

# **AFFORDABLE HOUSING COMMITTEE**

**Council of the County of Maui**

## **MINUTES**

**February 10, 2021**

**Online via BlueJeans Link**

**RECONVENE:** 2:03 p.m.

**PRESENT:** VOTING MEMBERS:  
Councilmember Gabe Johnson, Chair  
Councilmember Michael J. Molina, Vice-Chair  
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

**EXCUSED:** Councilmember Tasha Kama

**STAFF:** James Forrest, Legislative Attorney  
Alison Stewart, Legislative Analyst  
Ana Lillis, Legislative Analyst  
Rayna Yap, Committee Secretary

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  
Axel Beers, Executive Assistant for Councilmember Kelly Takaya King  
Sarah Pajimola, Executive Assistant for Councilmember Keani N.W. Rawlins-Fernandez

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

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**OTHERS:** Francine Aaron  
Cassandra Abdul  
Diane Preza  
Olivia Simpson

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

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CHAIR JOHNSON: . . .*(gavel)*. . . Aloha all. Will the Affordable Housing Committee reconvened meeting of February 10, 2021 come to order? The time is 2:03 p.m. I'm Gabe Johnson, Committee Chair. Welcome everyone. May I please ask that we silence all the cell phones and noisemakers, noise devices. Joining us today is...let's see, we got Committee Vice-Chair Mike Molina.

VICE-CHAIR MOLINA: Good afternoon and aloha, Mr. Chair, to you, my colleagues, and Administration, and everyone tuning in, from the virtual Chambers up here in Makawao.

CHAIR JOHNSON: Okay. Councilmember Tasha Kama is excused. We also have Councilmember Kelly Takaya King.

COUNCILMEMBER KING: Aloha, Chair. I hope everybody's doing well and had a nice...thanks for the extra half hour for lunch. I appreciate it.

CHAIR JOHNSON: Gotcha. Moving on, we got Council Chair Alice Lee, welcome.

COUNCILMEMBER LEE: Thank you, Mr. Chair. We're still on suostei.

CHAIR JOHNSON: Suo...oh, yeah. Okay. Aloha. We have Councilmember Tamara Paltin next.

COUNCILMEMBER PALTIN: Okay. Aroun suostei and aloha 'auinalā mai Maui komohana.

CHAIR JOHNSON: Okay. And then now, moving forward, we have Councilmember Vice-Chair Keani Rawlins-Fernandez, welcome.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha 'auinalā, Chair, mai Molokai nui a Hina, and aroun suostei kākou.

CHAIR JOHNSON: Right. And then we have Councilmember Shane Sinenci from Hāna.

COUNCILMEMBER SINENCI: Aloha 'auinalā, Chair, and aroun suostei to everyone.

CHAIR JOHNSON: Okay. We got the gist of that. Okay. Councilmember Yuki Lei Sugimura, welcome, aloha.

COUNCILMEMBER SINENCI: Can you guys hear me?

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COUNCILMEMBER SUGIMURA: Yeah, we can hear you, Shane. Aroun suostei, is that what it is for this...good afternoon?

CHAIR JOHNSON: That's right. This is just a little FYI. The agenda posted on Council's website has links to the items that do not work, and as this is a reconvened meeting, for the public's convenience, the proposed bill can be found by going to [mauicounty.us/agendas](http://mauicounty.us/agendas) and clicking on meeting details next to today's listed agenda. All right. So from the Administration, we have Deputy Director of Housing and Human Concerns, Linda Munsell.

MS. MUNSELL: Aloha, Chair. Thank you for letting me be here today.

CHAIR JOHNSON: Aloha, Linda. Next, we have Housing Administrator Buddy Almeida.

MR. ALMEIDA: Good afternoon, Chair, and Committee Members.

CHAIR JOHNSON: Good afternoon. We also have Deputy Corporate [sic] Counsel, Mimi DesJardins.

MS. DESJARDINS: Good afternoon, everyone.

CHAIR JOHNSON: Good afternoon. We also have from the Administration, Jessica Crouse, Assistant Housing Administrator.

MS. CROUSE: Aloha, good afternoon, Chair, and Members.

CHAIR JOHNSON: Okay. And on our Committee Staff is Alison Stewart...Rayna...

MS. STEWART: Aloha, Chair, and Members.

CHAIR JOHNSON: Aloha, how are you? We have Rayna Yap.

MS. YAP: Good afternoon.

CHAIR JOHNSON: James Forrest.

MR. FORREST: Good afternoon, Chair, and Councilmembers.

CHAIR JOHNSON: Good afternoon. We have Ana Lillis.

MS. STEWART: She just stepped away for a moment.

CHAIR JOHNSON: Okay. And then Lei Dineen, aloha. So as requested at the last meeting, Jeff Gilbreath from the Hawai'i Community Assets have joined us for today. Happy to see you, Jeff.

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MR. GILBREATH: Aloha everyone, good to see you.

CHAIR JOHNSON: Members, without objection, I'd like to designate him as a resource person under rule 18(A) of the Rules of the Council, given his expertise and experience in the Housing Policy.

**COUNCILMEMBERS VOICED NO OBJECTIONS**

CHAIR JOHNSON: So this is a reconvened meeting of...so public testimony is closed. If you are not participating in today's meeting, you will now be disconnected from BlueJeans. You can continue watching on *Akakū* channel 53 or mauicounty.us/agendas, or on the County Council's Facebook page. Okay.

**AH-16      EFFECTIVELY PROMOTING THE AVAILABILITY OF AFFORDABLE HOUSING**  
**(CC 20-383)**

CHAIR JOHNSON: So today we have on our agenda AH-16, Effectively Promoting the Availability of Affordable Housing. The Committee is in receipt of County Communication 20-383 from Councilmember Tamara Paltin, transmitting a proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING RESIDENTIAL WORKFORCE HOUSING POLICY TO MORE EFFECTIVELY PROMOTE THE AVAILABILITY OF AFFORDABLE HOUSING." The purpose of the proposed bill is to amend provisions related to income groups, waitlist period and selection, as well as other provisions. So that we're all on the...

AUTOMATED MESSAGE: Recording has started.

CHAIR JOHNSON: So that we're all on the same page, my plan for this meeting is to get a brief overview of the proposed legislation, receive some comments from Jeff Gilbreath, and open up the discussion on each aspect of the proposal, one at a time. To be as efficient as we can, I'd like to start with the main motion on the floor. Okay. Tamara, go ahead.

COUNCILMEMBER PALTIN: I'd like to move to recommend passage of the proposed bill on first reading.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR JOHNSON: Okay. We got second by Councilmember Keani Rawlins-Fernandez. Okay. The motion by Councilmember Paltin, seconded by Member Keani Rawlins-Fernandez. Now we open up to discussion.

COUNCILMEMBER PALTIN: Thank you --

CHAIR JOHNSON: Go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: -- thank you, Member Johnson. And I think that this will be an

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efficient way, and I'm so happy that you have the resources of the Department of Housing and Human Concerns and Mr. Jeff Gilbreath here to help us in our discussions and deliberations. I...when I proposed this bill, it was after hearing Ms. Munsell talk to us about the higher income groups of multi-family townhomes timing out of the affordability period. And in my perspective, you know, when housing times out of the affordability period, even if there is a half of the difference paid back to the Affordable Housing Fund, it's such a wasted opportunity because the amount is usually not enough to provide an affordable house for one of our residents, and the developer still gets credit as though they did provide an affordable housing. So it's such a missed opportunity when we have a limited amount of land and resources. And so I kind of felt this...these were just small tweaks in result of what we had been seeing in regard to how affordable housing projects panned out. Thank you for this opportunity.

CHAIR JOHNSON: Okay. Thank you, Councilmember Paltin. Members, without objection, I would now like to hear from Jeff Gilbreath, who is the leading Hawaiian...who's leading Hawaiian Community Assets' efforts at a comprehensive affordable housing plan per OCS contract.

### **COUNCILMEMBERS VOICED NO OBJECTIONS**

CHAIR JOHNSON: In particular, I would like to find his comments useful on how proposals before us align with the directions that the Housing Plan may be headed, bearing in mind it is still a work in progress. And now I'd like to recognize Mr. Gilbreath.

