we wouldn't be in this crisis right now. We would be celebrating that an achievement that...that...that worked. And I think nobody stepped and said okay, it didn't work. I think we need to...I think one was brought up earlier, Hawai'i Community Assets, go see what they doing. Go take...take your...take their mana'o and use them to the advantage for Maui County. Pick up some of the burden of what the developers need to do as far as costs, upfront costs, infrastructure cost. I heard Councilmember Sinenci said about the cost of materials. Different type of materials that we could use, I hope the engineers and the architects know because I haven't seen any changes in the plans, how . . . *(timer sounds)*. . . how . . . *(inaudible)*. . . and I'd also like to add that I was...I was going to build my house recently, but right now, the costs of the material for every \$100,000 of material you could purchase months ago, the cost is at 1,600 right now. So do your factoring. There's so much moving parts into making this work. That --

CHAIR JOHNSON: Okay, Mr. U'u. Can you finish your testimony up for me, please? Thank you.

MR. U'U: I like to finish up by saying mahalo nui for taking the time at solutions, but I don't think this...this...this would work. I think it would be a failure, in my opinion. And I would hope I'm wrong, and hope you guys prove me wrong if this passes. Aloha.

CHAIR JOHNSON: Aloha. Mr. U'u, will you stay on for one question? We have Councilmember Paltin with a question for you.

MR. U'U: Sure.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. And thank you, Mr. U'u, for your testimony.

MR. U'U: Thank you.

COUNCILMEMBER PALTIN: I just wanted to clarify, on the excluding from the definition of residential workforce housing unit or lots sold for those whose gross income is more than 120 percent. And I get the 2020 HUD guidelines, and 120 percent is, like you said, 117,000. That's what you said. And that wouldn't be excluded in the proposal

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that I'm proposing, other than the...the multifamily, because those are flipping out. And the 140 percent is the one I just wanted to clarify, that's 136,500 is for full exclusion. So I...I wasn't sure if that's what you were saying because you said 120...it might be a little bit confusing because 120 and up out for all, and 100 [sic] and up out for multifamily because folks are not buying those multifamily one above...above that. So just clarifying --

MR. U'U: Thank you for --

COUNCILMEMBER PALTIN: -- if that's what you meant.

MR. U'U: Thank...thank you for your clarity.

COUNCILMEMBER PALTIN: Okay. Thank you.

MR. U'U: Thank you.

COUNCILMEMBER KING: Okay. Any other questions for our testifier? Seeing none. We will move on to the next --

COUNCILMEMBER SINENCI: Chair?

CHAIR JOHNSON: Oh, I'm sorry. Go ahead, Councilmember Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah. Mahalo, Bruce, for being here today. Just...I...you got cut off at the end by the buzzer about saying that every per 100,000, you were paying 1,600, you mentioned on, on material costs? Can you clarify?

MR. U'U: I wish . . . *(inaudible)*. . . For every thousand dollars, you...right now, you're approximately paying 1,600. So I kind of...me and my wife kind of hold back on building. Because I'm a carpenter by trade, so anything I could save on labor, I will be paying just for material. So you going get that hiccups along the way with...with multiple...multiplied and, you know, I...how do you pencil in or foresee anything that...that...that comes up, you know? Again, I can't even build one house right now, and I qualify for my loan.

COUNCILMEMBER SINENCI: Yeah, I --

MR. U'U: I just saying.

COUNCILMEMBER SINENCI: I hear you. And so, you know, Member Molina mentioned something about the...you know, having...the 201H projects have a lot of exemptions, upwards of millions of dollars to a developer. Are there, as a contractor, and at the contractor union, that could also be exempted as part of the process? I mean, do you see other areas in the process, where... where some of these exemptions can also be waived as part of the process?

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MR. U'U: You know, my... my hope... my hope would be if the County could front some infrastructure costs and just let the developers build homes. I think they did that back in the day. I think even the... well, put it... I... I'm a beneficiary of a affordable house, or low income housing from my mom. Built... I broke it down . . .*(inaudible)*. . .

COUNCILMEMBER SINENCI: You saying infrastructure is --

MR. U'U: Cost is huge. I mean the... the permit. I mean, I don't know, what is the water? What is a water meter? 14,000 right now? I mean, I just saying that the added cost, infrastructure cost, depending what lot you buy and how far it is from infrastructure, all.. it... it all adds to costs. And the carrying... the length of carrying time for the house, I guess, might deter some of their... I guess some of the lending institutions. We... we have issues. I was on Na Hale 'O Maui, Vice President. We had some issues in... in some of the lending. Then we found someone that worked really good with us. I don't know at what point in time that you'd have more opening up to more lending institutions, but that might hamstring some of the issues, what I see here.

COUNCILMEMBER SINENCI: Okay. Mahalo, Mr. U'u. Thank you, Chair.

MR. U'U: Thank you. Aloha.

CHAIR JOHNSON: Okay. Any other questions for Mr. U'u? Seeing none. We're going to move on to the next testifier. Mahalo.

MR. U'U: Thank you.

MS. STEWART: The next testifier is Stan Franco, to be followed by Sherri Dodson.

CHAIR JOHNSON: Mr. Franco, if you unmute... mute yourself, we could hear you.

MR. FRANCO: Here it is. Hello. Can you hear me?

CHAIR JOHNSON: Loud and clear. Go ahead, Mr. Franco.

MR. FRANCO: Hi, Chair Johnson, and Members of the Committee. Glad to be with you. I'm Stan Franco, a lifelong resident of Maui County, and a housing advocate. And today, I speak for myself on AH-15 and AH-16. I commend Councilmembers Molina and Paltin for their proposals before the Committee today. I feel with them a frustration that our current laws are not providing the homes that the majority of our people can afford. First on AH-15, I agree with Councilmember Molina that we... that if we are providing exemptions from the fees for building homes, those homes need to be built for those at lower incomes in our community, where the need is the largest. So the 75 percent requirement to those of incomes from zero to 120 percent is, in my opinion, reasonable. So I can... on AH-16, I agree with Councilmember Paltin when she proposes languages... language of townhouses be sold or rented to those earning 100 to... 100 percent to 120 percent of area median income, should be considered market units and not residential workforce housing units. Townhouses are cheaper to build

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because they have a common wall with the next unit, and if they are built for those earning around \$100,000 per year, they should be considered market units, and not counted toward the 25 percent requirement, the residential workforce housing policy by Chapter 2.96. On the matter of the waitlists, I'm 200 percent behind the idea that the Council and the Mayor need to have an informational system for the waitlists of projects of developers. I agree that the Mayor and Council need to share what projects are available for purchase in our community, and how our people can apply for the available units. I would go one step further, and suggest to this Committee to make the waitlists, which I would call "Affordable Housing Eligibility List for Purchase of a Home", the function of the County of Maui, and not of individual developers. I believe this will prevent any perception of favoritism by a developer of one member of the community over another. On the change of 90 days to 180 days for selling a unit built at a particular income level, I believe that the folks are sharing with you that... people in the community, they are sharing with you that they are told that . . . *(timer sounds)* . . . *(inaudible)* . . . for homes --

MS. STEWART: That was just your first three minutes, Mr. Franco.

MR. FRANCO: Okay. Thank you very much. Oh, let's see. Let me go back. I say, I believe that folks are sharing with you that they are being told that they are not able to qualify for homes in their income group, and this allows the developers to sell those homes to a higher-income household. This frustrates the intent of building for all income groups. Given more time for qualification will hopefully make developers work more diligently with buyers from every income group to qualify them to buy a home. It does not make sense to me, if there is a requirement in law that many... that some units... that so many units needed to be built for a certain income group based on need, not to require developers to sell homes to that income group. The increase from 90 days to 180 days is appropriate to meet the Maui Island Plan objective, and I quote "To provide livable communities that provide for a mix of housing types and land uses". If the County of Maui creates and maintains the affordable... affordability housing eligibility list, and works to pre-qualify people to buy a home at their appropriate income level, you would probably make the Section 2.96.090D selection priority superfluous, finally. I commend this County Council with grappling on the housing crisis that Maui County residents face every day. I hope in your foresight to contract Hawaiian Community Assets, to create a comprehensive, affordable housing plan, we'll finally have a roadmap to track the housing future that all Maui County residents want, deserve and need. Thank you.

CHAIR JOHNSON: Mahalo, Mr. Franco. We do have some questions. Councilmember Kelly King, followed by Councilmember Paltin.

COUNCILMEMBER KING: Thank you, Chair. Thanks, Stan, for being here. Good to see you, as always. I just wanted to clarify one thing that you said. Want to wait for him to get his... I mean, plugged in.

MR. FRANCO: I'm here.

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COUNCILMEMBER KING: Oh, okay. When you said that the waitlist should be developed by the County, were you talking about having the County develop, or pre-qualify people, and then create a waitlist of folks who are prequalified?

MR. FRANCO: The County... I believe this with my whole heart and soul, that we... that people should be registered on a... on a list. If they want to buy a home, they should be registering by the County of Maui, and when projects come up that, you know, people can buy, that they be... be the first people in line to buy that homes. This would maybe prevent people from the mainland from buying the homes. This is a... which is a, you know, a major problem that we are facing. So you know, and I think we should be doing everything possible, you know, to qualify people right now. There are programs in our community that can help people, and we need to... that information. We really have a lack of information going to the community on what they can do, and people are calling me and asking me what can... can happen. So I know you're hearing the same kinds of calls. So we got to do something about this. And the only fair way to really do this is for the County to take charge of the eligibility or the waitlist. That's my opinion.

COUNCILMEMBER KING: Okay. And then that would be instead of doing the lotteries that we've been doing, where we wait until . . .(inaudible). . .

MR. FRANCO: Yeah, the County would take... the County would take care of the lottery, not a private developer.

COUNCILMEMBER KING: Okay. Great. All right. Thanks, Stan.

MR. FRANCO: You're welcome.

COUNCILMEMBER KING: Aloha. Thank you, Chair.

CHAIR JOHNSON: Thank you, Councilmember King. Moving on to Paltin... Councilmember Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson, my question was addressed. Thank you, Mr. Franco, for your testimony.

MR. FRANCO: Thank you.

CHAIR JOHNSON: Thank you. Okay, moving on. Thank you so much, Mr. Franco.

MR. FRANCO: Mahalo.

CHAIR JOHNSON: Oh, I'm sorry, I... Yuki Lei Sugimura does have a... Councilmember Sugimura --

COUNCILMEMBER SUGIMURA: Oh, I have a --

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CHAIR JOHNSON: -- has a question for you.

COUNCILMEMBER SUGIMURA: Thank you, Mr. Franco, but I actually have a question for you. How many testifiers do we have, I'm just curious --

CHAIR JOHNSON: Oh.

COUNCILMEMBER SUGIMURA: -- on this important subject?

MS. STEWART: It seems that they're up there.

CHAIR JOHNSON: . . . *(inaudible)*. . .

COUNCILMEMBER SUGIMURA: Sorry.

CHAIR JOHNSON: Okay.

MS. STEWART: Chair, shall I?

CHAIR JOHNSON: Please.

MS. STEWART: It looks like there's maybe 15.

COUNCILMEMBER SUGIMURA: 1-5?

MS. STEWART: 1-5, yes.

COUNCILMEMBER SUGIMURA: Okay. 1-5 more?

MS. STEWART: Yes.

CHAIR JOHNSON: Okay. I see no further questions for Mr. Franco. We can move on to the next testifier.

MS. STEWART: The next testifier is Sherri Dodson, to be followed by Cassandra.

MS. DODSON: Hi. Good afternoon, Councilmembers. Nice to meet you, Council *[sic]* Chair for Housing, Gabe. I wanted to jump on the call and just say a few things. You guys, most of you, know me. I've been with Habitat for Humanity for a while. In fact, I'm celebrating today my 18th year with Habitat for Humanity. Thank you. What some of you may not know is that my father was a contractor too, so I have many, many more years of experience with building houses and that kind of stuff, specifically building houses. I wanted to testify on both AH-15 and AH-16. With regard to AH-15, I was a part of the task force that was convened to look at Chapter 2.96, along with Council Chair Lee, and Bruce U'u, and members from Maui Tomorrow, and I forget how many people were on it. We spent weeks going over whether the requirement of 50 percent, 25, or 75 percent affordable was the best. And you know, there are some places in the

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country where 25 percent affordable of a project works fine. There's some places where 100 percent is just really needed. We kind of went back and forth and we, you know, landed on 50 percent. And lo and behold, there was building again. And I'm not saying it was a direct result of changing that requirement, but I think increasing it, especially right now, is not the way to go. You will scare off developers. I personally can tell you, having done developments and individual housing, it is expensive, and it's difficult. And if you're going to ask developers to provide more affordable housing at a higher... for... you know, of the project, that it's not going to pencil out. That was the problem, and that's why we addressed it the last time. With regard to AH-16, the language that is proposed, I believe it says "townhomes and multi-family dwelling units" should not be residential workforce. We built a 16-unit condominium project, which is a multi-family. It was very difficult to do, but every single one of the families are still there. They weren't flipped, nobody left, they are all working... you know, our clientele are working families, so they are residential workforce, and there's a place for that. Not everybody wants a single-family home. I actually recently sold my single-family home and moved into a condo down South, downsizing as I get older. It's a lot easier to maintain. But there are people that's, you know, appropriate for them. So a mix of multi-family, residential . . . *(timer sounds)* . . . to me is, you know, the way to go. I already see hands, so I'll stop now.

CHAIR JOHNSON: Thank you. Okay. Thank you, Ms. Dodson. Does anyone else have any clarifying questions for our... go ahead, Councilmember Paltin, followed by Chair Lee.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. And thank you, Ms. Dodson for your work and your testimony. I just was wondering if you can clarify for me. It was my understanding that Habitat built to the 60 percent and below.

MS. DODSON: Our guidelines, and I use that term carefully because it is a guideline, is 80 percent and below. We have gone a little bit higher in... in certain circumstances. You know, if there's... you know, some people may be just slightly over, but our basic requirement is that they don't really qualify for a conventional loan. But yes, our... our guidelines say 80 percent and below.

COUNCILMEMBER PALTIN: So then I'm... I'm confused by your testimony because you're saying you provided multi-family housing for 80 percent and below. This still is not proposing to remove that. It's proposing for the above 100 percent, because that flips out of affordability. The... the purpose is to provide affordable housing, and if it keeps flipping out of affordability, we're really not providing affordable housing. And I think it's great what you said, but it's not what we're talking about. Like, we're not talking about removing 80 percent and below multi-family, so I... I'm trying to clarify how... how that what you said applies to this.