MR. GILBREATH: Mahalo, Chair. Mahalo, Council. I truly appreciate seeing all you folks. You know, what I can say is that this is a Council that clearly is ready to act on housing affordability, and that's good because that's what the community needs right now. To share with you about the work that we've been doing with the Housing Plan, it's been pretty fast and furious, folks. Literally, the last 90 days is how long we've had this contract in place. We have more than 20 team members, from engineers and planners, to developers and financiers, housing counseling professionals, all digging into this work and rolling up their sleeves on the specific scope you folks had us dig into. A big part of our work as mandated by you folks was a robust community engagement plan. And so in the last 90 days, we've completed 589 resident engagements. This includes nine Zoom meetings on Facebook Live that has been managed in partnership with *Akakū*. We've collected over 126 survey responses so far for our Maui Housing Plan survey. We've had meetings with 107 key stakeholders from across the spectrum in thought on affordable housing. We've done two interviews, one with Hawai'i Public Radio, one with the Realtors Association of Maui, and we've written one op-ed. And this doesn't include all the fliers we've done, the views of the recorded meetings, but it was our best approach in this time of COVID to try and bring community together, hear concerns, but mostly hear solutions to the housing affordability issue. In these engagements, we've really focused on solutions and not rehashing the same strategies or fights of the last 20, 30 years folks that are aware of. Our team is working really hard to find consensus on one of the most intractable issues of our time, and not just here in Hawai'i, but what I would say is worldwide to get people who really need housing, to get it to them in an affordable way. In 30 days, we will get to a place where we can bring the Council a comprehensive

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set of recommendations that we believe will help bring 5,000 affordable homes to local families, constituents in your districts. These recommendations will require the Council to be bold, but it will also require all corners of our community to be involved, to roll up their sleeves, and be part of the solution. It's very clear that everyone has a role to play, and we need everyone at the table. Terms of recommendations that we have been hearing so far, our team is still working hard on what those draft recommendations will be that we present to you folks in 30 days, but I can tell you, there's agreement on three pieces. Councilmember, did you have a question?

VICE-CHAIR MOLINA: Yeah, actually more of a, just for a point of order for the Chair to consider. Based on our agenda, Mr. Chairman, can we get a ruling? I know we're talking about the Housing Plan, but I don't think it's listed on the agenda. I guess what's under consideration is Member Paltin's bill. So can we get a ruling, just so we don't potentially violate the Sunshine Law by delving into another topic that's not quite on the agenda?

CHAIR JOHNSON: Okay. Let's ask OCS guys, yeah?

VICE-CHAIR MOLINA: Or Corp. Counsel.

CHAIR JOHNSON: Or Corp. Counsel, yeah.

MS. DESJARDINS: Hi there. I guess I'm just assuming that this conversation is the introductory remarks, but heading into the direction of comments on whether or not these proposed amendments will have any significant impact on the work that's been done so far by this working group. But if it isn't going to be going that direction, then I would agree, Member Molina, that we're probably skirting too far away from the agenda at this point.

CHAIR JOHNSON: Okay.

VICE-CHAIR MOLINA: Thank you.

CHAIR JOHNSON: Did you understand that, Jeff?

MR. GILBREATH: Yeah. I can focus the rest of my comments specifically on the bill.

CHAIR JOHNSON: Please.

VICE-CHAIR MOLINA: Thank you.

CHAIR JOHNSON: Councilmember Molina, does this satisfy you? Okay. All right.

MR. GILBREATH: So in reviewing the bill and what we have been hearing so far on recommendations, what I will say is, I'll just take it piece by piece. So reducing the requirement to 120 percent AMI for workforce housing, no recommendation has surfaced to reduce this maximum percentage. However, there have been solutions and

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potential vehicles promoted that would help us target those who are 120 percent AMI and under through incentives for nonprofit developers, but not through additional mandates. The scope of work that you folks had us engage on is to look at how do we build 5,000 affordable homes for households making 120 percent AMI and less. In terms of limiting townhomes and multi-family dwellings to 100 percent AMI, again, we haven't seen any recommendations surface for regulation for this. However, we have heard solutions and community comment that are promoting incentives for nonprofit developers to get to these affordability...to get to this type of affordability, again, using density bonuses and other approaches, specifically for nonprofit developers, but not through additional mandates or requirements...regulation. On the waitlist changes, on the County's promotion of projects, this is a recommendation we have heard come forward. The community has expressed support for moving this kuleana from developers to the County, the actual management of the waitlist, while working with community development nonprofits to manage this list similar to the way that the County of Kaua'i manages their waitlist. And then the last, in terms of selection, priority changes from 90 to 180 days, we have heard support from this in community, and it has been a concern. But what we've also heard very loud and clear and even louder is the need for a robust first-time homebuyer program that prepares folks, to make sure they have the education, the counseling, even access to grants and loans so that if that wait period goes 180 days, you have someone who is financially qualified to secure that mortgage. And so in our recommendation that we are developing on this piece, we are seeing the need, if we would extend to 180 days, there needs to be in place a robust first-time homebuyer program that can ensure these folks are ready to go and they have all the tools to mortgage qualify. But that's where we're at with the pieces on this bill. Thank you.

CHAIR JOHNSON: Okay. Well, thank you for that. I think what I'd like to do is a round robin and we can go for questions. It looks like Councilmember Alice Lee has a question for you.

COUNCILMEMBER LEE: Hi, Jeff. I just wanted to reiterate, just so I understand what you're saying, that although some of these issues have come up maybe in discussion, no one in the community has asked for a mandate or any kind of regulation to require what is being proposed today; am I correct?

MR. GILBREATH: We have heard no comments to that effect, Councilmember. However, folks have really focused their attention and at the calling of us as the facilitators to really focus on solutions. And those types of solutions have not...have not come forward in our discussions.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR JOHNSON: Okay. Thank you, Chair Lee. Any other questions? Go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: And just clarifying, we're just asking of Mr. Gilbreath at this time, correct?

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CHAIR JOHNSON: Yes, that's correct.

COUNCILMEMBER PALTIN: Okay. And I was wondering, Mr. Gilbreath, if you had done any research into the sale of multi-family or townhome residential workforce housing units and how often they convert to market rate?

MR. GILBREATH: We have been researching the important role that townhomes and multi-family will play in a comprehensive plan by you folks. We have not dug into that research, Councilmember. However, that is something that we can pursue just knowing that our team is working pretty hard already on the recommendations on the table and the scope that was already presented to us through this Council. So that is something we can review. We are aware of affordability periods overall, and that being a concern from the community, and so were attempting to identify a way to address what is really...what we've heard from community is a drive to preserve affordable homes for local residents and future generations.

COUNCILMEMBER PALTIN: Thank you. And if I just might follow up, I wasn't to suggest that you folks should do that research. I believe Department of Housing and Human Concerns does have some of that research and maybe, you know, instead of you guys reinventing the wheel, in the course of today's deliberations, we can flesh that out.

MR. GILBREATH: That would be great, and the Housing Department's been very active and willing to engage with us. So I'm happy to do that.

COUNCILMEMBER PALTIN: Thank you, Mr. Gilbreath. Thank you, Chair Johnson.

CHAIR JOHNSON: Okay. Thank you. It looks like we got Councilmember Keani Rawlins-Fernandez for...up next, followed by Councilmember Mike Molina.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Mr. Gilbreath, mahalo for joining us today and serving as a resource and answering our questions. I --

MR. GILBREATH: Absolutely.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- okay, so my understanding from the...our previous meeting and the reason why we asked you here today was to find out if the plan that...the draft plan as it stands now, if it would conflict with anything that's being proposed on this agenda. So when we...in our last discussion on the first agenda item, which is AH-15, which passed and we're currently on AH-16, was that there were concerns because some Councilmembers didn't get an opportunity to meet with you to find out what...where the plan was at at the moment, and were apprehensive--for good reason--that they didn't want to start making moves before getting the plan from you because that's why we contracted your organization to do the Plan, so that we can get the recommendations and moved in a more informed way for our County. So the question is, for AH-16, did you get an opportunity to review the proposed amendments?



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MR. GILBREATH: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Do they conflict with what you have on your plan so far?

MR. GILBREATH: They do, in so that we have been charged to develop a comprehensive set of recommendations, right, based on 2.96, 2.97, other housing policies that are available to the County. And in this, we are really taking an approach that is talking about an overhaul. It's going to be asking you folks to be bold. And these are, in our mind, in our sight, as we see these bills, we understand the concerns that are being brought forward, and we can see some of the value of this. However, with our recommendations that will be coming forward, we'll be taking all of these holistically and looking at each of...not just these things piecemeal, but how do we craft a bold approach that's coherent, that creates certainty in the marketplace and allows us to really get into deeper affordability. So Keani, we are looking at each of these pieces, but it's not going to be a piecemeal set of recommendations. It's really to ask you folks, here's the laundry list of things. We think if you do it in concert together, this will make the difference.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Gilbreath. So there are four amendments, and what you're saying is that these directly conflict with what you have so far? Or are you saying that because of the feedback that you've been receiving, the recommendation that is...has been drafted up so far is looking like it's going to completely reform 2.96, and so these amendments right now would not make sense, or these would kind of just be piecemealing, but it wouldn't directly conflict with what you have drafted as a recommendation?

MR. GILBREATH: So it will conflict as far as, again, that we're looking at each of these pieces, and we do believe there are ways to get to some of these concerns without taking the type of approach that's just laid out in this bill. And I understand you folks are ready to act, and I see it and I hear it. And I'll tell you, of all the counties we've worked with, that is extremely heartening for us. And all I'm...and all we're really asking is give us another 30 days...give us the chance to complete this work. We've only been 90 days on it. We're getting awesome feedback and amazing feedback from community. But just give us a little bit of time and let us present to you folks what this comprehensive approach looks like because I think we can get to some of these concerns with the plan that we will be putting forward. But I just ask you folks for just a little time.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Gilbreath. Mahalo, Chair.

CHAIR JOHNSON: Okay. Go ahead, Councilmember Mike Molina --

VICE-CHAIR MOLINA: Thank you, Mister...

CHAIR JOHNSON: -- and followed by Councilmember Yuki Lei Sugimura.

VICE-CHAIR MOLINA: Thank you, Mr. Chair, and good afternoon, again, Mr. Gilbreath. Thanks for being here. Initially the surveys that you took, how many people or how

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many surveys were done and the income levels, if you kind of touch upon that briefly?

MR. GILBREATH: Sure, so right now we have 126 surveys that have been done. Over 50 percent of those surveys being completed are by folks who are making between \$50,000 and \$100,000 annually.

VICE-CHAIR MOLINA: Okay.

MR. GILBREATH: So to give you a sense...okay.

VICE-CHAIR MOLINA: Okay. Great. My next question, you know...well, you mentioned, you know, conflicts, what's in the proposed bill versus what the, you know, the affordable housing plan. Can you kind of, in detail, tell me what components of the bill you feel is conflicting with, I guess, the vision of the Affordable Housing Plan. Can you kind of pinpoint those out for us?

MR. GILBREATH: Sure, sure. I think again, going back to reducing down to 120 percent AMI as the workforce housing requirement, we haven't heard that as a concern in community meeting. So we have just been moving forward on what you folks have asked us to, which is really lay out the strategy for 5,000 affordable units for 120 percent AMI and down. And so that's what we've been doing, understanding that 2.96 is really a housing for all approach, right? Understanding that right now, the demand across all incomes in Maui County, that right now 54 percent of your units need to be for folks making 140 percent AMI and down, that's \$117,000 for a family of four and down, and the rest need to be built for folks above that income level. So 2.96 is a tool where you can get to that, but we haven't been looking at reducing that 120 percent AMI requirement or the requirement down to 120 percent AMI from any of the comments we've received, and that includes in the meetings, meetings with stakeholders as well as the survey responses. In terms of the townhomes and multi-family dwellings being limited to 100 percent AMI, what we're looking at is not to regulate this effort, but instead have a series of incentives specifically for nonprofit builders, developers, who are the right entity to be building these units, right, and providing density bonuses so that we can look at townhomes and multi-family dwellings as a solution for 100 percent AMI and down. In terms of the waitlist changes and the County promotion, as I said, this has been one that we've heard very clear from community that one, there's a feeling that there needs to be more done in terms of the County to promote. Yes, these affordable units, but that the County has a role to play to be able to manage this waitlist. On the other side, on the developer's side, it can be onerous, I believe, to manage those waitlists for themselves internally. We should be focusing on having builders build. Let's have the waitlist managers manage the waitlist, and yes, have the County promote. But I think just making the changes to have the County promote without having this tool to allow community development nonprofits to be in the game and partner, similar to the way the County of Kaua'i does, I think we'll miss the boat. And then the last, in terms of selection priority, changing that from 90 to 180 days for the time period, we have heard from community that this is...this is an issue. However, we also know that we struggle with our low-income homebuyers to be able to qualify for mortgages. In our organization, Hawaiian Community Assets, on average it takes us 18 to 24 months to

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take someone from the moment they walk through our door to the point where we can get them mortgage qualified. It takes time to clean up credit. It takes time to save for down payment and to access those tools. And so this recommendation that is starting to surface is really looking at yes, there could be a potential to go to 180-day period. However, this should be supported with a robust first-time homebuyer program that can make sure you've got a pipeline of qualified buyers who can step in and buy, and so we're not just stretching that waitlist out without getting the tools to the families that we need.

VICE-CHAIR MOLINA: Okay. Thank you very much, Mr. Gilbreath.

MR. GILBREATH: Of course.

VICE-CHAIR MOLINA: Thank you, Chair.

CHAIR JOHNSON: Fascinating testimony there, Jeff. Everybody's on the edge of their seat. I can see all their ears are listening so...great job. Okay. Now we have Yuki Lei Sugimura, Councilmember Yuki Lei, followed by Councilmember Shane Sinenci.

COUNCILMEMBER SUGIMURA: Thank you. Oh, welcome, Jeff. I wish you were with us at our last meeting. But from listening to you...I really, Chair, would like to say that it sounds like what he's saying is that we should wait until his report is done in 30 days. Because we just passed a bill out of Committee, and I would like...and that's the first question, I guess Keani asked you about the first bill. I would like to, you know, hear what you say about that although it's done, and the changes we made. And then we're looking at another bill today, and it sounds like we should wait to hear what your final results are going to be because you're out there in the community, and you're gathering information, and you...it sounds like you have a potential plan that you could, you know, recommend to us. I know everybody's anxious to, you know, get more housing, and try to find solutions, so this is probably an effort --

MR. GILBREATH: Yeah.

COUNCILMEMBER SUGIMURA: -- to do that. So I commend, you know, Mr. Molina, and...as well as Tamara Paltin, you know, for --

MR. GILBREATH: Absolutely.

COUNCILMEMBER SUGIMURA: -- doing that. And then Gabe first...you know, first two meetings and he's already, you know, charging down the course because he probably feels the same way. But what is your overall recommendation?

MR. GILBREATH: It is to have you folks wait. So you've asked us, right, to put this together. And I understand...again, I think I commend you folks for being ready to go and being bold. I do think March 15th comes, and there's probably some low-hanging fruit out of those draft recommendations that some of you folks could move on almost immediately. But we want to be able to give you folks our assessment on the whole of this as we...as

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we're looking at 2.96, 2.97, you know, even 3.35, and to give you folks our honest assessment. I think with these changes that are being proposed, you know, if it does move forward, our team would have to just kind of...we'd have to sit back, we've have to table some work, and be able to do more analysis on what these changes are and what it's going to do based on the feedback we've received and the research we've done so far. You guys are ready to be bold, and I can see it and I know it, and you went as far as to contract us to do this work and to do as much as we could to give you a plan that is not just a plan, but is actually steps for taking action to get us to where we need to be. And I would...you know, I would ask on both bills, again, if you could...if...you know, I humbly, humbly request just to pause, just a deep breath. We'll get a crack at this. We'll get a chance to come to this and to make change that you folks are so desperately wanting and that your community needs. But from our perspective, just doing the work over the last 90 days and seeing these potential changes at this point, we would ask just for a pause so that we can present to you what we have right now and what we can develop over the next 30 days, really, before we come before you folks.

COUNCILMEMBER SUGIMURA: And one more question, and then I'll relinquish. So just as education for me, are there any negative impacts going from 90 to 80 percent?

MR. GILBREATH: The 90 to 180 day...

COUNCILMEMBER SUGIMURA: I'm sorry, that's what I meant, 90 to 180, yeah.

MR. GILBREATH: You know, I think you look at projects like Kamalani that's struggled to get folks, I think it took them three years, you know, without having a first-time homebuyer...the type of first-time homebuyer support that you need, right? I think there's benefit to the 180 days. But I do think there are unintended consequences if you don't have that type of support in place. It could...you know, it may not produce the kind of results that you folks are looking for.

COUNCILMEMBER SUGIMURA: It won't be . . . *(inaudible)*. . .

MR. GILBREATH: So...but I would say that, Councilmember, to be very clear, that in community we've heard it pretty loud and clear, and I believe Councilmember Paltin was at her community's meeting where this was brought up, and it is a major concern. But I think it...in a comprehensive approach, we need to make sure those supports are there so that the families have somewhere to go and know what it takes to qualify, and they can. So within that days they're not having to say, well, I wish this was 270 or 360, right, which could be the potential if you don't have these kind of supports in place like the County of Kaua'i does.