MS. DODSON: I think my point was that, you know, not everybody flips in multi-family. That whether it's 120 percent, you know, 100 percent or 80 percent, many people seek out apartment living or multi-family living. It's a preference.

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COUNCILMEMBER PALTIN: And... and to clarify by flip, you were... were you meaning flip as in, like, speculate sell it, or flip as in nobody qualifies for that 120 percent, and so it flips to market rate. Which... which version of flip were you meaning?

MS. DODSON: I'm sorry, I was under the impression when you were talking about flip, you were talking about flipping it on the market.

COUNCILMEMBER PALTIN: Oh, okay, okay. Like, flipping for speculation or selling it, you mean?

MS. DODSON: Yes.

COUNCILMEMBER PALTIN: Okay. I wasn't talking about that. Thank you.

MS. DODSON: That's generally what we call flipping.

CHAIR JOHNSON: Thank you. Go ahead. Thank you. Go ahead, Chair Lee.

COUNCILMEMBER LEE: Thank you, Mr. Chair. Hi, Sherri. Just two things I... I wanted to clarify, for the record, that you and I were not on that committee, okay? It must have been another committee that you were on as far as affordable housing because I was against the 50 percent. So that's one thing. The other thing is, you mentioned multi-family, the multi-family project you just finished not long ago? That's the one in Happy Valley? Is that the one --

MS. DODSON: Yes.

COUNCILMEMBER LEE: -- you're referring to? How much... on the high side, how much did the unit go for? The high units? Or are they... or were they priced all the same?

MS. DODSON: No. Again, our pricing is done based upon income levels, so to --

COUNCILMEMBER LEE: Oh, so the high ones.

MS. DODSON: Yeah, so I --

COUNCILMEMBER LEE: What is the high one?

MS. DODSON: The... the two-bedroom, one-bath, the highest one sold for was just about 300,000. It's been a while, so.

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

CHAIR JOHNSON: Okay. Thank you, Chair Lee. Any other questions for our testifier? Go ahead, Councilmember Mike Molina.

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VICE-CHAIR MOLINA: Thank you. Thank you, Mr. Chair. Good afternoon, Sherri. Thanks for your testimony. Do you have any... you mention in your testimony that developers won't build affordables for 75 percent. What statistics are you working off of that you can share with us?

MS. DODSON: I actually didn't say they won't. I said... typically, it's hard to pencil out, when you have 75 percent of your project that has to be sold at a certain income level, which is obviously going to be a lower-priced home. So if you've got, you know, ten homes, and you know, approximately 75 percent of them need to be sold at, let's say 300,000. I'm really good at using round numbers because I'm not very good at math. And then you only have 25 percent that can be sold at a higher rate, it just doesn't pencil out when the entire project costs so much money to build.

VICE-CHAIR MOLINA: Okay. So... so your... your statement was not based off of statistics, it was just based off your own calculations? Okay.

MS. DODSON: It's based upon my experience, yes.

VICE-CHAIR MOLINA: Yeah. All right. Thank you. Thank you, Mr. Chair.

CHAIR JOHNSON: Thank you, Mister... Councilmember Molina. Any other questions? Seeing none. Thank you for your testimony Ms. Dodson. We can move on to the next testifier.

MS. DODSON: Thank you.

MS. STEWART: The next testifier is Cassandra, to be followed by Kellie Pali. Cassandra, if you could state your full name for the record, and which agenda items you are testifying on?

MS. ABDUL: Good afternoon, this is Cassandra. I'm the Executive Director of Nā Hale 'O Maui. It's nice to see you all, even if it's electronically. I... I want to echo what many have said, and that is basically we appreciate the fact that you have the interest in trying to increase affordable housing. And Nā Hale 'O Maui, we want to be one of the tools that you have in your affordable housing toolbox, and we do support increases in affordable housing. I just wanted to say today that I know you've invested with Hawai'i Community Assets to come up with a report, and I know that they've been having meetings all over the island virtually, and I believe that it will be due, I think, by the end of March. And I think that they are planning to come up with a comprehensive plan that will be actionable. So I would urge caution in proceeding prior to receiving that report, and I can't believe I'm saying that because we've had report after report. But I think it's important to see what... what they are going to suggest makes sense. And I'd like to see comprehensive reform, not just piecemeal, a section by section, because it's hard to tell how one change will affect other changes down the line. So I think it's important to look at the whole picture. I think that right now, having the workforce housing, the affordable housing fund up to 140 percent, that's a policy that has worked. I don't think there... there have been any problems

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with it, and the Council, when they release affordable housing funds, they state the range that those funds will go to. So I know I may be talking about something a little different than... than what you're looking at, but I'm concerned about making changes to the policy that are going to impact our workforce. These are the people that work for you and for me, that have skillsets that can be moved to other places. We don't need a brain drain. We need to keep our families here in Maui, and I don't think that we want to exclude those people that we need here that are part of Maui County that are our community; our children and our families, our 'ohana. So I would like to see it remain where it is, and the Council, again, can always control, when they release things, what the range would be. So I think that's all I want to say at this point. Thank you very much.

CHAIR JOHNSON: Thank you, Cassandra. Does any [sic] questions for our testifier? Seeing none. Okay, thank you so much. Moving on to the next testifier. Thank you so much.

MS. STEWART: Next testifier is Kellie Pali, to be followed by Leilani Pulmano.

MS. PALI: Hi, good day. Aloha, Chair Johnson. Nice to see you again. I think the last time I saw you was a few years back at the Blue Ginger on Lānaʻi. Congratulations on your success. Yeah, I think I'm going to not repeat a lot of the things that I've... I've heard, and I would like to be helpful to you all in your endeavor. I'd like to speak, Chair, on both items if I may, but I will do it as quickly as possible in respect for the other testifiers. I think that if we were to look at the first one about extending it to a 75 percent of affordable, with the highest being at the 120 percent income threshold, I think that right now I don't know how I feel. I'm not really married to a yes or a no on this, but I would say in my desire for balance, I might recommend, and my testimony would be, that I would have it worded "shall consider providing a minimum of 75 percent". And so that's my happy medium and recommendation for that bill. I think that there are projects that are going to allow us to do the 75 percent, and we should commit to those income households and families, and there's going to be projects that, due to infrastructure, entitlements, other issues, costs for construction, that cannot meet that requirement, and I don't feel like we should have a closed fist. I feel like we should have an open hand so that affordable housing still moves forward. So that would be my recommendation. I would like to be helpful and take this time to share with you some recommendations that I... I think would be helpful. I think we've been hyperfocused on the affordable housing fund and then putting it in directly to development. I would like to propose that you consider creating a program for first-time homebuyers, and it could look like a two-year program, let's say, and instead of funding the development, let's get them qualified. Let's get them on a... a path to teach them what is needed for clearing debt, for saving, for being creditworthy, and prepare our families for the purchase. Because like a past testifier said, a big... a big hole is that they're just not ready, and they don't know... they don't have the avenue. I think we could all Google how to make fettuccine, and the resource is there, but for whatever reason, we don't Google how to make fettuccine. I'd say that we create a program for affordable housing for first-time homebuyers and how to get your creditworthy applicant ready so that you're mortgage ready when these pop up. I also

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met with Stan Franco and his group, and we shared the idea of having a function of Maui County to sort of keep that list, to qualify and to keep a running list. I can't tell you how many buyers I meet, and they have to go to this website and that website, and which developer, and who, and they're trying to go and find resources on how to get their name on this lottery list, and it's too much. Or I've been in Housing and Human Concerns departments when Carol Reimann was chair, and with the developers, and they can't find the buyers, and the buyers can't find them. And... and it's like kind of frustrating being on the sideline. So why aren't we taking the list that we've worked with through the program, and saying hey, do you have a new development? Here's a hundred qualified buyers. Oh, you have a new development? Here's another hundred qualified buyers, and then we can manage the buyers, we can manage the list. We can also eliminate -- . . . *(timer sounds)* . . . Oh, I'll go on to my second item, if you don't mind, Chair. We can also eliminate the poho qualifying. And when I say that, I don't mean any offense to people that have qualified, but I've had personal experience when they... the developer has elected this regular staff person who did not have experience or a skillset to qualify the buyer properly, and they were using tax returns from 18 months ago. As an example, we're all going to be preparing to file our 2020 taxes. But let's say I go to a developer to... to apply. They're using my 2019 taxes, that's like 13 months old already. I might have gotten a raise in 2020, and I can tell you that this kind of stuff happens. I feel like we should tighten this up, and we can do that if we have control. And then the last thing I want to do is, I want us to make our families not codependent on local government. We need to help them spread their wings, and... and we can do it in a market, even without affordable housing. So I'd like you to consider adding back the upgrade policy. My son and his wife didn't wait for affordable housing. They bought a cute, little, two-bedroom ūao Parkside, they got a USDA zero-down loan, and they did it on their own. Now, they have a... have a... a mo'opuna, and they want to have more children, but it's too... they're... they're growing out of this cute, little, two bedroom. So they want a house. They went to go apply for Hāli'imaile. They'd like to sell this home that has equity, and they are told, oh, well you own a house in the last three years, so you can't upgrade. Why aren't we asking them to do it on their own, take a risk, and if you can do it, sure, they can upgrade. Sell it, and then upgrade. Like, why did we take that clause out? So please, Councilmembers, like, let's teach the people if they need us, we'll be there and we'll teach them how to get there. But if you think you kind of need us, or you don't need us, go on your own, be successful. But then we should not hold back if you started with a condo, no, you don't get the home now. So that's my testimony and I'm here for questions.

CHAIR JOHNSON: Thank you for that informative testimony, Mrs. Pali. Does... oh, we do have some questions, so we'll start with Councilmember Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. Thank you, Ms. Pali, for your testimony. So you're saying that this would be an amendment to the first-time homebuyer's legislation, though. Because you're saying, like, because someone bought a condo, and then they had, like, more kids or they need a bigger place, then that would be precluding them from selling that and then getting the house, right?

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MS. PALI: That's it. That... that was a recommendation as you're looking at more affordable options in the future. That would be something I... I threw in there, girl. Just throwing it in there. Yeah. So it used to be called, I think, an upgrade policy, and it used to be there. I actually had, I want to say the lady before, Carol Reimann, you know, we've been around so long, girl, I can't remember, but she would be the exception. That if you had the condo, you got it on your own, then you could sell and then upgrade into Waikapu Gardens when they built it. Somehow, between then and now, they took that out. We need to add it in, because then these families can do it on their own, they don't sit and wait for us.

COUNCILMEMBER PALTIN: Yeah, yeah. If you can find that, send it. But so... but it doesn't apply to this bill. It applies to --

MS. PALI: Not... not that one. Not the end. No, no, no.

COUNCILMEMBER PALTIN: Okay.

MS. PALI: Yeah.

COUNCILMEMBER PALTIN: Yeah, send it to me. . . .*(inaudible)*. . .

CHAIR JOHNSON: Okay. All right. Thank you. There's any other questions for our testifier? Okay, seeing none. Thank you so much, Ms. Pali, I appreciate your time. Oh, wait, I'm sorry, did we have one? No? Okay.

COUNCILMEMBER LEE: No, I was just waving to Kellie.

CHAIR JOHNSON: Oh.

MS. STEWART: The next testifier is Leilani Pulmano, to be followed by Carol Lee Kamekona.

MS. PULMANO: Hi. Good afternoon. Good afternoon, Chair and Council. My name is Leilani Pulmano, and I'm speaking on AH-16. I was on the board for Hawai'i Housing Finance Development Corporation for eight years, and I'm currently a board member of the Hawai'i Public Housing Authority. My testimony is based on my experience as a board member, and reflects my individual opinions on this proposed amendment. First, HUD and HPHA have policies regarding mixed-income projects and communities. Removing the perception of concentrated poverty housing, the deletion of above-moderate income category reduces the range of incomes for projects. Second, mixed-income projects with higher income range allows for flexibility of developers to reach lower income brackets, while still ensuring that a project is financially feasible. This is known as income averaging. As you know, any project that's not financially feasible will not go forward. The deletion of the above-moderate income category removes this flexibility. Third, a lot of government funding is available for projects that provide housing for families that earn 60 percent or below area median income. Most of HHFDC's funding focuses on projects in this income category. I'm not aware of any funding that provides for families earning 80 to 100, or even 120, or more so,

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140 percent of AMI. These families have no opportunity for financial assistance to rent or purchase a home, except for this housing... except for this housing policy requirement. It's important to note that these families are providing a large share of taxes that, in part, support the government funding for housing families that earn 60 percent or below AMI. The deletion of the above-moderate income category provides no opportunities for families earning more than 120 percent of AMI as part of this County's housing policy. And lastly, the longer offer periods adds financing costs. Take, for example, Kaiaulu 'o Kupuohi, the "Star Noodle Project". In Lāhainā, the County provided \$6 million for the... from the affordable housing fund. By the time the project is built, the financed portion of the project cost could be as high as \$60 million, and at three percent interest, which is the interest rate for the affordable housing fund loan, just the financing of costs per day is almost \$5,000. The additional 90 days of offer period could add \$440,000 in financing costs. So in a low-income housing tax credit project, every cost item matters and makes or breaks a project. So I would encourage the Committee to look at amendments that would . . . *(timer sounds)* . . . incentivize developers to provide housing that you are seeking. Thank you.

CHAIR JOHNSON: Thank you, Ms. Pulmano. Does anyone have questions for our testifier? Go ahead, Councilmember King.

COUNCILMEMBER KING: Thank you, Chair. Aloha, Ms. Pulmano. Thank you for being here. Really good insight. The one question I have is, because people keep bringing up about the wait period to flip into the next category or out of affordable housing, and we're... we're approving affordable housing projects based on the fact that there's this great demand. And that's what we hear every time a developer comes before us. So how do we assure that that demand and the qualified buyers exist, so that we don't even have to consider flipping it out of whatever category it's supposed to be sold at?

MS. PULMANO: Thank you for that question, Councilmember King. I... I think a couple of testifiers had offered some insights about that, by having a waitlist that's current. I think that that's really helpful, because some of the testifiers are having to go to multiple different projects. I think one waitlist would... would help. I think the second thing to realize is that some homeowners don't like the restrictions that comes with some of these homes. So if I had a choice between buying an affordable housing project that had these restrictions of buyback policies, having to hold it for ten years, or the same choice that's going to be... cost a little bit more, but with no restrictions, the choice would be to purchase the home that's a little bit more because it offers me flexibility. And so we had noticed that when I was sitting on HHFDC on a project over in O'ahu. Great location in Kaka'ako that it... they were just competing with what's out there in the market right now. Then maybe that's not the case for Maui, but maybe --

COUNCILMEMBER KING: Well, no --

MS. PULMANO: -- it is.