CHAIR JOHNSON: Okay. All right.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR JOHNSON: Thank you for that. I have to take a five-minute recess real quick. We seem to have a lot of questions going on. Bio break, be back in five minutes. So 12:37,

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we're going to take a recess until 12:45. Or...I'm sorry, it's 2:37, we'll take a recess until 2:45. . . .(gavel). . .

**RECESS: 2:37 p.m.**

**RECONVENE: 2:46 p.m.**

CHAIR JOHNSON: . . .(gavel). . . Okay. Will the Affordable Housing Committee come back in from our recess? It's now 2:46, and let's continue where we left off. We were asking Jeff...remember, he's a resource, so try to stick to what we're talking about and try to keep your questions concise and your answers concise. Jeff, I really appreciate you being here, but we do have a lot of questions. And forgive me if I'm wrong, I think we were going on to Councilmember Kelly King, and then on to Shane Sinenci. Is that...does...Shane, did you ask me...

COUNCILMEMBER KING: I think Shane was first, Chair.

CHAIR JOHNSON: Okay.

COUNCILMEMBER KING: I think Shane had his hand up first, so I'll --

CHAIR JOHNSON: Okay.

COUNCILMEMBER KING: -- go after him.

CHAIR JOHNSON: Go ahead, Councilmember Shane.

COUNCILMEMBER SINENCI: Mahalo, Member King, and aloha, Jeff. I did respond to your email requesting a meeting, so check your emails. And I was happy to jump on the East Maui Community Housing meeting and provide input during you guys' community outreach. I did receive some, I guess, emails from a couple developers. And although some of them were happy to build at the 100 percent and below categories, they did request for more incentives to build those projects. So my question is, you mentioned some density bonuses, if you could speak to the density bonus.

MR. GILBREATH: Yeah. So, you know, we're really looking at what kind of bonuses can we provide nonprofit builders to build for affordability. And so the recommendation is just starting to be analyzed and developed, Councilmember, so I don't have a lot of information for you at this time. But what I'll tell you is that we are seeing some projects in some communities where the communities are welcoming density, right, as an opportunity for a more affordable unit, and we want to try and meet that. But doing so in a way that's not regulating it, but making sure that the nonprofit builders, again, are incentivized to do so and have the right tools to do it. So that's where we're at, Councilmember.

COUNCILMEMBER SINENCI: Okay. Thank you. And then you also mentioned, you know, creating a very robust first-time buyer program. So I was wondering, for the Department

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of Hawaiian Homelands, are you aware of those types of things for DHHL loans specific to --

COUNCILMEMBER LEE: Point of order.

COUNCILMEMBER SINENCI: -- to them?

COUNCILMEMBER LEE: I think we are straying off the agenda now.

CHAIR JOHNSON: Yeah. Once again, Members, please try to stay on to the agenda and keep your questions to that. Thank you.

COUNCILMEMBER SINENCI: Is it the DHHL part or just the first-time buyer programs?

CHAIR JOHNSON: There's no first-time buyer program in listed in the agenda.

COUNCILMEMBER RAWLINS-FERNANDEZ: 2.96 . . . *(inaudible)*. . .

CHAIR JOHNSON: Right.

COUNCILMEMBER SINENCI: Oh, okay. I was just...sorry. Okay, I'll retract my question. I was just referring to Mr. Gilbreath's response about first-time buyer programs. Okay.

COUNCILMEMBER LEE: Yeah. Well, he...point of order again.

CHAIR JOHNSON: Go ahead.

COUNCILMEMBER LEE: That's understandable, Member Sinenci, because he was straying off the agenda as well.

COUNCILMEMBER SINENCI: Oh, okay.

COUNCILMEMBER LEE: Okay.

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

CHAIR JOHNSON: All right, thank you.

COUNCILMEMBER SINENCI: And then I guess the other one, and one of the amendments is to employ reasonable efforts to share information about the public about waitlists. And so Mr. Gilbreath mentioned how Kaua'i manages their waitlist, if you could speak to that.

MR. GILBREATH: Is that okay to speak to?

COUNCILMEMBER RAWLINS-FERNANDEZ: No, point of order.

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CHAIR JOHNSON: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: There isn't a waitlist in the amendment. There are four...okay, AH-16...you have a waitlist? Oh, number three?

CHAIR JOHNSON: Yeah.

COUNCILMEMBER SINENCI: Number four.

COUNCILMEMBER RAWLINS-FERNANDEZ: Authorize public awareness for affordable housing project and waitlist. Okay. All right, my bad.

CHAIR JOHNSON: Yeah. Go ahead, Jeff, you can speak on that. Mahalo.

MR. GILBREATH: Okay. Okay. Cool. So the way the County of Kaua'i currently manages their first-time homebuyer program is that they require the individuals to go through HUD housing counseling, so that's Department of Housing and Urban Development, to receive a certificate of completion. And once that certificate of completion is received, that individual will apply for an affordable housing waitlist with the County. And these individuals have to be 80 percent area median income and below, so low-income homebuyers. And then once they're on that waitlist, essentially, as any affordable housing projects come up the County is aware of, they will promote those out to the folks on that waitlist. In addition, what they have to offer are additional primary mortgages, gap financing, to help folks actually move into those units. And that's how they've managed the program so far.

COUNCILMEMBER SINENCI: Great. Thank you, and mahalo for that. And mahalo, Chair, for the opportunity.

CHAIR JOHNSON: Okay. Thank you. Thank you, Councilmember Shane. Councilmember Kelly King?

COUNCILMEMBER KING: Thank you, Chair. And thank you to my colleagues for keeping us on track, on the...on point. And I really appreciate you being here, Jeff. It's great to hear from your work, the progress you're making, and I totally agree with you, you know, 30 days is not a lot to ask for to wait on, you know, completing the...these bold moves. But it's also good to know that we're ready to make those bold moves when you make the recommendation. So my biggest...my question for you for clarification is...has more to do with number two with the...well, not number two, wait, the change in going from the 90 days to 180 days. I'm not sure which number that is on here, but, you know, that's been a big issue because we're being told that we have all this need for affordable housing, and then when the developers come before us, they go, oh, wait a minute, if we can't sell it, we want to be able to flip it into market because...so, you know, we either have the issue and we're building houses for affordability, or we don't. And so, you know, I'm not a big proponent of building houses and then trying to sell them for this big market that we supposedly had, and then finding out the market's not there, and then flipping it to higher prices. So, but you know, I'm willing to wait on all this stuff

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until we hear your plan. But what I wanted to ask you about this was when you're talking about the way it's been solved, the way the recommendations you're making has a lot to do with prequalifying people, and that's the tie in with the waitlist, is having the County manage the waitlist so that you have all these people ready to go for the projects when you build them. I mean, just today, I read an article in the L.A. Times about a great developer in...a nonprofit developer who's building homes for the homeless. And they're willing, through the waitlist for HUD for Section 8, you know, because they're building directly for these people and then moving them right in, you know, 20, 40 people at a time. So is that the way your plan is going, is like tying in the education and the...like the IDA kind of a model with creating a waitlist and then being able to fulfill that so you don't need that...you don't need to flip it out, you know, 90 or maybe even 180 days, I mean, they're just all ready to go and we have...we know who's moving in, or we...you know, we have at least a list of people ready to move in because yeah, it's just getting...it's getting tiring hearing from developers, you know, I have 100 people on my waitlist, and then yet they want to flip it out in 90 days if they can't sell it, you know. And they've got a project that's less than 30 units, and they're saying, well, if we can't sell it for affordability, then we want to be able to, you know, mark them up. So is that kind of the gist of how things are coming together in your plan because, you know, holistically as they try to get to that point?

COUNCILMEMBER RAWLINS-FERNANDEZ: Point of order, Chair...point of order, Chair.

CHAIR JOHNSON: Go ahead, yeah, go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: We're not simply asking what is in the plan.

CHAIR JOHNSON: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: We're supposed to just ask, is there a conflict. And if there's a conflict, then we're not going to move forward on the amendment. We're not supposed to be asking what's in your plan.

COUNCILMEMBER KING: I'm asking relative to --

COUNCILMEMBER RAWLINS-FERNANDEZ: . . . *(inaudible)* . . .

COUNCILMEMBER KING: -- what's being proposed, if that is part of the plan. And that will let me know whether there's a conflict or not.

CHAIR JOHNSON: Okay. I see, you know, that's a valid point. But we are trying to stick with what's here. Jeff is a resource. We showed him the bill, and as long as it's stuff that we're talking about the bill, then I would allow that. So just if you could frame it in a way that, you know, we keep his report out of it as much as we can. I know that it's kind of hard to do because there is...

COUNCILMEMBER KING: Well, the whole point...the whole point is his report --



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CHAIR JOHNSON: The point is to see...

COUNCILMEMBER KING: -- the point is does the report, you know, conflict, or how does it fit in with what's being proposed.

CHAIR JOHNSON: Right.

COUNCILMEMBER KING: That's the point. I mean, there's nothing on the agenda that says we're here just to discuss a conflict. We're here to discuss how the plan fits in with these proposals. So that's my take on it. I didn't think that the whole point was the one issue...and, you know, if it is trying just to determine if there's a conflict, Mr. Gilbreath already said there's a conflict.

CHAIR JOHNSON: Um-hum.

COUNCILMEMBER KING: And he already asked us to wait for 30 days.

CHAIR JOHNSON: Um-hum.

COUNCILMEMBER KING: So, you know, if that's what we're here for, then let's just stop talking and wait 30 days.

CHAIR JOHNSON: Point taken.

COUNCILMEMBER RAWLINS-FERNANDEZ: And it's not 30 days, 30 days is the draft.

COUNCILMEMBER KING: Well, I'm sorry. Excuse me --

COUNCILMEMBER RAWLINS-FERNANDEZ: The plan is --

COUNCILMEMBER KING: -- I have the floor right now, Ms. Rawlins-Fernandez. And, you know, this is what...this is what Mr. Gilbreath said, give me 30 days. I'll come back to you with the plan --

COUNCILMEMBER RAWLINS-FERNANDEZ: Point of information.

COUNCILMEMBER KING: -- and that's what I'm...that's what I'm asking him about. So, you know, I'm just trying to see if that...if these things are congruous so that, you know, we either, you know, think that we're going to have the same legislation in 30 days, or we're not.

CHAIR JOHNSON: Um-hum. Right. Okay. Councilmember Kelly King, can you restate it just so that we can...he can answer it? Is that a fair ask? Can you just restate --

COUNCILMEMBER KING: I thought --

CHAIR JOHNSON: -- your question?

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COUNCILMEMBER KING: -- I thought I did. I thought I did --

CHAIR JOHNSON: Okay.

COUNCILMEMBER KING: -- restate it.

CHAIR JOHNSON: Well, can you clarify it so I understand it? I'm sorry.

COUNCILMEMBER KING: Okay. I'm asking Mr. Gilbreath that if, you know, in looking at the proposal that's before us, the change the 90-day period to 180 days, if, you know, what he told us about his plan, if that fits in to the holistic, if he's asking us to wait, is that part of the...his holistic plan to get to that, you know, through the County managed waitlist, through the homeowner education, through all the stuff that he talked about.

CHAIR JOHNSON: Go ahead, Jeff.

MR. GILBREATH: I think what...the way I can answer is this, that everybody has a role to play in this process. Builders and developers are not experts at financially qualifying folks for mortgages. So while they may have hundreds of folks on their waitlist, it doesn't mean that they've done the work to be able to help these folks actually become qualified. And that is the role, typically, of HUD certified housing counseling agencies. I think what will be critical is that we have the right players doing the right work they're certified to do and that they're specialists on to be able to address that need. I will say, just in our work of working alongside folks, again, it takes about 18 to 24 months to clean up their credit and get them mortgage qualified. If folks are receiving the kind of assistance from a trusted professional that is certified to do the work, I still think, based on the response we've been receiving, that 180 days is in a reasonable time as long as those folks are qualified and ready to go.

CHAIR JOHNSON: Okay. Thank you.

COUNCILMEMBER KING: And that's the new plan? That's the plan you're working on, is looking towards that?

MR. GILBREATH: We're drafting those recommendations. I mean, that's the comment we have heard, and we know that there's appropriate roles for everybody to play. And if everybody plays their appropriate role, that's going to get us to the end.

COUNCILMEMBER KING: Okay.

CHAIR JOHNSON: All right. All right. Thank you, Councilmember Kelly King. We can move on to Councilmember Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: You can let others speak because I already spoke twice. But I'm just thinking --

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CHAIR JOHNSON: Okay.

COUNCILMEMBER SUGIMURA: -- Chair, that --

CHAIR JOHNSON: Okay. Well then, I have one...I have one then. So --

COUNCILMEMBER SUGIMURA: Okay.

CHAIR JOHNSON: -- this...this is a...this is separate from 201H, you're...right, this is the whole point of this. This is the 2.96, right? You were looking at 2.96. So the stuff that we passed in the past was for 201H. So the...you're telling us to wait because you're looking at 2.96 projects. The 201H projects is a totally different ball game, is it, right? So does your opinion...it's different for different projects, yes?

MR. GILBREATH: So the scope of work that you folks are...required of us is focused on 2.96. There's no scope of work, really, to 201H, so we won't be making any recommendations to 201H.

CHAIR JOHNSON: Thank you. That's a very point of...very important point of clarification for all of our Members as well. He's only doing 2.96, he's not doing 201H. Thank you for that clarification. I think...has everyone had a chance to speak because we can do a second round robin. Oh, we got Corporate [sic] Counsel seems to want to have something to say.

MS. DESJARDINS: Yeah, I just wanted to...just as a clarity on the law though, 2.96 does say that 201H projects shall comply with 2.96. So although this isn't 201H, it does affect 201H projects, just as a matter of...

CHAIR JOHNSON: Thank you for that clarification. Any other...we can do a second round robin. Go ahead...Keani Rawlins-Fernandez, go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So in 30 days we're going to get a draft recommendation, and then the plan is not due to Council until June. What we're trying to get information from you on, whether there's a conflict in affordable...AH-16, there are four proposed amendments in this bill, and you've already said that these would directly conflict with what you have drafted up so far. The conversation, as Member Molina had correctly feared, has gone awry several times now. And so there are four amendments. The first amendment is residential workforce housing units, changing the definition...townhome means a dwelling sharing a common side wall with another single-family dwelling or similar building type, typically arranged in a row. That conflicts with what you have with your recommendation.

MR. GILBREATH: It conflicts with our focus on what we can do with townhomes, multi-family dwelling units through the incentive process that we are building.

COUNCILMEMBER RAWLINS-FERNANDEZ: Another proposal is the Mayor and Council will employ reasonable effort to share information with the public about waitlists and other

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information about the availability of residential workforce housing units. So that would conflict with your recommendation, and we should not pass this right now because it conflicts with your recommendation?

MR. GILBREATH: Yes. My...you know, honestly, folks, where I would stand on this is that these bills could be vehicles that we could revisit after the March 15th presentation. That would be my...you know, that's where I would stand on the piece. But we are going to be (*audio interference*) recommendations that will conflict with that, Councilmember.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay. Yeah, under 2.96.030, projects pursuant to Chapter 201H shall be required to provide a minimum of 75 percent housing units of the affordable units for very low, low...so does that conflict with your recommendation?

MR. GILBREATH: We're not making any recommendations related to 201H. However, we are, again, I think, building an incentive program that could get you there based on higher density built by nonprofits. But we are...we...you know, at this point, we have not had any requirement...or scope of work does not focus on 201H.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. And last question, Chair, so you would prefer that...or your recommendation to us is to wait on amending the period from 90 days to 180 days taking action today?

MR. GILBREATH: I'd ask that you, you know, you push pause on all of them. And I recognize...I recognize that folks are hurting, right, community members need housing. But I think we have the ability to wait on it. This bill could still be...again, if we revisit it after March 15th, a vehicle to get some action done in quick order. So yeah.

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

CHAIR JOHNSON: Okay. All right. Thank you. I want to pass it over to Councilmember Tamara Paltin to kind of talk about the sections, if that's okay with everyone. I figure, you know, we can get more clarity what Councilmember Paltin and she can...we can hand it over to her. Go ahead, you have the floor, Councilmember Paltin.

### **COUNCILMEMBERS VOICED NO OBJECTIONS**

COUNCILMEMBER PALTIN: Thank you, Member Johnson, and I do hope that Mr. Gilbreath will stay on the call. You know, I just wanted to kind of discuss it out as to my reasoning, and a lot of it had to do with the presentation from Ms. Munsell. And it's my understanding that she's still on as a resource. You know, this was brought up to me several people especially...by several people, especially in relations to...shucks, I always get those two confused, but I think it's Kahoma Villages, not Residential, the one makai. And what we had been noticing is the townhomes don't end up being sold as affordable housing, the multi-family homes. And if Director Munsell could please speak to what the research says about multi-family units, townhomes in the...those upper categories,

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if they are able to translate as actual affordable units that our residents can purchase.