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COUNCILMEMBER KING: -- I... I appreciate that idea, but don't you think that if someone has a choice and has the ability to buy a higher place, that they should not be qualifying for an affordable... a cheaper home?

MS. PULMANO: I don't think it was --

COUNCILMEMBER KING: Because that's the whole idea, is that... that we're trying to... we're trying to make the housing more affordable because we're hearing this great demand exists, but then when we start approving projects, then we hear well, maybe it doesn't exist, and maybe we need to charge more because people will be more inclined to buy it at the market rate, because then they don't have these other restrictions. But if you... if you do qualify for a market house, then you shouldn't be qualifying for an affordable housing house. Isn't that the way it's supposed to work?

MS. PULMANO: You would think so, but... so what... what I'm... what I'm suggesting is that... so say the... the... the affordable house is at, like, \$350,000, right, for the home. And then at... there's another home just down the street or in the same location that's \$375,000. So because the price difference is, you know, 25,000, amortize that over 30 years, it might make sense for that person, just to have the flexibility, to purchase that house at 375. So it's not necessarily market, it's just in their price range.

COUNCILMEMBER KING: But then that's what they should do. I mean, we're trying to... we're trying to... that housing that we're subsidizing should be for those who can't afford that extra 25,000 or whatever, you know. That... that's why the restrictions exist, because they're getting subsidized housing.

MS. PULMANO: Yeah, I understand what you're saying.

COUNCILMEMBER KING: Okay. Yeah. I just... I think that's something that we have to deal with, is that, if, you know, if there is this great demand, why do we keep getting these developers asking to flip out of the affordable categories. So that's kind of an ongoing concern. Thank you.

CHAIR JOHNSON: Okay. Thank you, Councilmember King. Moving on to Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Pulmano, mahalo for your testimony. You started your testimony out by saying that removing the 120 to 140 AMI would have the perception of concentrating poverty housing because it would reduce the amount of mixing of different incomes, specifically the 120 to 140. Wouldn't the existing housing credits and payments in lieu already have that effect?

MS. PULMANO: So I just wanted to point out the policy, not necessarily that the removal of that would concentrate the... just that the policy is... is that HUD and the HPHA is trying to deconcentrate concentrated poverty housing. So I'm sorry, I didn't understand your question in the context of that. Can you repeat your --

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COUNCILMEMBER RAWLINS-FERNANDEZ: Housing credits and payments in lieu.

MS. PULMANO: Oh, you're talking about low-income housing tax credit projects?

COUNCILMEMBER RAWLINS-FERNANDEZ: Right.

MS. PULMANO: So what happens there is really interesting, is that HUD is moving towards what's called income averaging. So it allows... it allows the project to actually... people to actually be higher than the 60 percent of AMI, but on average, that all of the families that's in that project would be 60 percent AMI. So it allows for a mixed income, not just 60 percent AMI and below.

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

MS. PULMANO: Thank you.

CHAIR JOHNSON: Thank you, Councilmember Keani Rawlins-Fernandez. We have any other questions for our testifier? Seeing none, we can move on. Thank you so much, Ms. Pulmino... Pulmano.

MS. PULMANO: Thank you.

MS. STEWART: The next testifier is Carol Lee Kamekona, to be followed by Howie Kihune.

MS. KAMEKONA: Aloha and good afternoon, Committee Chair, Council Chair, Council Vice-Chair, and Councilmembers. Aloha. I am testifying on behalf of AH-15. My name is Carol Lee Kamekona. If I do go into AH-16, 'e kala mai, I wasn't really planning on it. What I wanted to say is, with regards to AH-15 and the 75 percent, I agree with moving it up versus the 50 percent. A lot of people say that you can't... if you can't qualify for an AMI or... wait, let me rewind. Let me go back to the 75 percent. The reason why I say 75 percent is because I think Chair Molina mentioned it, that if there's market-rate homes and affordable housing, that with the 201H process, developers do get a lot of exemptions. Those exemptions can be passed on to the market-rate homes. With regards to what Councilmember Shane said, I would highly encourage developers to look into alternative building materials. This is something that I've brought up, that we could possibly look into bamboo and we could look into hemp. With having those materials here physically on island, we could lower the cost of housing and it would be truly affordable. With regards to the 120 and the 140 percent AMI that this addresses, I'm a little bit leery as to whether or not it should be lowered. I look at people that are in the tourism industry or retail industry that maybe make 30 to 40,000 a year. They can't afford a house. Period. No ifs, ands or buts. So there's a reason why there's a lot of multi-generational families and homes, and most of those are Kanaka Maoli. Because they cannot afford, even with two incomes, even with three incomes, they cannot afford a house to accommodate the amount of people that they need to accommodate for in the family, along with all other costs that come. You know, food, medical, all that kinds of stuff. What I would ask this Council to look

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at, is there was a project that A&B, I think, was entertaining in the Old Kahului Shopping Center area, in which they were going to do retail on the bottom and residential on the top, is maybe look into that as... for density purposes for those who may not want that white picket fence housing. That might be available. Also repurposing and rezoning a lot of the empty buildings. Do like you have at the Kahului Town Center. You might be able to rent . . . *(timer sounds)*. . . or lease to own. I will close with this, Chair. With regards to what Mr. Franco mentioned, and I think Kellie Pali mentioned, with regards to a list. A list, to me, and Councilmember Kama would know this, is exactly what DHHL does. DHHL has a list. DHHL is not providing, because they can't do the infrastructure, because people can't afford a lot of different reasons. If you have the list, they may be able to afford now, which is a lot of the beneficiaries on the waitlist were able to when they went on the list, but now because of life, they can't. So I really don't think a list would help because to me, it's the same thing as what DHHL is doing. So possibly to keep things out of flipping, maybe networking, land trusts, maybe possible grants for the County to maybe help with infrastructure for the developers. There's got to be ways that we can all network together, instead of everything being on the developer, everything being on the County. We need the homes. However it needs to be done, we need them. Mahalo.

CHAIR JOHNSON: Okay, thank you... thank you, Carol Lee Kamekona. Does anyone have... oh, we do have a question from Councilmember Paltin. Go ahead.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. Thank you, Ms. Kamekona, for your testimony. I just wasn't clear on which... what you... which definition of flipping you were using. Was it the flipping --

MS. KAMEKONA: So for it to... it to be on, say, for ten years, it has to stay in affordable, and after the ten years you can flip it, in order to keep it perpetuity, is to maybe --

COUNCILMEMBER PALTIN: Okay.

MS. KAMEKONA: -- work with the land trusts and so on and so forth.

COUNCILMEMBER PALTIN: Got it. Thank you. I guess we should do the speculation flipping and the pricing out of affordable flipping as different words, maybe, so that we know what we're all talking about. But thank you for your clarification.

MS. KAMEKONA: . . . *(inaudible)*. . . Mahalo.

CHAIR JOHNSON: Okay. Thank you, Carol Lee Kamekona. Moving on to --

COUNCILMEMBER KING: Oh, Chair Lee has her --

CHAIR JOHNSON: -- Councilmember Lee.

COUNCILMEMBER KING: Chair Lee has her --

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CHAIR JOHNSON: Yep.

COUNCILMEMBER KING: -- her hand up. I don't --

CHAIR JOHNSON: Go ahead, Councilmember Lee.

COUNCILMEMBER KING: -- if you can see.

COUNCILMEMBER LEE: Thank you. Carol Lee, hi. I just needed clarification on your comments about the list. Are you in favor of a list? A... like, a master list gathering all the lists from every developer, giving it to the County to monitor and maintain? Was that what you were talking about or not... not having a list?

MS. KAMEKONA: That is correct, Chair. As what Mr. Franco brought forward is having the list monitored by County Council instead of each individual developer, what I correlate that to is a list that DHHL has, where many beneficiaries went on the list knowing that they could qualify, waited however long for a piece of property, and then all of a sudden, can't qualify. So I don't see the benefit of having a list. I would say maybe better communication with regards to availability of projects be put out, rather than maintaining the list. Does that answer your question?

COUNCILMEMBER LEE: Yes, it does. Thank you.

MS. KAMEKONA: Thank you.

CHAIR JOHNSON: Okay. Any other questions for our testifier? Seeing none. Thank you so much, Carol Lee Kamekona. Next testifier, please.

MS. STEWART: The next testifier is Karen Comcowich, to be followed by Rose Reilly.

MS. COMCOWICH: Aloha. My name is Karen Comcowich, I'm a West Maui resident. I am testifying regarding the AH-15, the 201H process. First of all, it is awesome that Councilmember Mike Molina introduced a bill that would make the 201H process serve the community better. The argument against raising the affordable requirements is often that it is better to have some housing built with lots of luxury homes than no housing built. I beg to differ. On an island with limited resources, land, and water, where our major economic driver is supported by the beauty of the open space, the wrong kind of development doesn't benefit the community in the long run. The community does not need any more housing that is not affordable for the residents. I definitely support the proposal to require 75 percent of units in the 201H development to be affordable. Because we need to take care of the majority of our workforce, that 75 percent should be for people making less than 100 percent AMI. As Jason Economou said, not everyone can qualify for the higher end, so we need to ensure that people can qualify by lowering the price and the AMI expectations. A tiered system would be a great option, so that neighborhoods are more mixed income. For example, 25 percent built for those at 50 percent AMI, 25 percent for 80 percent AMI and 25 percent for 100 AMI... income averaging, as Leilani said. Ideally, the last

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25 percent of the development would be for workforce housing, so those residents fortunate enough to be making up to 140 percent of the AMI. Other requirements that would strengthen affordable housing... residency requirements of at least five years, and of course deed restrictions that keep affordable housing affordable in perpetuity, require all developments to provide more affordable housing or affordable land so that developers aren't dissuaded by the requirement for the 201H. Please extend the waitlist to encourage developers to actively seek and qualify buyers. They will be motivated by the time the... the property will stay on the market if they don't seek and find buyers. Thank you for your time.

CHAIR JOHNSON: Thank you so much, Ms. Comcowich, if I'm saying that correctly.

MS. COMCOWICH: That was correct. Good job.

CHAIR JOHNSON: Okay. Does any... does any Councilmembers have questions for our testifier?

UNIDENTIFIED SPEAKER: Chair?

CHAIR JOHNSON: Go ahead.

UNIDENTIFIED SPEAKER: Mahalo, Chair. Mahalo --

CHAIR JOHNSON: . . .*(inaudible)*. . .

UNIDENTIFIED SPEAKER: Ms. Comcowich for your testimony. And so it looks like, so you... you feel that developers receiving exemptions can look at how they can cut costs and... and keep the 75 percent up. Is that what you're saying?

MS. COMCOWICH: Yes, and I think there should be more motivation towards developments to keep affordable housing in their developments. So I'd like it expanded to other developments.

COUNCILMEMBER SINENCI: Okay. And then we had a previous testifier that said that, you know, major cost is to infrastructure. You think developers could be looking towards at developing areas that...that have already established infrastructure to keep their cost down?

MS. COMCOWICH: I think that would be the best for Maui. I...I'm a Maui resident so I don't know about Moloka'i and Lāna'i, but yes, I think that would be the best for Maui because we don't need our green spaces developed. We need our shopping malls redeveloped and the areas in between hotels developed for workforce housing. We really just don't need giant developments on agriculture land *(audio interference)*.

COUNCILMEMBER SINENCI: Mahalo, Ms. Comcowich, for your testimony today. Thank you, Chair.

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CHAIR JOHNSON: Thank you, Councilmember Sinenci. I think it's 3:30 right now, and does anyone else have any questions for our testifier? Seeing none. Thank you so much, Ms. Comcowich.

MS. STEWART: Chair?

CHAIR JOHNSON: I would like to take a ten-minute recess, if that's okay?

MS. STEWART: Chair?

CHAIR JOHNSON: So ten minutes, we'll come back at 3:40. If there's no objections, I would be...I would like to come back at 3:40. Okay, go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I...I hear Staff trying to get your attention.

CHAIR JOHNSON: Oh. Thank you for that. Go ahead, Staff.

MS. STEWART: Chair, I just wanted to let you know that there are only four testifiers remaining on the list.

CHAIR JOHNSON: Okay. All right. That...that...yeah, let's not...then if you guys are okay with that, no objections, we can continue on with the last four testifiers if you're all right with that. No objections?

COUNCILMEMBERS VOICED NO OBJECTIONS

COUNCILMEMBER KAMA: Your call.

CHAIR JOHNSON: Okay. Staff, please continue.

MS. STEWART: The next testifier is Rose Reilly, to be followed by testifier logged in as Alberta.

MS. REILLY: Aloha. My name is Rose Reilly. Thank you for bringing this forward. I really appreciate that addressing the affordable housing and making more affordable housing, I think, sounds like a great idea. I do want to say that I really appreciate Karen Comcowich's whole testimony, I think that that is all of the nice things that I would like to say. I am overwhelmed by grief and anger at the way that our financial systems operate. I definitely think that the developer's scam tactics of only allowing certain banks to provide the loans for these affordable homes is so egregious that we need to look at who can develop these homes. These are the wrong developers. We need to Maui County a developer. We need to find people who boiled [sic] affordable homes as a living to do these developments. These are high-end people that work for war investing people. The people that buy those luxury homes that are all over Maui are invested in war, and they're invested in oil. That's how they keep on make all that

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money. None of our kupa 'āina are going to be doing that. So since we have...housing is essential and it is so hard. People who have law degrees can't figure it out. Who's going to provide this housing for the kupa 'āina? No wonder we have 90 percent of them on the beach. They're...90 percent of the people who are on the beach are the kupa 'āina. You know, this is so infuriating, like the County needs to make projects for itself, they need to manage those projects in perpetuity, they need to stop talking to all of these high-end developers and start coming up with...I really, you know, thought there was a lot of great solutions that were brought forward. And then from the other end of being on water conservation, water cleanliness, the iwi not being dug up everywhere, the Planning Department seems to sign off on everything that goes across their desk. Like, I don't understand how these developers are complaining. I think they're making things up. I think that they want all this. I worked, you know, for an average of what....If I work at the hotel, I get \$40 an hour plus tips...\$65. If I work for myself, I usually charge \$75 because I want to take care of people. I'm worth \$200 an hour. If I want to get \$200 an hour, I need to go get clients that are invested in all of this egregious financial system that's running the United States, that is technically in a depression since the last one, and has only gotten out through war. This is unacceptable society. It's unacceptable that we have these kinds of financial burdens being placed on the land, the water, and the very sweet, loving people of this planet. Thank you.

CHAIR JOHNSON: Thank you, Ms. Reilly. Do we have any questions for our testifier? Okay, seeing none. Thank you for your time, Ms. Reilly. Moving on to the next testifier.

MS. STEWART: The next testifier is logged in as Alberta. If you could please provide your full name for the record and unmute yourself. Thank you.

CHAIR JOHNSON: Okay. Well, why don't we come back to Alberta if she's...if she's not ready.

MS. STEWART: Okay. The next testifier is Delaney de la Barra, to be followed by Kimberley Willenbrink.

MS. DE LA BARRA: Aloha. My name is Delaney de la Barra, and I am just a resident of West Maui for 25 years. So I'm not involved in any of these projects on a professional level, I'm just speaking, like, from a professional...I mean, from a personal experience of having lived here on the West Side providing tourist services for 25 years. I support and I appreciate Mike Molina...I appreciate this bill that you've introduced, the AH-15 I'm in support of that. I feel like moving from 50 percent to 75 percent is completely reasonable. I understand that a lot of people are saying that they have to make it affordable for the developers, but I mean, at what point...you know, 40 billion, they have to cut down to like a 30 billion, you know, profit or a million profit. I mean, at what point is it a...still...they're still making money. They just might not make quite as much money. I still think it can be worked. I think some other people have suggested some very good ideas during this testimony. I also support what Karen Comcowich was talking about in terms of the tiered...the tiered system, you know, so that there can be...the lower income can afford to get into this, and then also, that's

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still the higher income. I don't necessarily think cutting off the top percentage of the AMI, the 120 to 140 would...I think that that still needs to be there, but it needs to be opened up to lower, and I also think that I support the waitlist. I support having like a centralized...maybe not a waitlist, but like just a...a place where, like, all the information is stored and managed, and so that it's easy to...like somebody said before, like just come up with, like, a hundred qualified people for any developer that's going to like offer something that makes sense. And the other thing that somebody who's like, you know, tried to get on these waiting lists for these workforce housing, maybe a centralized area to distribute, like, these new projects. So like we, you know...it's word of mouth. Like half the time when I hear about these workforce or affordable housing, it's just like from my server or friend I ran into. So it's usually like a...I don't know, maybe I'm wrong, maybe there is a place, but if this information could be, like, actually distributed like on a wider-range to more people, that would be helpful. This meeting, I didn't even hear about it until like...I don't...I didn't even...I wasn't even like informed that this was going on until very recently, and that's also because I'm busy personally, but...so just like...I don't know...like if we could just outreach more and get more, like, local residents to be a part of this whole process that would be wonderful. Thank you.

CHAIR JOHNSON: Thank you, Ms. de la Barra. Does anyone have any questions for our testifier? Seeing none. Thank you for your time. Mahalo.

MS. DE LA BARRA: Thank you.

CHAIR JOHNSON: Next testifier, please, Staff.

MS. STEWART: The next testifier is Kai Nishiki, to be followed by the user logged in as K-A-P.

MS. NISHIKI: Aloha, Chair, Councilmembers. I'm Kai Nishiki, testifying on AH-15 and 16. So I've been sitting here listening to the complaining of the developers and the real estate industry, and the construction industry, and I say if they don't like it, you're probably on the...you're probably doing the right thing, so carry on. 201H is a fast-track process with discounted fees, exemptions. And it is voluntary, so if you don't like it, move along. 201H is meant to help provide affordable and workforce housing. I fully support this Council getting to work immediately on addressing our housing crisis. Mahalo, Gabe, and all of our amazing Councilmembers. How many affordable and workforce housing units that have been built over the years are still available at affordable prices? Probably not many, as they get flipped as soon as time limits are up. This is a problem. Subsidized housing is not the place for wealth building. It is not supposed to allow one person to hit the lottery. It is, in my opinion, to provide a home that may, at some point, give you a modest step up to our most needy families. When you've been provided this opportunity, it should be passed on at an affordable price to another needy family when you are ready to move up to a wealth building investment or speculation phase of your life. We need long-term inventory of truly affordable housing, and to remove the higher income brackets for 201H projects. Thank you, Tamara and Mike Molina, for your proposals. We need to redefine what is

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actually affordable and extend the wait periods. Our community believes in you and supports your efforts. I believe developers will rise to the bar that the County and the community demands. Set that bar high. I think we will soon see proof that we can provide long-term, well-built affordable homes in...in perpetuity, or long-term for our people. In the words of a great and dearly missed public servant, Billy Kenoi, "No scared 'um, go get 'um. No such thing as no can, always can, Imua".

CHAIR JOHNSON: Thank you for your testimony, Mrs. Nishikay...Nishiki. Does anyone have any clarifying questions for our testifier? Go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair Johnson. Thank you, Ms. Nishiki. And I just wanted...clarify when you say...you're using of the term flipping was to kind of speculating, not no longer affordable.

MS. NISHIKI: Yes, correct. But I also support extending the wait periods that you proposed.

COUNCILMEMBER PALTIN: Okay. Cool. Cool. I got a glimpse of Wayne Nishiki there at the end. Thank you, thank you, guys.

MS. NISHIKI: Aloha.

CHAIR JOHNSON: Okay.

MS. NISHIKI: Mahalo.

CHAIR JOHNSON: All right. Anyone else for...nope? Okay. Thank you so much. Thank you, Ms. Nishiki. Okay, moving on.

MS. STEWART: Chair, we do not have any other...any others signed up on the testifiers list, but if you would like to do a last call, that might be appropriate.

CHAIR JOHNSON: In my understanding in the text, we noticed that Claire Apana would like to testify. Claire, are you there? Would you like to jump on?

MS. APANA: I'm here.

CHAIR JOHNSON: Okay.

MS. APANA: I'm here.

CHAIR JOHNSON: The floor is...the floor is yours.

MS. APANA: Thank you very much. I...I am for...I...I really thank you...congratulations for your first meeting, and I really appreciate you bringing this tremendously important issue forward. I support this bill, and I would like to say that from my standpoint, I've seen where...I've seen many problems come through the processes...the permitting,

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and then to the stages that go through the Planning Department...the Planning Commission. And the biggest thing that I see is that people aren't following the rules and the laws, and make...trying to make shortcuts. Often it's shortcuts for developers, and that ends up costing a lot of people a lot of time and, you know...so you may think that you shortcut a project here and make it easier, it'll get done, but somewhere down the line, it suffers. People suffer or the project suffers because you haven't followed the processes that were instituted to see that you have a safe, productive project. And although it may seem like it costs a lot of money, I think sometimes these steps are just necessary, and we should be willing to work with that, and I...I think that...I really thank you guys for doing this. And I...I have to say that what I've seen is lot of these luxury projects, they just buy the affordable credits, and that is a real problem for getting affordable housing. And so I hope that in your bill, you might be able to address that piece too. Thank you so very much.

CHAIR JOHNSON: Thank you, Ms. Apana. Does anyone have a question for our testifier? Seeing none. Thank you so much for your time.

MS. APANA: Thank you very much.

CHAIR JOHNSON: Aloha. I...Staff?

MS. STEWART: The next person who's indicated...wish to testify is Kamiki Carter.

CHAIR JOHNSON: Kamiki, are you there? Are you ready to testify? Okay. Maybe she dropped the call. I --

MS. STEWART: She's still logged in, but she's muted, so if you'd like to try her again.

CHAIR JOHNSON: Oh, okay. If you're there, can you unmute yourself?

MS. CARTER: Oy. Aloha.

CHAIR JOHNSON: Wow, we have you now. Please feel free to testify. Thank you so much, Ms. Carter.

MS. CARTER: I just wanted to say aloha and thank you so much, everyone, for all of your hard work and what you guys are doing for our Maui community. I think, personally, I wanted to just jump on and share...and I shared before...my husband and I have been a part of the Kihei community for so long, and we were two working families, working two, three jobs, and looking to purchase a home was something that we were fortunate at looking at doing. Unfortunately, we weren't able to purchase because of the higher prices. And so hearing these...hearing about the affordable...what you guys are doing right now, we're just, you know, we're still hopeful, and we're still hoping that we're...if not us, our keiki who are now adults are able to obtain some sort of home for themselves and purchase. And I hear a lot of the other testifiers sharing, you know, some of the turnarounds and purchasing it and then turning it around and selling it. But I think a lot of the locals here...and I...I speak more so for my ohana,

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but we are looking forward to just the opportunity to be able to have...have that. And also possibly looking at bringing the price...the...the...the amounts a little bit down. I guess that's the other thing is the...possibly looking at making the purchase prices a little bit down if that's something that you guys are able to kind of work with or help, because the costs right now, even at 500,000 or more or even at 400,000 or more, is kind of out...is something that we are struggling...we still struggle with. And yeah, I think that's just kind of what I wanted to share. But thank you all for everything that you guys do, and we appreciate you folks.

CHAIR JOHNSON: And thank you, Ms. Carter for your testimony. Does anyone want to ask our testifier a question? Okay, seeing none. Thank you once again, Mrs. Carter, for your testimony.

MS. CARTER: Aloha. Blessings to you all.

CHAIR JOHNSON: Okay, a quick...I want to take a quick housekeeping thing where I want to take a ten-minute break...a ten-minute recess, but I also want to let the Members know, if it's okay, could we run until 5:30? We might finish early, but is 5:30 too long for you? Okay, go ahead, Chair Lee, you had something to add?

COUNCILMEMBER LEE: Yeah. I have to drop off the call at 5:00.

CHAIR JOHNSON: I understand.

COUNCILMEMBER LEE: Sorry, I have another meeting.

CHAIR JOHNSON: Totally understand. Councilmember Paltin?

COUNCILMEMBER PALTIN: I'm sorry, I gave a thumbs up, but somebody reminded me I have a commitment at 4:30 with the Youth Council, and I can --

CHAIR JOHNSON: Okay.

COUNCILMEMBER PALTIN: -- do that and then come right back or something. I'd love to stay, but I rescheduled those --

CHAIR JOHNSON: I understand.

COUNCILMEMBER PALTIN: -- kids one time. I'm sorry.

CHAIR JOHNSON: I understand that. Councilmember Molina?

VICE-CHAIR MOLINA: Yeah, yeah, Chair, I have to go by 5:00 so if you are --

CHAIR JOHNSON: Okay.

VICE-CHAIR MOLINA: -- taking quite long with...

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CHAIR JOHNSON: Okay. All right. I...well...well...is...so sounds like we can do 5:00, and we'll take a ten-minute recess, all right? Is every . . .*(inaudible)*. . .

MS. YAP: Member Johnson?

CHAIR JOHNSON: Yes?

MS. YAP: This is Rayna Yap. I just want to ask if you'd like to close testimony at this time, or do you want to keep it open?

CHAIR JOHNSON: No, I would like to close testimony. I just wanted to...but I...I should do it formally.

MS. YAP: Thank you. Thank you.

MS. STEWART: Would you please make a final call, please.

CHAIR JOHNSON: Is there a final call for any testifiers? Anyone...anyone want to testify for the last...before we close testimony? Seeing none, I would like to close testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR JOHNSON: Okay. Ten-minute recess *(audio interference)* at 3 --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR JOHNSON: -- 3:50...yeah, go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Written testimony into the record.

COUNCILMEMBERS VOICED NO OBJECTIONS

. . . END OF PUBLIC TESTIMONY . . .

CHAIR JOHNSON: Seeing no objections, we will take a ten-minute recess for...pardon me...be back in by what...be back...

COUNCILMEMBER KING: Be back at 4:00?

CHAIR JOHNSON: Yeah, okay. Be back at 4:00 exactly. I'm trying to the math in my mind.

COUNCILMEMBER KAMA: Back at 4:00?

CHAIR JOHNSON: 4:00, we will...we will start off with this meeting again. Mahalo. . . .*(gavel)* . . .

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RECESS: 3:50 p.m.

RECONVENE: 4:04 p.m.

CHAIR JOHNSON: . . . *(gavel)* . . . Will the meeting of the Affordable Housing Committee come back to order.

**AH-15 AMENDMENTS TO SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO
WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H,
HAWAII REVISED STATUTES (CC 20-241)**

CHAIR JOHNSON: Okay. Now that we're all refreshed, Members, our first item is AH-15, Amendments to Section 2.96.030, Maui County Code, Relating to Workforce Housing Projects Developed under Chapter 201H, Hawaii Revised Statutes (AH-15). The committee is in receipt of County Communication 20-241 from Councilmember Michael J. Molina, transmitted a proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO WORKFORCE HOUSING IN 201H REVISED STATUTE HOUSING PROJECTS." The purpose of this proposed bill is to increase the percentage of affordable housing, workforce housing units, required for projects developed under the Chapter 201H-38 Hawaii Revised Statutes. Again, I'd like to start discussion of this item, first by having a motion on the floor. Councilmember Molina?

VICE-CHAIR MOLINA: Mr. Chair, just out of consideration for the rest of the Members, if it's okay, can I just open up with discussion on it, and then after everything's been vetted and questions answered from Administration, then at some point, whether it'd be today or some other meeting in the future, that a potential motion could be entertained. At that point...your call, Chair, but I would feel more comfortable going that route first before going with a motion at this point.

CHAIR JOHNSON: I...I...I'd like to do a motion first, if possible. Yeah?

VICE-CHAIR MOLINA: Okay.

COUNCILMEMBER LEE: Mr. Chair?

CHAIR JOHNSON: Yes, certainly, go ahead, Alice . . . *(inaudible)* . . .

COUNCILMEMBER LEE: You know, what Mr. Molina was asking is pretty standard.

CHAIR JOHNSON: Okay.

COUNCILMEMBER LEE: We really would like to hear from the Department --

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CHAIR JOHNSON: Um-hum.

COUNCILMEMBER LEE: -- and you know, the...the technical people on this, before we get to a motion. We probably not ready for a motion just yet.

CHAIR JOHNSON: Okay. So...oh, go ahead Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: I want to stand up to defend what Gabe is doing because this is what we learned...this is what was said in the training, right, when we just had that mini-workshop. So I think that's where that's coming from. So he's following the protocol that we just learned in the...correct, Gabe? Is that what the...was said?

CHAIR JOHNSON: Yes, that's what my understanding was.

COUNCILMEMBER SUGIMURA: Right, this is...yeah, in addition to...this is like experience talking about getting information first, and then you can call for the motion.

COUNCILMEMBER LEE: Yeah.

COUNCILMEMBER SUGIMURA: But you are absolutely right. That's what we were...that's what we were told in that workshop.

COUNCILMEMBER LEE: But the Chair has the discretion to --

COUNCILMEMBER SUGIMURA: Yeah.

COUNCILMEMBER LEE: -- deviate, so I'm asking him, and Mr. Molina's asking him, if he could deviate. This is not a Boy Scout meeting, this is a official meeting, law-making, you know? We making laws, so we need to have more information. That's all.