MS. MUNSELL: Chair. Chair?

CHAIR JOHNSON: Go ahead, Linda, thank you.

MS. MUNSELL: Yeah. Thank you, Ms. Paltin, for that question. When we first started talking about this, what we had heard also before we got our final data was that it was the upper AMI levels of these townhomes that were actually flipping into market. Housing has just...has provided the actual data for three of the projects, the three of the multi-family projects that we have information on. There's a fourth project that is coming along, but we don't have that information yet. But I can share the information that I've got for three of the projects. And those three projects are the Kalama Kai Project, which had 40 units that were intended to be workforce housing units; Kamalani, which had 170 units which were intended to be workforce housing units; and Kahoma Village, which is the one Ms. Paltin mentioned just now, which is still under construction, and so far, there were 122 intended workforce housing units in that project. So if we take that information and we break it down, in the above-moderate, let's start at the high level, which is what we've been talking about before...at above-moderate, which is the 121 to 140 percent AMI area, there were 108 units that should've been workforce housing units. Of those 108, 74 of them actually sold at market, and only 34 sold as workforce. So that's 31 percent of them sold as workforce units. In the moderate category, which is the 101 to 120 percent AMI, there should've been 126 deed restricted workforce housing units. Of those 126, 95 of them ended up selling at market, and 31 were sold with deed restrictions, and that's 25 percent of the intended units. For the below-moderate, the 80 percent to 120 percent, there should've been 98 units sold with deed restrictions. 46 of those actually sold at market, and 52 of them sold with a deed restriction, or 53 percent of the units with the deed restriction. Even the lower AMI's are not selling with deed restrictions. Overall, there's about 35 percent of the total workforce housing units that should have been sold with deed restrictions, only 35 percent of them sold as we intended. In our --

COUNCILMEMBER PALTIN: And to just clarify, we're talking about townhomes, multi-family, not single family?

MS. MUNSELL: This is only townhomes. We did not see the same problem with the single-family units, not at all. In fact, every one of the single-family units, as far as we...the data that we have says that they all sold with deed restrictions. All single-family homes sold with deed restrictions. For some reason, these multi-family units are simply not attractive. And I don't know that changing the marketing period for these units would have changed that. In fact, the information that we have indicates that people who qualify to buy these units as deed restricted units waited, and they paid more money in order to get it without the deed restriction. So I think there's something else going on here that, you know, I don't know if Mr. Gilbreath is going to go into...uncover some of this in his studies, but it's certainly something that we're looking at very closely. And we're not sure that it's going to...that increasing the marketing period is going to change that. What we do know, and having talked to developers about the marketing period...if

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you'll indulge me for just a minute, that wasn't your question, okay. What I understand from talking to developers is that the feeling is in general that the really large developers probably have the financial wherewithal to do the extended marketing period. But the smaller developers, the local ones that we count on mostly to do our 100 percent workforce housing units are going to have a much more difficult time financially doing that. And again, the single-family, which is...you know, they don't seem to be having trouble. It's the multi-family, and there's a problem there that we need to uncover and figure out what's going on. And it could be simply that, you know, the Hawai'i Housing Planning Study says that our folks aren't necessarily interested in multi-family units. But I think it takes more research. Thank you for asking.

COUNCILMEMBER PALTIN: And do you mind speaking to the number of units that time out with the 90 days as well?

MS. MUNSELL: So you mean as far as moving from one...so the way that it works, if I understand your question, is that a unit that's offered at the 100...the 80 to 100 percent AMI category, if there's no buyers in that category, it will be offered at the same price to the next AMI up, right? And if it's not purchased by that group, it will be offered at the same price to the next group up. And then if no one purchases it, it will go to market. We did have some data on the sales price difference between units, if that would be helpful to you too. I mean, so the difference between the...the original sales price --

COUNCILMEMBER PALTIN: Oh, I just --

MS. MUNSELL: Yeah.

COUNCILMEMBER PALTIN: -- wanted to clarify, when you talk about at the same price, so if somebody in the 80 to say 100 percent category, or is it 80 to 120 percent category, needs to pay a certain dollar amount, then somebody in the next higher up category would pay the same dollar amount as the 80 to 100 percent qualifier?

MS. MUNSELL: Yeah. My understanding, and Mr. Almeida maybe can correct me if I'm wrong, let's say a unit was offered at \$300,000 to somebody in the 80 to 100 percent. If it's not purchased at \$300,000 in that AMI, it's then offered at \$300,000 to the next category up. So the one, the...yeah. It doesn't change price.

COUNCILMEMBER PALTIN: Thank you for that clarification. And do you have the statistics on how many times units time out of the category that they're in, or where it's most prevalent?

MS. MUNSELL: Well, so the data that I shared with you, so every one that was sold at market had to move up, right? So for the below moderate, the 80 percent AMI to 100 percent AMI, there were 46 of those units. And so those units would've gone through the progression, all 46 of them would've gone through the progression, and then been sold. I'm not sure that I have data that says how many of the 80 percent to 100 percent units were sold at the next AMI up, but I can look and see if we can get that data if that's what you're asking.

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COUNCILMEMBER PALTIN: Basically, the lowest one, 46 of those timed out of their affordability. And then do you have information about the highest, about how many of those timed out of affordability?

MS. MUNSELL: Yes, there were 74 of those.

COUNCILMEMBER PALTIN: And it's kind of based on that information that I crafted my bill. And I was wondering if you had transmitted the data to Mr. Gilbreath for his housing plan.

MS. MUNSELL: So this question was recently asked by both Councilmember Kama and Chair Johnson. And so we've transmitted this data in letter form to both of their offices. This was just finished. We just finished the data work, and so we'll certainly share this with Mr. Gilbreath as well.

COUNCILMEMBER PALTIN: Thank you. I'll yield. I see Chair Lee has a question.

CHAIR JOHNSON: Go ahead, Chair Lee.

COUNCILMEMBER LEE: Thank you. Hello, Linda. Using your example of \$300,000, you said, let's say 80...that represents 80 to 100 percent of median income?

MS. MUNSELL: I just threw that number out there, Chair Lee, I'm...

COUNCILMEMBER LEE: Okay.

MS. MUNSELL: I can look on my chart if you want a real number.

COUNCILMEMBER LEE: Yeah, let's use a real number. Okay. And you use the...some project, or is it an accumulation of three projects, the 46 unit count is it an accumulation of three projects? Okay. 46 units, these are multi-family. And then instead of 300,000, what is the real number?

MS. MUNSELL: Well, let's say you're a...oh, shoot. If you're a...it's a...if it's a one-bedroom 100 percent AMI at four percent interest, it would be \$338,000.

COUNCILMEMBER LEE: Okay, \$338,000, and that would be 80 to 100 percent of median income?

MS. MUNSELL: That would be...yes, correct.

COUNCILMEMBER LEE: Okay. So if it doesn't sell in that category for 90 days...is it 90 days?

MS. MUNSELL: That's correct.

COUNCILMEMBER LEE: Then it goes to the next, which would be 100 to 120.

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MS. MUNSELL: That's correct.

COUNCILMEMBER LEE: So now we're at 180 days.

MS. MUNSELL: Right.

COUNCILMEMBER LEE: Right. So if it doesn't sell at 120, it goes to 140, 120 to 140, and that would be roughly 270 days.

MS. MUNSELL: Yes. If you start at the lowest AMI, yes.

COUNCILMEMBER LEE: So the developer would have to be carrying that house for 270 days, and essentially selling it at a loss. Because when that goes to market, that was...that started as a heavily subsidized house. So when that is sold on the market, some lucky person is going to get a super deal, \$338,000, yeah?

MS. MUNSELL: So at the end, they are allowed to sell it at the market price. So they have to keep it at the affordable price throughout. And then once it hits the market, they can sell it for the market price and try to recoup some of their expenses. But they have to pay back to us half of that --

COUNCILMEMBER LEE: Yeah.

MS. MUNSELL: -- the difference.

COUNCILMEMBER LEE: When that unit is sold, then you get 50 percent shared equity, right? Okay. All right. So...but conceivably, the way it stands now, a unit can go on the market...I mean, go through the progression, and not be sold for 270 days.

MS. MUNSELL: That's correct.

COUNCILMEMBER LEE: Okay. I can see why. I can...well, we're not supposed to talk about the plan. But yeah, like you said earlier, something's missing here, right? Yeah. Okay. Thank you. Thank you, Chair.

MR. ALMEIDA: Excuse me, Chair Johnson?