CHAIR JOHNSON: Oh, okay. We have a...we have a discussion about a discussion. Go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: Oh, I'm sorry, I was just scratching my hand.

CHAIR JOHNSON: Okay. I'm sorry, who had their hands raised? I missed it. Okay, go ahead, Councilmember Molina.

VICE-CHAIR MOLINA: Yeah. Yeah, thank you, Mr. Chair. If there are no objections, if you'll allow me the privilege of first introducing the bill, and then take it from there if you want to get answers from resource personnel. And like Chair Lee said, it's not a hard and fast rule. Committee, you have a lot of flexibility. Now, my understanding as how I was brought into this when I first started on the Council way back at the start of the decade...the new century, I guess, it was just...this was the standard protocol, as Chair Lee stated. So again, it's up to the body if they want to proceed in this fashion, but I found it works better this way. Let the Member introduce the bill, start vetting all the Administration personnel, and then at some point, you know, as the Chair, you

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make a recommendation. So I...I...I'm...I'm for doing it the old-fashioned way if you don't mind, if that's okay with you.

CHAIR JOHNSON: Thank you. Okay, let's hear from a couple Members, and I understand what you're saying. Councilmember Sinenci, and then was it Kama? Councilmember Kama, you wanted to say something after him? Thank you.

COUNCILMEMBER KAMA: Yes.

COUNCILMEMBER SINENCI: Yeah, I just had a clarifying question maybe for OCS, but should we do...go ahead with the motion, and then we decide to defer. Is that still an option for us?

COUNCILMEMBER KAMA: That's a parliamentary question.

COUNCILMEMBER SINENCI: Yeah. Keani's nodding her head, "yeah", okay. Thank you. Thanks for that.

MS. STEWART: Yes, OCS concurs with Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: We can defer at any time.

CHAIR JOHNSON: Okay. And going on to Councilmember Kama.

COUNCILMEMBER KAMA: Thank you, Chair. So I would like to hear later on, after the Council has an opportunity to discuss what Mr. Molina's going to bring forth to us, to hear from the...the Department in terms of what their thoughts are on this.

CHAIR JOHNSON: Sorry, my mouse was lost. Go ahead, Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I understand where you're coming from...it's 4:10, and we have 50 minutes to deliberate on two bills. So perhaps a compromise for your consideration is to lay out the parameters on which you'll allow Members to speak and ask questions at...given your allotted time. So you can invite, you know, the...the author of the bill to, you know, have three minutes to introduce the bill, and then the Department to have, you know, five minutes of feedback, and then we can go through questions. Three minutes per Member for questions, and then we can, you know, entertain your recommendation. For your consideration. Mahalo, Chair.

CHAIR JOHNSON: Thank you. Oh, okay. Thank you, Councilmember Keani Rawlins-Fernandez. Any more discussion? I kind of like that...that way that we're looking at, where we can kind of speak and ask questions, and...and, you know, have a discussion. So that's kind of where I'm coming from, you know, is that...is...sounds like a...is that...I don't...I don't want to ask consensus, but that's kind of where my mind is, is that I want to say there's...there's a...we're going to go around and talk

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about it. We only have a little bit of time. Maybe we're just going to do half or one of them. I don't know yet, but you know, is that...does that seem legitimate?

VICE-CHAIR MOLINA: Yeah.

COUNCILMEMBER KING: No objections.

CHAIR JOHNSON: So Councilmember Molina, would you introduce the bill then?

VICE-CHAIR MOLINA: Sure. Yeah. Thanks, Chair, first of all for bringing this matter out. As you can see for your maiden voyage, both of these matters on the agenda today generated a lot of reaction from the public. So I appreciate you taking the bulls...the bull by the horns on this very important matter. As it relates to Affordable Housing 15, I got a lot of feedback from not only citizens who need housing, but also people in the building community too, that we need more. So just want to start off with that. As far as the bill itself, it will increase the percent of affordable dwellings for the 201H projects from 50 to 75 percent, and pursuant to section 201H-41 of the Hawaii Revised Statutes, the Corporation or Hawaii Housing Finance and Development Corporation, HHFDC, may develop or may enter into agreements to develop housing projects with an eligible developer if, in the Corporation's judgment, the project is primarily designed for lower income housing. And furthermore, Hawaii Administrative Rules, Title 15, Subtitle HHFDC, Chapter 307, State Assisted Land and Housing Development Programs states that, "more than 50 percent of total dwelling units shall be for very low, low-moderate, and moderate income households". So the HRS requires 201H projects to be primarily designed for lower income households, okay? So I want to make...state those points, and Hawaii Administrative Rules requires 201H projects to be more than 50 percent of total dwellings for affordable housing. There currently is nothing in HRS or HAR statutes that prevent a local government from imposing stricter conditions on a 201H project, such as increasing the number of dwelling units that must be affordable. So that's an important point. We have that flexibility as a local government. There is one revision that I might suggest for the bill to be considered. When the bill was drafted, we followed the State provisions that 201H projects would provide for lower income housing, which is defined as, "very low, low, low-moderate, and moderate income housing". The State definition of lower income housing guidelines include, "below 50 percent to 140 percent of median income families", but in the Maui County Code, moderate income housing includes up to 100 percent to 120 percent median income families. So to consider it to have this consistent with State requirements for 201H housing, I would suggest that we add above moderate income to Subsection 8 of the proposed bill to include families of up to 140 percent as provided by the State. Now, I also imagine that there may be some concern by developers about this proposed bill, and we've heard it already, but the bottom line is most developers that submit 201H projects provide the minimum required 50 percent plus one of affordable...one additional affordable dwelling, with the balance of the units sold at significant market rates. This is a fast-track approach. Now, they have the other choice of going through the more traditional approach, which uses more time. So this is an option. They don't have to go for this option, this fast-track approach, and developers typically will use the market rate units to offset the

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building of the affordable units, which is why I think I asked Mr. Economou the earlier question. So even if we decide to go 75 percent, the developer has the choice to hike up the price of the market rate homes, so there's that option to offset the...the need for additional affordable units. So if developers are concerned with this proposed bill as not being cost-effective, I say...I say to the developers, keep doing what you've been doing and pass the cost on to the market units. And the big point of this bill is that we need more affordable housing, and this bill is one more tool we can add to the proverbial toolbox to achieve this goal. And if developers want to take advantage of this fast-track process, also exemption from fees and other requirements, then it's only right we get more affordable housing out of this. That's the tradeoff. The 201H program has been, in my mind, been abused, or maybe that's too strong of a word, but it's been strongly taken advantage of due to the relaxed permit process, so the market units circumvent the normal scrutiny during review. So again, if developers want to take advantage of the accelerated permit process, then the benefit to the community should result in a significantly greater number of affordable housing units. So I'll leave it at that, Mr. Chairman, and I'll wait to hear comments from the Members. Thank you.

CHAIR JOHNSON: Thank you, Councilmember Molina. I kind of...is now the time to speak to the Administration? We can kind of hear what they want us to add to this, and after we speak with the Admin guys, then maybe we can go do a round robin and a little more in depth.

VICE-CHAIR MOLINA: Your call, Chairman.

CHAIR JOHNSON: Okay. That's what I would prefer. Mahalo. Thank you. Go ahead, Mrs. Munsell.

MS. MUNSELL: Thank you, Chair. Thank you, Committee Members. Really appreciate the opportunity to talk about this proposal of Mr. Molina, and I'm not going to...obviously, we can't predict what would happen in the future if you were to pass this, but what I can do is I can give you some statistics. We could talk about what's happened in the past, and maybe that will help frame your decision-making for this amendment going forward. So a couple of things just to start out with. At the beginning of this Administration, the Mayor got all of the Departments together, and he said to us that he wanted us to support, primarily projects that provided two-thirds of workforce housing units in 201H projects. And as a result of his statement that he supports those kinds of projects primarily, we have seen the needle move and a number of proposals have come forward that didn't offer the minimum. They started offering the 66 percent or the 67 percent that the Mayor was trying to emphasize. So I want to put that out to you just as a...in the last two years, we've seen this happen. Now historically, 201H, there's been predecessors to 201H. There was 201G process, which is very similar. They changed some of the rules, moved into the 201H, so I just want to start with some projects that we're all familiar with that were processed under the 201G umbrella. And I found...in just my real quick perusal of that, I found six projects that were passed by Council under 201G. Those included the Hale Mahaolu Ehiku project, Lokelani Hale, Waikapu Gardens, I think that was Phase I, and the

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Hale Mua project. Of those six projects, four of those were 100 percent affordable. Now of course, not all of those projects rolled forward. We know that Hale Mua, which was a 50 percent project, never broke ground, never moved forward. So I'm...in the numbers that I'm going to give you now, Hale Mua's been removed from that, but of those projects, there were 729 total projects that were proposed through the 201G process, and of those, 544 were workforce housing units. If for some reason at the time 201G was in place, and we put in the 75 percent and none of those that dropped out, you know, went forward, we would have ended up with 325 or 329 workforce housing units. That's not saying that the one project wouldn't have said I will do 75 percent, but if it had dropped out, that's what...would've happened. Okay, so here comes 201H, which is what you guys are seeing in...or this body is seeing in front of it, projects that are being brought, and I found 13 projects that have passed the 201H process through Council, 9 of the 13 of those projects were 100 percent affordable projects. So that's about 69 percent of them were 100 percent. Of those projects, 1,540 total units are proposed to be built. Now, not all of these projects have broken ground yet. Some of them are...are going to probably fall out, but right now, the...you...this body has approved 1,540 total units in 201H projects, 1,258 of those units are workforce housing units. If for some reason you were to put this into place and the 50 percent guys dropped out, you would drop the total units to 863. And again, we don't know if they would have dropped out or not. We also know that...looking on the list that there are several 50 percent projects that we're not sure will move forward, so...Kula Ridge was one of those projects that were approved through the 201-8...or the 201H process, it's a 50 percent project, so far we haven't seen a lot of activity on that project, so it may drop out and it would have nothing at all to do with your 75 percent criteria that you're proposing here, right? We don't know, but we think that the numbers are suggestive that this has been...primarily been used by 100 percent affordable developers. Would the 50 percent folks have moved up to 75 percent? We don't know that, but those are numbers that you can actually use, and I'd be happy to forward this information to you so that you can actually have it. It's a little hard for me to...yeah. You'll have to ask me for it, so if your Staff could write me...write a letter, we can get that sent. We also have four other projects that are pending. Of those that you guys...this body hasn't heard yet, of those four pending projects, there are three...well, two that are 100 percent, one that's the 67.5 percent affordable housing units, and again, those are indicative of saying, yes, some developers can do 100 percent. We also, since this Administration, this body has passed a 2.97 process, right? And those are the 100 percent affordable projects. So if you were to include those with the other pending projects, you'd probably...you'd be looking at...there's another four units there, or four projects there, so you're looking at a significant portion of the project being proposed right now as being 100 percent affordable. So that's for your consideration. When we talk to the Mayor about his position on this, he didn't come out and object to it. He is, again, encouraging developers to provide more than the 50 percent minimum, so I'll leave our discussion at that, as far as the 75 percent. And I appreciate Mr. Molina's change to the range of affordable buyers in these kinds of projects that would go back up to 140 percent. We appreciate that.

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CHAIR JOHNSON: Oh, thank you, Ms. Munsell, for that informative data you gave us. It seems to me...I have a clarifying question for you. It seems to me there are...or is...or are there builders who can make 100 percent affordable housing under 201H projects?

MS. MUNSELL: There are. When I look at the --

CHAIR JOHNSON: There are?

MS. MUNSELL: -- when I look at the list, typically the 100 percent affordable projects are projects that are also subsidized in other ways. So the 201H process allows the developer to ask for exemptions from certain rules. They also ask for exemptions from certain fees, but a lot of these 100 percent affordable projects are also receiving subsidy...financial subsidy, either through the County or from the State. So just additional information for you there.

CHAIR JOHNSON: Thank you. Okay, we can start with the round robins now. Let's go with Councilmember Paltin, on to Councilmember Sinenci, and then Councilmember Sugimura. Mahalo.

COUNCILMEMBER PALTIN: Thank you so much, Chair Johnson, because I might have to leave. But I just was wondering...my question is like...my concern is the zombie 201Hs, you know, the ones that the community has spoken out against, and they just keep coming back and coming back and coming back. And you know, there's nothing...and then what if you don't make the 45 days, you know. So I just was wondering, like, what if you say in the bill, like, minimum 75 percent affordable units unless a lower percent which is greater than 50 percent is approved by Council, and that would kind of give us the flexibility, like, this is the exact right place to have it. This is...everybody wants it, you know, and...and then like, if it doesn't meet the 75 percent threshold, we'll have some, like, leeway to say it. But if it's like the same guy coming back with the same plan that...the same everybody spoke out against, and they're getting really frustrated about having to be testifying over and over and over, we'll be like okay, well, you know, we kind of heard this already, and then (*audio interference*) kind of heard it and like that. So that's just my question if that's a possibility.

CHAIR JOHNSON: You . . . (*inaudible*). . .

COUNCILMEMBER PALTIN: I guess for Miss...or Ms. DesJardin?

CHAIR JOHNSON: Okay.

COUNCILMEMBER PALTIN: If the Chair would allow.

CHAIR JOHNSON: Yeah. Thank you. Go ahead, Ms. Munsell. Thank you. Thank you, Member Paltin.

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MS. MUNSELL: Actually, I'll defer to Corporation Counsel.

MS. DESJARDINS: You know, as a matter of law...I think it's really a policy issue. As a matter of law, you folks can put something like that in there, that's not a problem. I'll defer to DHHC in terms of policy.

COUNCILMEMBER PALTIN: Okay. Thank you so much. And with that, I'll just be listening in. Love you guys.

CHAIR JOHNSON: Okay. Thank you, Councilmember Paltin. Moving on to...who did we say? Was it Councilmember Sinenci? Yeah.

COUNCILMEMBER SINENCI: Mahalo, Chair. I just had a clarifying question for Ms. Munsell. So projects already approved in the 201H process and are in the pipe, are...they will still be subjected to this...this law?

MS. MUNSELL: Thank you. Thank you for that question, Mr. Sinenci. The...typically, these are not retroactive laws, so it would be really difficult for us to go backwards and change those. You'd have to go back through every single project and change that ordinance. So I don't think that would...it wouldn't...it wouldn't be practical to apply this backwards.

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

CHAIR JOHNSON: Okay. Thank you, Councilmember Sinenci. Go ahead, Councilmember Kama.