CHAIR JOHNSON: Yes?

MR. ALMEIDA: Thank you, Chair. This is Buddy. I just wanted to add for point of information that Kamalani is like the poster child that...you know, that as far as number of units that were marketed and were not sold as workforce...and just to advise the body, I worked with Grant Chun, who was with A&B at the time that project was being marketed, and they actually did market it for twice as long as they were required to because they were really trying to make a good faith effort to sell them as workforce. And in the end, they still did not sell it workforce, they still ended up having to be sold



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at market. So I just wanted to share that with the Committee. Thank you.

COUNCILMEMBER LEE: Okay. Well, thank you --

CHAIR JOHNSON: Thank you, Buddy.

COUNCILMEMBER LEE: -- Buddy. I think we're trying to get at why.

CHAIR JOHNSON: Right.

COUNCILMEMBER LEE: That's what we're trying to get. Thank you.

MR. ALMEIDA: Yeah. And Chair Lee, the why is that people don't want deed restrictions on multi-family units. That's basically the gist of it, or they can go across the street, get a similar type product without deed restrictions near the same price. That's what they've been doing. So I think that's the heart of the problem, in my opinion. Thank you.

COUNCILMEMBER LEE: Thank you.

CHAIR JOHNSON: Okay. Thank you. Let's go back to Councilmember Paltin. She has some more follow ups.

COUNCILMEMBER PALTIN: Thank you. And I just wanted to clarify what Ms. Munsell was saying. You know, you have so many available at the 80 to 100 percent, 100 to 120 percent, and 120 to 140 percent. And at the onset, before the 90 days comes up, the 100 to 120 percent purchase...original purchase price is more than the 80 to 100 percent original purchase price. So for example, somebody that qualifies in the 100 to 120 percent AMI, their original purchase price is going to be more than 338,000. So how do you decide who in the 100 to 120 percent AMI makes out with a 338,000 unit instead of the actual purchase price in the 100 and 120 percent AMI?

MS. MUNSELL: Thank you. I...actually, I'm going to try and defer that to Buddy. They have seen these projects through several times, and so I'll defer that question to him.

MR. ALMEIDA: Thank you, Member Paltin. I'm sorry, if you could repeat the question please.

COUNCILMEMBER PALTIN: Oh sure. Ms. Munsell had mentioned that folks...if a unit times out within the 90-day period that it'll go for sale in the next higher AMI bracket, 100 to 120 percent, at the original purchase price. So if an 80 to 100 percent AMI unit goes for 338,000 and in 90 days it doesn't sell, it'll go for sale to the 100 and 120 percent AMI for 338,000. How do you decide who in the 100 to 120 percent AMI gets that cheaper unit at the 80 to 100 percent rate? Because I would imagine it doesn't seem fair if, you know, you have this first lot of qualifiers in the 100 to 120 percent AMI rating paying 100 to 120 percent AMI price, and then as one times out of affordability from the 80 to 100 percent rate, someone on the waitlist for a 100 to 120 percent now gets to buy an 80 to 100 percent priced unit? So how do you decide who pays the 100 to 120 percent original price, and who pays the one that has timed out of the 90-day

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affordability period and is still for sale at that rate?

MR. ALMEIDA: Right. Thank you for the question, Member Paltin. I think I understand where you're coming from. The developer sets up waitlists for each AMI bracket. So once they've exhausted the lowest tier, they'll move to the waitlist in the middle tier, and then to the upper tier. So they work through the waitlists concurrently in that succession. So they exhaust the lowest tier to the highest.

COUNCILMEMBER PALTIN: So if you're on a waitlist for the 100 to 120 percent AMI, and something timed out into the 80...from the 80 to 100 percent, it's like double lottery because you get to buy a house at the lower rate. So it's almost better to be on the waitlist than the original 100 to 120 percent AMI income level?

MR. ALMEIDA: That would be probably true if it was a multi-family project. For single-family, very rarely do people fall out. They close on that opportunity, yeah.

COUNCILMEMBER PALTIN: Okay. Thank you. And I guess I just have a follow-up question for Mr. Gilbreath in asking us to hold off or defer. I just was wondering if you were aware that, you know, we go into Budget at the end of March. And so really, a 30-day wait would actually end up being kind of a wait until at least about mid-June. And also, you know, when you're...when...I did receive some feedback on the meeting, which I sent to you, and I'm not sure if you can modify whatever methods. But just wondering if you were aware of our time frames and, you know, like how you said we're ready to act, and there's this desperate need, and all...from listening to this last information about when these houses are not sold to...as affordable units, like that 75 percent, 35 percent, that's an opportunity that's gone forever when we have limited land, limited resources. So that's kind of my sense of urgency, and I'm not sure if you were aware that asking us to wait 30 days is actually like asking us to wait three months because we don't take up other business during the Budget. And that's a whole other conversation that's not on the agenda.

MR. GILBREATH: You know, not aware, you know, that that would be the case. I do understand it that once you folks pick up Budget talks, that occurs. My request really just comes from the fact that you folks contracted us to do this work in very quick order. We want to make sure that we do the work, but also that we're doing right by community and bringing all the comments that are coming forward from the spectrum of thought, and that those comments and those recommendations actually get used at the end of the day, right? So that's where the request comes from, Councilmember, and, you know, I...I think it's very clear to me in our community meetings that there are community members that are ready to purchase, they want to purchase regardless of whatever the type of unit is. And so just trying to do right by them and get you guys something that's comprehensive that you can really look at, you can compare the costs and benefits. And at the end of the day, you folks make the decision. But that's where my request comes from, Councilmember.

COUNCILMEMBER PALTIN: And have you heard any of the feedback, as the Housing Department was mentioning, that deed restrictions in multi-family units are a problem?

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MR. GILBREATH: We have not heard anything from community members to suggest that they would not purchase just because of a deed restriction. People are living double, tripled up, working multiple jobs. Folks are hungry for housing and I...I think you ask any of your constituents, that's the case. But we haven't heard any comments that would suggest that folks who are low-income, lower-income, moderate-income that aren't interested in purchasing deed restricted, regardless if they're multi-family, single-family, what have you.

COUNCILMEMBER PALTIN: Okay. And once you get the data from the Housing Department, you're folding that into your study as well?

MR. GILBREATH: Yeah, it'll be great to see that. And again, the Housing Department's been great to bring info to us. But this is...this is excellent. We'll be happy to receive that and work with the Housing Department to . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: I'll yield to Councilmember King and Molina.

CHAIR JOHNSON: Okay.

COUNCILMEMBER PALTIN: Thank you.

CHAIR JOHNSON: Go ahead, Councilmember Kelly King.

COUNCILMEMBER KING: Thank you, Chair. Really interesting discussion. So Jeff, I just wanted to say, you know, just listening to the discussion, there seems to be a conflict with what the bill proposal in front of us says about multi-family, and then your push for more density because multi-family is density, you know. We've always talked about, and all the reports, even the TIG came out and said infill is best. You want to build where there's already infrastructure and, you know, other houses, which hopefully have parks and schools and stores and stuff nearby. So that's what I'm hoping to see in the draft plan is how all these pieces come together. You know, the need for density and the desire to support density, and then some of the fears about the multi-family, you know, the...Member Paltin just talked about. We...in the bill, it refers to multi-family units for sale and for rent, and yet the multi...and I know these are very low income, so we're looking at a lot of very low-income places coming into Kihei, and those get filled up pretty quickly rental-wise. So I don't think anybody...and, you know, it could also be a difference in different communities because people in South Maui are used to living in multi-family dwellings, and we have a lot of those around here, and maybe some communities are not...you know, I don't think there's a lot of those in Ha'ikū. So I don't know if your plan is going to be, you know, kind of area specific or make any recommendations for certain types of areas, or if it's just an island-wide...here's what we see island-wide.

MR. GILBREATH: I'm okay to answer this. Okay.

COUNCILMEMBER KING: We're walking on...we're walking on eggshells now, Jeff.

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MR. GILBREATH: Everything has to be place based, everything.

COUNCILMEMBER KING: Okay.

MR. GILBREATH: Every community is unique and different. When we talk about density in...with Shane in Hāna, it's talking about accessory dwelling units, right, multi-family, multi-generational family opportunities. When we talk about density in Councilmember Lee's district, or in Councilmember Kama's, it's folks saying yeah, we want to see multi-family rental housing. We want to be down in the economic development center. So we're very clear. And from the get-go, we knew each community is different and unique, and each community is going to need a unique set of solutions, including the importance of building the capacity of local community to do community driven housing solutions. But yes, to answer your question, we're going to be as place based as we possibly can because that's what communities asked us to do.