COUNCILMEMBER KAMA: Thank you, Chair. So one of the things that one of the testimonies...testifiers said today was that one of the things that we should maybe think about or look at was to look at the Affordable Housing Comprehensive Plan that Hawaiian Committee . . . *(inaudible)*. . . is going to bring forth because he says that in there might have some recommendations for the Council to take into...to take into consideration, and this might impact what we're doing now, or it might not. So Chair, when do you anticipate, if at all, bringing that particular item to your Committee?

CHAIR JOHNSON: Thank you for the...Council...for the question, Councilmember Kama, and my immediate answer is as soon as it's fresh off the presses. You know, I...I want to push for this to happen, it's kind of a housing crisis, and they say when your hair's on fire, you should act like it. So as soon as it comes out, I want to put it on the agenda as soon as we can. The last meeting in maybe March, if can, but you know, we got to wait and see if, you know...to be determined in a future date, but I want to do it ASAP, yeah.

COUNCILMEMBER KAMA: Thank you.

COUNCILMEMBER LEE: It will be ready in March.

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CHAIR JOHNSON: Okay, thank you. Going on to Councilmember King, followed by anyone else? Okay, go ahead.

COUNCILMEMBER KING: Thank you, Chair. Well, my first question was sort of addressed by Member Paltin's question about adding an amendment to have the flexibility for the Council to approve, you know, projects that may have less than 75 percent if they come with other benefits, or you know, might be somebody who wants to do only 50 percent, but is not asking for all the exemptions, you know, who's going to help us out with the wastewater treatment plan or something like that. So I would be in favor of that. And I think Mr. Forrest was...was kind of working on that amendment, so if we want to (*audio interference*), he seemed to think that was perfectly legal for, you know, for us to put into the bill. And then the second issue was on...now, I had the same thought as Member Kama, that we are going to be having this...this comprehensive plan, and so I just wondered if I could ask Ms. Munsell if...do you think the plan is going to address some of those items? You know, you gave us some data and you were saying, well, we can't predict whether these would or would not have gone through with this new, you know, increase in...in requirement. And you know, those are the kinds of things that you expect to come out in the plan where they would make those kinds of recommendations, and say, you know, this is...these are the types of changes you should do to your ordinances. Because I have...I have two concerns. One is, if we wait...if we think some of these are really important components and we wait, there might be a rush to put my project in front of Linda Munsell, so now we're grandfathered in before it changes. You know, we saw that with the extraction bill...with the sand...the sand dune thing. But...but then if we...if we rush to do these things, we may be piecemealing it together when...when there's a comprehensive plan coming which we funded because we wanted that comprehensive plan. So do you have...have you been looking at drafts of that? Do you have any idea if the...these kinds of things, you know, the ordinance changes are we going to be a part of that plan, or if they're able to look at the projects that were approved, and make any assumptions going forward based on what is happening or what isn't, but what projects didn't happen.

CHAIR JOHNSON: Ms. Munsell?

MS. MUNSELL: Thank you. Thank you for that...that question. I have not had...seen drafts of this report yet from Mr. Gilbreath. We do have a...a meeting scheduled here shortly to talk about various and a sundry things, but I don't have a feel for where his report is actually going to go. As far as whether it's better to wait or not, you know, I...I think every single project is going to be different in whether they're financially going to be able to sustain 75 percent of their units as workforce units. I'm not sure, unless we're going to ease...if our policy changes are going to make, you know, zoning easier or anything else like that, I'm not sure that it's going to change that. That's not been proposed here, so I'm not sure --

COUNCILMEMBER KING: Okay.

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MS. MUNSELL: -- if...you...I...I...I think that he's probably going to suggest some really good things in there, and if it's only going to be the end of March, then maybe it's worth waiting to hear what he has to say. But I'm not sure it's going to check...it's going to change the financial structure of these projects.

COUNCILMEMBER KING: Okay. Well, would it...I mean, it's definitely...and you've probably had meetings with him before the one you're about to have, but it's...what...what we're looking at is a plan, not just another study or report, correct? That's what we asked for...just wanted to double check and make sure that that's what we're getting.

COUNCILMEMBER KAMA: Looking for a roadmap.

COUNCILMEMBER KING: Okay. All right. I think that's most of my questions other than...oh, can you just tell me when 201H took over for 201G, what was the year?

MS. MUNSELL: Why, I...I...I...sorry, I don't have that information right off the top of my head, but we can certainly provide that if...

COUNCILMEMBER KING: Okay. Okay. Thanks. Thank you, Chair.

CHAIR JOHNSON: Thank you, Councilmember King. We're going to go with Chair Lee, on to Councilmember Sugimura.

COUNCILMEMBER LEE: Thank you, Mr. Chairman. Before G, it was E. So there are different letters that...that the State...whenever they revise the 201H statute, they change that section...the alphabet accordingly. So...and that was...that leads right into my question, Ms. Munsell, we need to know to what extent we can revise the 201 statute. And I know we can make things stricter, but at...we just wanted...we need reassurance that...are there parts of it that we cannot change, or we can change anything of the State statute. So that's one question for you. The other thing is, I'll be meeting with Jeff shortly, so I'm...apparently they're almost ready to finalize their report, that's why, you know, I'm meeting with them. They're going to meet with the Department, and I...I would suggest that we wait for the...the report because it's only about a little...well, next month, you know. It should be ready next month, and part of their task was to look at revising some of our policies. So you know, rather than there be duplication or, you know, a difference of opinion, why don't we just wait. Because they have been, for the last several months, meeting with the community. So I'd like to hear that. You know, I really want to hear what the community has to say, not just from today, but for the last several months from...from...from the vendor. So I think that'll be important information to have. So you know, I...I...I haven't closed the door on...as far as I'm concerned, I haven't supported increasing the requirement before, but...but if there is a...an averaging, which is a...it's kind of a different aspect to this, you know...you know, I think I might be able to support something like that if there's an averaging, rather than you know, ten of this and ten of that and ten of that. But if we can average it, maybe it might...it might be workable. Thank you.

CHAIR JOHNSON: Thank you, Chair Lee. Moving on to Councilmember Sugimura.

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COUNCILMEMBER SUGIMURA: Thank you. I see Tamara's back and I just wonder if she can again give us her verbiage that she proposed, either written or you could tell us now. I...one...

COUNCILMEMBER PALTIN: Oh, sure, yes. So I'm looking at Member Molina's bill on page 3 --

COUNCILMEMBER SUGIMURA: Yes.

COUNCILMEMBER PALTIN: -- number...sorry, letter F, and it should read, "projects pursuant to Chapter 201H, Hawaii Revised Statutes, shall be required to provide a minimum of 75 percent affordable units, of the 20 of the total dwelling units for very low, low, low-moderate, and moderate income households". Pretty much the same, and then just tack on at the end, "unless a lower percentage which is greater than 50 percent is approved by Council".

COUNCILMEMBER SUGIMURA: Okay.

COUNCILMEMBER PALTIN: And that gives us like the flexibility on a case-by-case basis.

COUNCILMEMBER SUGIMURA: Okay, great. So two questions, Chair, if I could. I'm curious because we're talking about the Jeff Gilbreath study in which I have a...I...I talked to him once already, and he's come back and asked for a meeting so I'm going to do that. And I just wondered, how much did we pay for the study? I don't remember what the amount was.

COUNCILMEMBER KAMA: I think was...

COUNCILMEMBER LEE: Alison should know, it was a hundred and something thousand. Alison? She was part of the screening committee.

COUNCILMEMBER SUGIMURA: Oh.

MS. STEWART: I'll check and let you know.

COUNCILMEMBER SUGIMURA: Okay. So I...I think that will be well worth the wait. I...I agree with Chair Lee because I know that he's been doing a great job doing community outreach, and I too would like to hear from...more, you know, the greater community because he did...he did say he was, you know, going to do all these, you know, outreaches, and I want to hear what he has to say. That's one. The other thing is, during...during the testimony, we heard people from Lānaʻi coming to testify regarding this...a concern about housing on Lānaʻi. And I believe that Pūlama Lānaʻi has a project of which they're about ready...I think they said that after budget, they would be ready to do the 201H, you know, process, and so this then would affect it. And as you know, Lānaʻi has a shortage of housing as everybody is, but they are the big developer who I think, just from listening to their project...the kind of things that

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they're going to do with the property size and the kind of units that they're doing for rental, they changed it from market to rental, but it's a 201H process, and then this is going to affect them. So if we do adopt Tamara's amendment, then that will allow them to build their project and not have to change it now to the 75 percent because I think they're like about 50 percent, and Department can...I don't know if, Linda, you've already talked to Pūlama Lāna'i. You have, yeah? It is right around there. So Gabe, your community...and you heard it from people that came to testify, but maybe the Jeff Gilbreath study can, you know, talk to more, but this would be something that, you know, they're in the middle, ready to roll, and then we change it and what's going to impact them, right? So that's a concern I...I really would like to hear what you have to say on that too, because that's your community, so...

CHAIR JOHNSON: Sure. Okay, Councilmember Keani Rawlins-Fernandez, followed by Councilmember Paltin.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. The last concern that Member Sugimura cited with the Pūlama Lāna'i's Hokuao project, with the amendment Member Paltin proposed, it would address that. It would give the Council the discretion to allow for projects that are 51 percent if the justification is there for that. I have a question for the author of the bill, Member Molina. Member Molina, under Section F, projects pursuant to Chapter 201H, "shall be required to provide a minimum of 75 percent units of the affordable units for very low, low, low-moderate, and moderate income households". In 2.96, it references below moderate. Was that a typo? Where it says "low-moderate" should it have said below moderate?

VICE-CHAIR MOLINA: I think it was low-moderate. Well, low and low-moderate, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: So you want to change that throughout 2.96 to say --

VICE-CHAIR MOLINA: Yeah, let me...yeah, to make it consistent with the State...State's version of it.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Because right now in other places in 2.96, it says "below moderate" so --

VICE-CHAIR MOLINA: Yeah, make it more uniform.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- if we only change it there...

VICE-CHAIR MOLINA: Yeah, we need to make changes across, yeah, to make it consistent all throughout the bill.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR MOLINA: Yeah, yeah.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Right. So for now, it should be consistent with the rest of 2.96 and say, "below moderate"?

VICE-CHAIR MOLINA: Yeah. Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay. And I see Deputy Director Munsell also nodding her head, but the consistency...

VICE-CHAIR MOLINA: Yeah. You know, what the...I'm sorry Member Rawlins-Fernandez, yeah, I believe now...thinking now back, that was a typo. It was a typo.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR MOLINA: Yeah, yeah. Thanks for brining that up. It didn't register at first, so...

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Mahalo --

VICE-CHAIR MOLINA: Thank you for the question.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- yeah, absolutely. Mahalo, Deputy Director Munsell. And the last thing...so I...I did meet with our vendor, with HCA...with Mr. Gilbreath and his team, and this amendment, actually, doesn't conflict with the things that they've presented to us. So I really wouldn't have an issue moving forward with this bill before receiving the plan from HCA because I did discuss with them what they're working on, and this, you know, would only complement their proposals that they have so far. Mahalo, Chair.

CHAIR JOHNSON: Before we move on to the next Member, I noticed Staff had their hand up. Could...who...was that Alison?

MS. STEWART: Yes, Chair. Just...I dropped it in the chat...the contract was for 300,000.

CHAIR JOHNSON: Okay, thank you for that clarity. Let's see, who's next? I think we have...according to my records, we have Councilmember Mike, followed by Paltin...or Councilmember Molina followed by Paltin.

VICE-CHAIR MOLINA: Yeah. Thank you, Chair. Just a quick clarification question for Ms. Munsell. When you mentioned the four pending projects, you said two were 100 percent, one at 65, and then what was the other project...the percentage of affordables they're asking for? Is that the minimum, the 50 plus one?

MS. MUNSELL: *(audio interference)* Chair.

VICE-CHAIR MOLINA: Okay. So it sounds like, from the numbers you're giving us with these projects, it seems that it's...75 percent is doable then, yeah? At least for some developers.

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MS. MUNSELL: Chair. Well, yes. Every...but every project is going to be different. So if you look at this...if you look at this list, what I'm seeing is the vast majority of the projects that are 100 percent, they're all subsidized in some other financial fashion, either through the State or through the County.

VICE-CHAIR MOLINA: Um-hum.

MS. MUNSELL: So those 100 percent units aren't going to change or wouldn't change at all, they wouldn't be affected by this. It'll be the question of the regular developer folks that bring these projects to us, whether they can still make it pencil or not, but the vast majority of the 201H projects that we see are 100 percent...well, not vast majority, but two-thirds of the projects are typically 100 percent, and they're almost...they're always of subsidized by the...in some form or another, either through the State or the County.

VICE-CHAIR MOLINA: Okay. Thank you, Ms. Munsell. Mr. Chairman, at your discretion, you know, I...more and more I think I like your idea of recommending a motion to pass this bill. Then we can also consider Member Paltin's amendment as well today, if at all possible. Thank you.

CHAIR JOHNSON: Thank you. We...Members, we do only have 15 minutes left, so I think we...if we can, I would like to entertain the motion to do the vote. So I'm going to need...should we do one more round robin or do we even have time? We should just go right to...okay.

COUNCILMEMBER PALTIN: Make the motion.

CHAIR JOHNSON: All right. One moment. Oh, go ahead, Councilmember King.

COUNCILMEMBER KING: So is your intention to move . . . *(inaudible)*. . .

COUNCILMEMBER LEE: Mr. Chairman, I think that everybody deserves --

COUNCILMEMBER KING: Oh, I think she was, I think --

COUNCILMEMBER LEE: -- at least two times.

COUNCILMEMBER KING: -- oh, I think he called on me.

COUNCILMEMBER LEE: Yeah?

COUNCILMEMBER KING: I was just going to ask, if we go to a motion, are you going to give us another round of questions or discussion...time?

CHAIR JOHNSON: Yes, that was my intent. I...you guys are absolutely right. I know...thank you so much for being so helpful. I wanted to make the motion, and

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then wanted a second round of discussion, if it's all right with the body. That's kind of the plan going. Okay. Go ahead, Councilmember Kama.

COUNCILMEMBER KAMA: I think Chair Lee was after Kelly. So I'll go after Chair Lee.

CHAIR JOHNSON: Okay. Go ahead, Chair Lee.

COUNCILMEMBER LEE: Is this our second round or...where are we?

COUNCILMEMBER KAMA: The motion.

COUNCILMEMBER LEE: Where are we?

CHAIR JOHNSON: I would like to do the motion first, and then we can do the second round.

COUNCILMEMBER LEE: Okay. I...I...I'm going to be object...I'm going to be voting no on this proposal, only because I don't think we've had enough time to really digest it and give it enough discussion. We...you know something? We haven't heard from one developer. I don't think any of us are developers, and so far what I've seen is that the policies we've come up with have not really helped to produce more housing. So I really want to find out what's going on with development so that our policies reflect reality and what is actually needed. And I would really like to see the results of the...of the \$300,000 comprehensive plan.

CHAIR JOHNSON: Okay. I...I appreciate your concern, Chair Lee, and I think this discussion, we could go on for hours on end. I think a lot of voices have been heard, and this is...again, this is not a new bill per se. Molina...Councilmember Molina wrote this in the past, and I hear what a lot of people are saying, that, you know, when your...I'll say it again, when your hair is on fire, it's time to act like it. So I'm ready to move. And I would like for...if Molina would...if Councilmember Molina would recognize where...I mean, would make the motion.

VICE-CHAIR MOLINA: Okay. Thank you, Mr. Chair. Move to pass the bill on first reading.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second, to include filing of the communication.

CHAIR JOHNSON: So let's see...

COUNCILMEMBER PALTIN: *(audio interference)* rules and amendment.

CHAIR JOHNSON: Okay.

COUNCILMEMBER PALTIN: You'd like to . . .*(inaudible)*. . .is that the time?

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR JOHNSON: Yeah. Go ahead.

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COUNCILMEMBER RAWLINS-FERNANDEZ: So you...you would recommend...you would recognize Member Molina as making the motion, and then us as the seconder of the motion, and you could recognize Member Paltin, she raised her hand for an amendment.

CHAIR JOHNSON: Yeah, I recognized Paltin as a second...as a second.

COUNCILMEMBER LEE: No, she wants to make an amendment.

COUNCILMEMBER RAWLINS-FERNANDEZ: I was a seconder of the motion. So for the record --

CHAIR JOHNSON: I beg your pardon.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Member Molina made the motion, Member Rawlins-Fernandez seconded the motion, and Member Paltin now has her hand up to make an amendment to the main motion.

CHAIR JOHNSON: Yes, thank you. Member Paltin?

COUNCILMEMBER PALTIN: Oh, thank you. I'd like to amend the motion to say, I guess, at the end of Member Molina's bill, to say, "unless a lower percentage, which is greater than 50 percent is approved by Council."

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

COUNCILMEMBER SINENCI: Second

CHAIR JOHNSON: Okay, we have seconds.

MS. DESJARDIN: Chair? This is Corp. Counsel.

CHAIR JOHNSON: Yes? Go ahead.

MS. DESJARDINS: You want to...sorry, do you want to address the typo too, while you're at it? Sorry, I didn't catch it the first time. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Member Paltin, did you hear the typo? Chair?

COUNCILMEMBER PALTIN: Was it the --

COUNCILMEMBER RAWLINS-FERNANDEZ: Below.

COUNCILMEMBER PALTIN: -- below-moderate instead of all those unit...all those...yeah, I'll frame the amendment that into my amendment. I was going to say it, but I didn't want to say it wrong, so I just waited for you guys to tell me.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. So instead of low-moderate, it would say, below-moderate. And then Chair, you would recognize Member Paltin as the maker of the motion to amend the main motion and either myself or Member Sinenci as the seconder.

CHAIR JOHNSON: Okay. I recognize Paltin as the amender, is that...and who's going to second it? We got Councilmember Rawlins-Fernandez second as...and...

COUNCILMEMBER LEE: And discussion?

CHAIR JOHNSON: And let's open the floor to discussion.

COUNCILMEMBER LEE: To the maker of the motion.

COUNCILMEMBER PALTIN: I'll yield to Member Molina as the maker of the motion.

CHAIR JOHNSON: Okay, thank you, Paltin. Mr. Molina...Councilmember Molina.

COUNCILMEMBER RAWLINS-FERNANDEZ: Member Paltin? Sorry, Chair. Really quick, point of order.

CHAIR JOHNSON: Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Member Paltin is the maker of the motion to the...motion to amend the main motion.

CHAIR JOHNSON: Right. The motion to amend the main motion is Councilmember Paltin.

COUNCILMEMBER RAWLINS-FERNANDEZ: But if you would like Member Molina to speak to the main motion, then that's also your...your...up to you, that's your discretion.

CHAIR JOHNSON: Okay, I would...I'm okay with Councilmember Molina speaking to it because...so feel free.

COUNCILMEMBER LEE: Excuse me, point of order.

CHAIR JOHNSON: . . .*(inaudible)*. . .

COUNCILMEMBER LEE: I believe it's Ms. Paltin who would be discussing because we're going to be voting on the amendment before we vote on the main motion as amended.

CHAIR JOHNSON: Okay. Well, then let's have Councilmember Paltin talk on her amendment.

COUNCILMEMBER PALTIN: Oh, okay. All right. Sorry. I'm confused as you, so my bad. I think that Member Molina's proposal is great. I know there's some fear, and so I think

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this amendment is a good compromise...I...in...in giving us the flexibility, and as I mentioned before, the zombie 201Hs. I...I...I had the opportunity to speak with Keiki Pua Dancil and their consultants. And in the conversation on that, I'm not totally sure that it would affect the Lānaʻi 201H because what they had told me in their conversation is, regardless of 50 percent of the rents being in the affordable side, the market rate rents aren't going to be like market rates on Maui because they know they're the employers...what everybody gets paid, and it's workforce housing for their workforce so they know. And so, you know, regardless of what it's classified, the market rate rentals aren't going to be market rate rentals by Maui standards. So I...I don't think we need that kind of fear, but it is addressed. And for a \$300,000 affordable housing study, I...I would hope that they are monitoring because when I...I didn't get a chance to meet with them, I'm going to meet with them on March 1st, but I participated in their West Maui outreach, and I let them know about these types of changes. So I hope that their study or plan can be a real-time plan, you know, not something where, you know, we're going to wait to take action because we're waiting for the plan. This is...part of the plan, you know, is not waiting because of your hair being on fire. And so I thank you, Member Johnson, I thank you, Member Molina, and I don't feel apprehensive. Thank you.

CHAIR JOHNSON: Thank you. So we've discussed the motion to amend, we're going to vote on the motion to amend, right? And then we'll go back to the main motion. So...go ahead, Councilmember King.

COUNCILMEMBER KING: Okay. Yeah, I think we're still on the discussion. We just had the one...the maker of the motion --

CHAIR JOHNSON: Um-hum.

COUNCILMEMBER KING: -- discuss it. So what I wanted to ask is, first of all, I think it's a little...I mean, I like the amendment, I'm not...I don't...I actually...of course I don't know if I'm ready to vote on this because I haven't spoken to, you know, the folks who are doing the plan, so I don't know where they're at with this or with some of these...these changes that we're making. But...but I do want to caution against, you know, putting these...putting these...these proposals up, and then immediately looking for who the exception is because if we're going to...if we're going to make these proposals and then try to figure out who can be exempted from them, then why are we making them? If we're making them because they're...they're going to provide us more affordable housing, then they should be...you know, they should be across the board. And I understand about grandfathering, so if someone's like along a certain...in the process...a certain...to a certain point that...that, you know, they can't be expected to now go backwards and withdraw their projects when they put all this investment into getting to where they're at, but...but...it's a little bit unnerving for me to have us talking about these kinds of proposals and ordinances, and then immediately talking about who we can except...exempt from them. Because I don't...I mean, I've been talking to some people about projects that are coming into South Maui, and I don't want to have to come back and say, well, let's exempt this and this and this because then who is...who is the bill really for? So that...that's my...my one concern. The

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thing I like about the flexibility for the...the...and I want to ask Ms. Munsell this as well. For the Council, is it...if we didn't have this flexibility, I'm assuming they wouldn't even bringing any projects before us that want at least 75 percent affordable, but if we put the flexibility in, then we...then you can still bring projects to the Council that are at least 50 percent affordable. Is that...is that how you understand it, Linda? You're muted.

MS. MUNSELL: My understanding is if you give us that flexibility, then we could use that to bring projects that were less than 75 percent in front of you. I think that makes it more...I appreciate what you're trying to do. I think it would make it a little more challenging for us to make a determination on who we should bring forward and who we shouldn't in that case.

COUNCILMEMBER KING: Yeah, that's what...that's kind of what I was worried about is that, you know, if we say it's 75 percent, then you know if they don't have at least 75 percent, then they...they don't even have a chance at that 201H. But if we have the flexibility, then that puts a lot of that arbitrary decision on you then as far as who gets to get in front of the Council, who gets an opportunity to get the affordable housing fund. So how would you resolve that?

MS. MUNSELL: I think that that would be a pretty significant challenge because then if we were to bring those projects forward to the Council, then every developer who we denied the opportunity to be heard in front of Council might challenge us, unless there's significant financial reasons, or they're bringing other things to the table like, you know, a wastewater treatment plant or a water source development thing. It would be challenging for us.

COUNCILMEMBER KING: Are you...do you feel like you would...you would need to have a set of administrative rules so that you could tick off if they have these...if they have these things, and then you'll bring it to the Council? If they don't...I mean, there has to be some kind of standardization so you don't get accused of favoritism, right?

MS. MUNSELL: Yes, there absolutely would be, and we are in the process right now of working on administrative rules for the 201H. So that would have to be incorporated, absolutely.

COUNCILMEMBER KING: Okay. All right. I see your dilemma. Thank you.

CHAIR JOHNSON: Okay. So the...Alice has a question?

COUNCILMEMBER LEE: Yes. Linda Munsell?

CHAIR JOHNSON: Chair Lee, I'm . . . *(inaudible)* . . .

COUNCILMEMBER LEE: Linda? Ms. Munsell? Okay. For the most part, long ago, when we used to do it, it was...these 201Hs was mainly for Hale Makua and special needs and, you know, Imua Rehab and all of those kinds. So wouldn't you say those would be

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auto...almost automatically 100 percent of, you know, affordable, so they would automatically qualify in that regard for 201H projects. I would say, you know, at...at the very least, Ms. Paltin's proposed amendment gives people a chance to make their case before the Council. So they can come in to you and say, well...you're going to say well, it's 75 percent unless you make your case before the Council. So they choose which one they're going to present to the Council. So they know full well that they could not...that it...possibly they'll get 75 percent, you know. So I don't...I really don't think it's going to be that hard for you because they'll know up front, they may not get 50 percent, so they'll have to plan both ways, for 50 percent and 75. I think that's a very good compromise under the circumstances. It's better than a flat 75. So what I'm...I'm thinking I'm going to vote no, but when the time comes, after I've heard, you know, at my meeting with Jeff and so forth, and maybe had a *(audio interference)*...since you not...since you don't have any developers here, I'm going to have to make some calls to make sure, but right now, I'm leaning very strongly to the...to Ms. Paltin's amendment so that even if that passes, then I can support Mr. Molina. So I just want to let you know where I was going. Thank you.

CHAIR JOHNSON: Thank you. Okay. Well, Members, it's 5:00, and I think this has been a lively discussion. I...does the body want to vote on the amendment and then the main motion? Okay. Okay, let's do that. So what do I...

COUNCILMEMBER SUGIMURA: Mr. Sinenci had his hand up.

COUNCILMEMBER SINENCI: Just wanted to...Chair, just wanted my opportunity to speak. I'm...and like Chair...Chair Lee, I'm supportive of the amendment, and right, I'm looking to see where it's workable, it's doable, and I'm hoping that the developers can look at...at areas that already have established infrastructure and...and potentially, you know, light industrial areas to look at some of their potential projects. So I'm supportive, and I look favorably to the potential. Thank you, Chair.

CHAIR JOHNSON: Go ahead, Councilmember Molina.

VICE-CHAIR MOLINA: Yeah. Thank you very much, Mr. Chairman. And I appreciate the points Chair Lee brought up about the amendment because it does provide a, you know, I guess a starting point for the developer so they know what they're going to go into. So I think it's fair, although my personal feeling, I still want to stay at 75, but again, this gives the flexibility...the developer knows going in full well that you could be faced with a 75 percent commitment on the affordable units. And so with that being said, prior to your...the vote on the amendment, can I have Member Paltin just restate the amendment for the record...the wording?

COUNCILMEMBER PALTIN: Sure thing, if the Chair allows it.

CHAIR JOHNSON: Yes, please. Certainly. Go ahead.

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COUNCILMEMBER PALTIN: Okay, so I'm just amending the low-moderate to say, below moderate and then at the end of what you have besides that putting, "unless a lower percentage, which is greater than 50 percent is approved by Council."

CHAIR JOHNSON: Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I would like to speak to the amendment to the main motion, and I won't need to speak again to the main motion, but I support the amendment and the main motion, so I will voting yes on the main motion. For the motion to amend, I...I think...you know, in our...in our first term, the last two years, we talked a lot about what Chair Lee and Member Molina have said, which is be upfront with what this Council is expecting from developers, and not wait until they come before us and pile on conditions to make it ultimately languish and never be built, which is what we've seen in the past, which is what Deputy Director Munsell has explained. And what I understand from Deputy Director Munsell is that this will likely not have an impact to the developers, to the...to the projects because the ones that have gone through were more than 75 percent anyway, they were 100 percent. And so hearing from Deputy Director Munsell, hearing that the Administration is actually supportive of this bill is...is, you know, favorable, you know. I...I...I appreciate that response, and I appreciate the Mayor encouraging the developers to come to the County with at least 75 percent or more of their project to be affordable. So Mahalo to the Administration, mahalo to Member Molina for bringing forward this bill, and I...I...I support it. And again, I...I did speak with Mr. Gilbreath, and this bill does not conflict with the proposals that he...and recommendations that will be included in the...in the plan that he will bring forth in March. Mahalo, Chair.

CHAIR JOHNSON: Thank you. Okay. So is this the end of the discussion on the motion to amend? If yes...

VICE-CHAIR MOLINA: Call the question.

CHAIR JOHNSON: Okay. Go ahead, Councilmember Molina.

VICE-CHAIR MOLINA: Oh, no, Chair, I just telling you call for the question, take the vote.

CHAIR JOHNSON: Okay, yeah. . . .*(inaudible)*. . .

COUNCILMEMBER KING: Member Sugimura has her hand up.

CHAIR JOHNSON: Okay. Go ahead, Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. So I appreciate the amendment, but I'm...on the larger scale of things, what we're creating and what Kelly King said, right, Kelly King's question was very relevant to the Department because what they're doing is creating like you...you're like half-pregnant, right? So at one point we're going to say 50 percent, and then...but if you really want it, 75 percent, and let the Council decide which one, right. So you're creating a situation where we're being bounced around

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with the Department possibly or...and with the developers and creating some dark clouds. So what I would...I would prefer is what Chair Lee said, Tasha Kama said, and I still have not had my...my second meeting with Jeff Gilbreath, and I...I look forward to that. And I don't want to guess what's in the plan, and I haven't talked to him...what kind of policies he has in it or what he's recommending, but I tell you what, if we paid \$300,000 for something, let's get the plan. I mean, if it's as good as we been trying to get, and if it's that important, let's see what the plan says. Because we're talking to ourselves at this point. We need to find out what the community says. I mean, Gabe, we heard from your Lāna'i community today, and they basically said, no. What about the rest, you know? So I...I...I really wish we would wait until we get the plan, do the right thing. The study is like almost at our fingertips, and I...I want us to be definitive about what we're trying to do, you know. Let's not...let's not waiver. So...

CHAIR JOHNSON: Yeah. I thank you for your concern on that, Councilmember Sugimura. I met with the Gillerbrand [sic]. We had meetings about this very exact thing. I said...I asked him, and he said it's...it doesn't...it would be very helpful, is what his words were. So I think we...you know, I'm...I'm...I...I got affordable housing, so I ran out and I talked to the guy, so I...I...I spoke with him, we had a meeting in...you know, on this, so I think he...he's aware of it. So I hear where you're coming from, but we...we spoke. Yeah. Go ahead, Councilmember King.

COUNCILMEMBER KING: Thank you, Chair. So you know, I respect the fact that some people have spoken with Jeff, but I haven't yet. It would have been good to have him at this meeting, that might have been...that might have solved a lot of these issues, but maybe if we end up deferring this, we can have him at the next meeting, and he can clear up a lot of these issues. But I kind...you know...and I...and I actually talked to Mike Williams of Stand Up Maui, and he said the same thing, we have a plan coming, we should wait for the plan before we move forward with some of these...these specifics. Personally, if we are going to pass it, I...I do support the flexibility, but I do have these concerns about what that flexibility does since I don't want developers coming out and saying, well, you approved their plan because you're friends with them, and you didn't approve my plan, or...you know, that's what kind of what a lot of us feel like has been happening in the past, you know, on the other side, the developers kind of skating through with their projects because they knew people on the Council or they knew people on the Administration. So you know, I wouldn't want that to happen on the other side of things either, but you know, I'm...I'm...I'm leaning toward supporting the amendment, but I'm personally not ready to vote on the main motion until we get more input from...you know, as a Committee or as individual committee members meeting with Mr. Gilbreath --

CHAIR JOHNSON: Yeah.

COUNCILMEMBER KING: -- so that's kind of where I'm coming from.

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CHAIR JOHNSON: Okay. Well, thank you, Councilmembers for this vigorous debate. I...I would like to call on a vote for the motion to amend. What do I do? Okay, second by Councilmember Paltin.

COUNCILMEMBER PALTIN: I was voting. I was voting.

COUNCILMEMBER RAWLINS-FERNANDEZ: For the motion, please raise your hand and say "aye".

CHAIR JOHNSON: Oh. Okay. All those who vote for the amendment, say "aye", please.

COUNCILMEMBER RAWLINS-FERNANDEZ: All those opposed?

COUNCILMEMBER PALTIN: All those opposed?

CHAIR JOHNSON: Okay. All those opposed, please raise your hand.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then call the votes.

CHAIR JOHNSON: So it's six ayes and two...and two --

COUNCILMEMBER LEE: Five.

CHAIR JOHNSON: -- I'm sorry, five ayes and two noes.

**VOTE: AYES: Chair Johnson, Vice-Chair Molina, Councilmembers
King, Paltin, Rawlins-Fernandez, and Sinenci.**

NOES: Councilmembers Lee and Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Kama.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Let the record state...

COUNCILMEMBER RAWLINS-FERNANDEZ: And one excused, Member Kama.

CHAIR JOHNSON: And one excused, thank you, for Councilmember Kama being excused.

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COUNCILMEMBER KING: I think it was six ayes.

CHAIR JOHNSON: Six ayes.

VICE-CHAIR MOLINA: Six ayes.

CHAIR JOHNSON: Two noes.

COUNCILMEMBER LEE: Oh, okay. Six ayes, two noes.

CHAIR JOHNSON: One excused.

COUNCILMEMBER LEE: Yeah, right.

CHAIR JOHNSON: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Now we're on the main motion.

CHAIR JOHNSON: Now we're going...now we're going back to the main motion, any discussion?

COUNCILMEMBER RAWLINS-FERNANDEZ: As amended.

CHAIR JOHNSON: As amended. Thank you. Main motion as amended. Go ahead, Councilmember Molina.

VICE-CHAIR MOLINA: Yeah. Thank you very much, Mr. Chair. Well, first of all, thank you for bringing this out right out of the gates. You know, I...I understand some Members saying we need to hear more from the community about the need for affordable housing. I've heard it all. I mean, from the time when I was first on the Council, so I...I've heard enough about the need, and it's just...the need is just...continue to escalate. I think we have to decide what our priorities are. I mean, the concerns of developers or the concerns of people who need housing. And I know it's a fine line we have to walk, but for me personally, I have to side with the people who need housing. We need more of it. And again, the 201H is a fast-track option, you know. The developers can go and use the other entitlement process if they want, but 201H is a fast-track option. And in return for...for their matter being fast-tracked, they get exemptions and, you know, other things that they're not responsible for. So there is a tradeoff here. And I...I...as I mentioned earlier, it seems like if the developers want to, they can have the market rate units offset their cost for the additional affordable housing units. So there are ways this thing can work, and Ms. Munsell said earlier, you have four pending projects. Three of them are...are well above 50 percent, two of them 100 percent, so it's doable. So I'll just leave it at that, Mr. Chairman.

CHAIR JOHNSON: Yeah.

VICE-CHAIR MOLINA: Thank you.

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CHAIR JOHNSON: Thank you, Councilmember Molina. Councilmember Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair for the opportunity. I too am in support of the motion as amended...main motion as amended. I think, you know, the original intent of the bill was to have 100 percent affordable, and in the past, we've compromised that to 50 percent. And so...so now, I mean, I'm looking forward to at...like Member Molina, looking at all the different exemptions, and looking at all...how...how they can address...hopefully, what the Department can come up, like what Member King said, with some kind of parameters that will...will look at how we can address some of the exemptions maybe prior to the...to the main vote. Thank you.

CHAIR JOHNSON: Okay, Councilmember...thank you, Councilmember Sinenci, Molina, and on to Councilmember Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. And for my discussion, I just wanted to address, you know, the concern that it's going to be leaving developers not knowing if they want to do 50 plus one, or 75 percent, or the Administration not knowing. And a lot of times, going into the vote, the developers or some folks know more than me. Because of the Sunshine Law, I don't know how everyone else is going to vote, but the developer is open to meet with each and every one of us, and try to secure a commitment or even just get a pulse on...on which way we're leaning. So I mean, before coming to that, they just, you know, schedule meetings and discuss it with us, and we give them feedback, like you know, this is great, this is no, and...and I think to me, it's really clear...to me, it's clear which projects are supported. You know, if there are serious concerns about water, serious concerns about wastewater, serious concerns about sprawl, these are all like documented things. It's not, I don't like somebody, you know? It's...you need water, you need to dispose of your waste safely. You need affordable housing near jobs and schools and transportation systems. It's not like a big mystery, you know, the...these are things that are like, you know, good planning, and walkable, livable communities. And so the concern that a developer is not going to know or the Administration's not going to know, they have the freedom to come talk individually with...with each and every one of us, whereas we don't have that sort of freedom where we can like have some pau hana and discuss this. You know, we have to discuss it all over here on the TV. So I mean, if there's a uncertainty, it's more from us, the Members, as to how the vote is going to go than...than say the developers. And I personally do my best to meet with whoever wants a meeting, you know. Call back people who call, and so that's where I'm coming from. So I support this, you know. If...if...if...we've repealed things in the past that don't work, we've tried...like I...I think we shouldn't be afraid to try different things. Because if you do the same thing over and over and over and over, you're going to get the same thing. And you know, small tweaks here and there, I'm supportive, and I think this compromised amendment makes this that type of thing where it's...it's not the same thing. It's something different, and it gives us flexibility. So I'm speaking in support.

CHAIR JOHNSON: Thank you. Thank you, Councilmember Paltin. Moving on to Councilmember King.

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COUNCILMEMBER KING: Yeah, the...the...are the...the concern with the amendment was not about what...whether developers would know or not. I just wanted to point that out. It was how developments make their way to us, and you know, even though the last term we had two projects in the same area, Launiupoko, one did not pass and one did, and yet they all had...they had the same exact parameters. So there, you know, there was some arbitrary decision on the part of the Council that they didn't like one but they liked the other. So that...that's...those are the kinds of things that, you know, we had...we had like this cluster of three...three lots, and one of them didn't pass and one of them did. So that...those are the kinds of things that I'm worried about, not necessarily for the developer's sake, I'm not really concerned that the developers...the developers don't know, but just the...my original concern was with the Department being in a position where they could recommend who comes to the Council and would be a fair and you know, wouldn't be challenged by somebody. So that was my concern, but I was still willing to support the amendment, but I...I'm just not...I'm not there yet where I'm not...I really feel like we should've had the, you know, the people putting the plan together, you know, maybe as a support...as a resource, and I'd like to hear from them. So actually, you know, it's not that I don't support...and I respect all of the reasons why Councilmember Molina brought this forward because, you know, we do have these issues. I'm not sure...I'm not convinced that necessarily going to 75 percent can solve those issues because in my experience in South Maui, the thing that brought more affordable housing than anything was not the permit process and not the, you know, the affordable housing requirements, but it was the developers meeting with the community and getting their projects...you know, sometimes they tweaked it so that it was accepted by the community, but we've had more projects passed in the last term than I've seen, you know, in the last ten years in South Maui, and accepted by the community. So then the community didn't come out against it afterwards in big protests because that communication happened...the compromises happened and so the projects going forward. And most of those are...were 100 percent, but for the very low income. So I think we're doing a good job there. I just want to make sure that we...we don't have any unintended consequences, and so...it's just my comfort level is not there.

CHAIR JOHNSON: Okay. Very valid concerns, Councilmember King. I appreciate your mana'o with that. Okay. Members, I will...can I call for the vote on the main motion as amended?

COUNCILMEMBER LEE: Yes.

CHAIR JOHNSON: All those in favor say aye, raise your hand so I can see them.

COUNCILMEMBERS: Aye.

CHAIR JOHNSON: That's five ayes. I'm sorry, did I...I couldn't see Chair Lee's hand.

COUNCILMEMBER LEE: That's because I'm voting no.

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CHAIR JOHNSON: Okay. Go ahead, Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Yeah, I understand that about not doing Committee work in Council, but because we paid the, you know, \$300,000 for the study and it's just almost ready to, you know, to be done, that I think it's an important report. And I believe that the community said let's hear the report before we do this, but the vote was taken, so be it. I am meeting with Jeff, I am going to do that for sure, but I just thought out of courtesy for the community who may be wondering how are we spending \$300,000 and, you know, not...almost ignoring it as it's right at our doorstep, so that...that was my concern. I don't...I don't mean to, you know, do Committee work in Council, but I just mean to be respectful to what we're doing as a body from last term to this.

CHAIR JOHNSON: I respect your viewpoint a hundred percent, Councilmember Sugimura. Thank you for sharing. Okay. So if permission....permission by the Chair, I'd like to take a verbal poll on a recess date because we're kind of getting a little bit late in the night. See here, how about Wednesday, February 10th?

COUNCILMEMBER LEE: At 1:30?

CHAIR JOHNSON: Is it 1:30? Yeah, is 1:30 okay? With no objections, I'd like to recess this meeting to Wednesday, February 10th at 1:30 p.m. Please use the same BlueJeans link listed on today's agenda.

COUNCILMEMBER LEE: Excuse me, Mr. Chair?

CHAIR JOHNSON: Hey, yes? Yes, Chair?

COUNCILMEMBER LEE: If we voted on the two items, why are we recessing this meeting?

VICE-CHAIR MOLINA: No, we only voted on one.

CHAIR JOHNSON: I beg your pardon, Chair Lee --

COUNCILMEMBER LEE: We only voted on one. Oh, okay.

CHAIR JOHNSON: We only voted on one.

VICE-CHAIR MOLINA: AH-15.

CHAIR JOHNSON: Okay, before --

COUNCILMEMBER LEE: Oh, we can have Jeff at that meeting then.

CHAIR JOHNSON: Yeah, okay. Councilmember Paltin, how can I help you?

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COUNCILMEMBER PALTIN: I had thought that Member Molina was having the 10th from 9:00 to 1:00, and I just was asking your consideration for a 2:00 p.m. start date in that case so that, you know, if you got to go to the bank or something.

CHAIR JOHNSON: Yeah. Valid concerns, and we need a little break between these heavy meetings. I would be okay with 2:00 if Chair Lee is okay with 2:00.

COUNCILMEMBER LEE: No problem. No problem.

CHAIR JOHNSON: Is everyone else okay with 2:00 p.m.?

VICE-CHAIR MOLINA: No objections.

CHAIR JOHNSON: All right, okay. Yes, Councilmember...

COUNCILMEMBER RAWLINS-FERNANDEZ: Sorry. I know my...my last name is long. Mahalo, Chair. Really quickly, I just wanted to...it was brought to my attention, mahalo, that the plan is not due in March, there will be a draft. It'll be a draft that will come to Council. If we want to review it in March, and then the final isn't due until June. Mahalo, Chair.

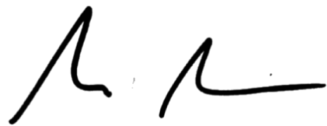
CHAIR JOHNSON: Okay. So Members, if there's no objections, I'd like to recess this meeting to the next scheduled AH Committee on February 10th at 2:00 p.m.

COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR JOHNSON: Thank you, Members, for everyone who participated. Time is now 5:23 p.m. and the date is February 1st, 2001 [sic]. Meeting of the Affordable Housing Committee is in recess until February 10th, 2:00 p.m., 2021. Mahalo . . . *(gavel)* . . .

RECESS: 5:23 p.m.

APPROVED BY:



GABE JOHNSON, Chair
Affordable Housing Committee

ah:min:210201r:

Transcribed by: Marie Tesoro, Kaliko Reed
& Jaylene K. Hamilton

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CERTIFICATIONS

I, Marie Tesoro, hereby certify that pages 1 through 24 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 23rd day of February 2021, in Wailuku, Hawai'i



Marie Tesoro

I, Kaliko Reed, hereby certify that pages 25 through 40 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 23rd day of February 2021, in Wailuku, Hawai'i



Kaliko Reed

I, Jaylene K. Hamilton, hereby certify that pages 40 through 76 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 23rd day of February 2021, in Wailuku, Hawai'i



Jaylene K. Hamilton