CHAIR JOHNSON: Right on.

COUNCILMEMBER KING: Okay. Great. Thank you so much.

MR. GILBREATH: Yeah.

CHAIR JOHNSON: All right. Thank you, Kelly...Councilmember Kelly King. Moving on to Councilmember Mike Molina.

VICE-CHAIR MOLINA: Yeah. Thank you, Mr. Chairman. My question is more to you as far as your intentions for the rest of the day. I know having Mr. Gilbreath here was good, but we may have caused some unintentional issues with, you know, the discussions of conflict, that conflicting the...mixing the discussion of the affordable housing plan with Member Paltin's bill. I had questions about Member Paltin's bill, and assumed the focus would be on that today. So then upon hearing the concerns from Mr. Gilbreath about us holding off, and I guess some of the Members also for the previous matter that we discussed on your agenda, the 201H, had that same hesitancy about moving any of this forward. So my feeling is...is it your plan for the rest of today to focus directly on Member Paltin's bill and then possibly take action? Or are you more inclined to...if you're more inclined to just delay it, then to me, might as well just end the discussion here and, you know. So I'm just...just trying to ask you what your direction is, Mr. Chair.

CHAIR JOHNSON: So it's a very valid question, Councilmember Molina. And you know, I kind of am feeling that we should kind of move on and wait until after, you know, we...he comes out with his report. So I feel like if there's no objections, I would like to kind of defer, so...

### **COUNCILMEMBERS VOICED NO OBJECTIONS**

CHAIR JOHNSON: Okay. Go ahead, Councilmember Keani Rawlins-Fernandez.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I agree with Member Molina's sentiments, and I wouldn't have any objections to deferring the item. But under this item, during discussion with Member Paltin and Mr. Almeida, there was some incorrect statements that were made. And I just would like to correct the record before you defer this item and end the meeting.

CHAIR JOHNSON: Certainly.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So this was published in *The Maui News* in 2016. The issue of whether developers are strictly complying with the County's Workforce Housing ordinance prequalification provisions surfaced this month with questions from Maui County Councilmember Elle Cochran of West Maui. She raised the issue in connection with two A&B Properties' workforce housing projects November 3 during a meeting of Council's Housing, Human Services, and Transportation Committee, and Wednesday during a Land Use Committee meeting. Cochran cited marketing materials for A&Bs Properties' Kamalani subdivision in North Kihei that called for prequalification by developer approval lenders instead of the perspective buyers' choice of lender as provided for by the ordinance. On Thursday, A&B Properties' Vice-President Grant Chun said that there had been a misunderstanding about the wording of the Kamalani marketing materials, and that home applicants could use...could choose their own lenders for loan prequalification. The project's marketing material would be revised to clear up the problem, he said. As of Saturday, the developer approved lender language had been removed from Kamalani's online marketing materials. Buyers still need to obtain a loan prequalification letter, but the developer's website no longer says that the developer reserves the right to require the applicant obtain the prequalification letter from a list of developer approved lenders. On Friday, Cochran said she was continuing to look into developer compliance with the County's Workforce Housing ordinance, and was waiting to get a direct answer from Corporation Counsel, the County's legal advisors. So far, she said her office was looking at Kamalani and Kaiāulu projects. She said it's her understanding that the Kaiāulu project is connected with . . . (inaudible). . . requirement to provide a dozen workforce housing units in connection with its 158-unit Waialele Ridge development in Nāpili. If developers are not complying with the prequalification provision of the Workforce Housing ordinance, then we need to nip it, she said, otherwise, who's going to put the hammer down? Cochran said if it's found that perspective affordable homebuyers were turned away because they didn't prequalify with a developer's preferred lender, then the homebuyer's application process should be redone. Mahalo, Chair.

CHAIR JOHNSON: Thank you for that point of information. So...okay. I think we had really good discussion. I could tell by the look on the Members' faces we all have a lot to say and our minds are going. So I...before I go and defer this though, I kind of want to do a little bit of clarification that Jeff's report is more on the 2.96. It's not on the 201H. So as long as we're nice and clear that the bill that we passed before, Councilmember Mike Molina's that we got out of Committee, that's different, all right? Please understand that, all right? And I just want that to be stated for the record. So without any objections. I would like to defer this matter.

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**COUNCILMEMBERS VOICED NO OBJECTIONS.** (Excused: TK)

**ACTION: DEFER.**

CHAIR JOHNSON: No objections. Okay. So we go home early today. That brings us to the end of the agenda. Thank you, Members, for all your participating today. I really mean that from my heart. Go...hold on, we got couple hands raising. Go ahead, Yuki Lei Sugimura, followed by Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER SUGIMURA: I just want to clarify what you just said about the 2.96 because the 201H process is part of the 2.96. So can we ask Corp. Counsel to clarify that? Or did Jeff Gilbreath want us to wait on that one too, because that one's part of 2.96.

MS. DESJARDINS: Chair, if I may? You know, Member Molina's bill, I agree is not relevant to what's going on right now. Where 201H and 2.96 overlap is part of what you're deferring. I mean, anything that you do to 2.96 that affects 201H is going to be affected later. So I understand you're deferring everything. But I have a question. You have a motion that's been seconded. Are you deferring that motion, or do you want to have withdrawal of that motion at this time so when you move forward, you just starting back at square one?

CHAIR JOHNSON: Withdraw the motion.

COUNCILMEMBER SUGIMURA: Withdraw, yeah.

MS. DESJARDINS: I think...I think...does Member Paltin have to withdraw the motion? It was her motion --

COUNCILMEMBER PALTIN: Oh, okay.

MS. DESJARDINS: -- so I think...

CHAIR JOHNSON: Okay.

MS. DESJARDINS: Would you be willing to do that?

COUNCILMEMBER PALTIN: I'd be willing. But I just wanted to clarify that I've been told we can leave the motion on the table. But, I mean...and then just pick it right up.

MS. DESJARDINS: And you can. It's up to you folks. But, I mean, to make it clean, if you wait a while you may...it may just have...you know, get lost in the shuffle.

COUNCILMEMBER PALTIN: Okay.

MS. DESJARDINS: That's why I was asking you...not telling you what to do, sorry.

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COUNCILMEMBER PALTIN: Oh, I'll defer to Ms. Munsell.

MS. MUNSELL: I'm sorry, I didn't have a comment on that. But I did want to...I did want to clarify that in Mr. Molina's bill, he did decrease the AMI for units. So there was a change that would...I mean, normally we follow 2.96, and they had eliminated the upper AMIs in addition to changing the number of units to 75 percent.

COUNCILMEMBER PALTIN: Or what was...or Council vote.

MS. MUNSELL: So my understanding was that you had passed his amendment to the ordinance. And if we're trying to avoid affecting the 2.96, or how the two interact, then my concern would be that we did eliminate the above-moderate income from the 2.96...or from the 201H projects. Thank you.

CHAIR JOHNSON: Okay.

COUNCILMEMBER PALTIN: I'll withdraw my motion.

COUNCILMEMBER RAWLINS-FERNANDEZ: As the seconder, I withdraw my second.

CHAIR JOHNSON: So that brings us back to deferring.

COUNCILMEMBER SUGIMURA: Right.

CHAIR JOHNSON: Oh, no, I'm sorry. That brings us to the end of...my mistake. That brings us to the end of the agenda. Oh, okay, Keani Rawlins-Fernandez, go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So dovetailing off of what Member Sugimura said, and then what Corporation Counsel said, and what you said, Chair, I figured, you know, perhaps it might be clearer if we just hear from Jeff himself. Because he did say push pause on all the items, all the amendments for this bill. And so that part was really not clear what he meant, whether he meant for AH-16 or whether he meant for AH-16 and AH-15. So if we can just make that clear so that, you know, myself, Member Sugimura --

COUNCILMEMBER LEE: Point of order.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- what's good for everyone.

CHAIR JOHNSON: Okay. Before --

COUNCILMEMBER LEE: Point of Order.

CHAIR JOHNSON: --before we call on Jeff, let's go to Councilmember Alice Lee.

COUNCILMEMBER LEE: Okay. Thank you for the question, Vice-Chair Rawlins-Fernandez, but that clearly is not on the agenda. I would love to know the answer to that too. But

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it's not on the agenda, and we're going to have to deal with what passed out of Committee on the Council's agenda...so when we have the Council meeting. I wish we could do it now. But it's just not agendized.

COUNCILMEMBER PALTIN: I thought we're on the same agenda. It was a recessed meeting.

CHAIR JOHNSON: Yeah, it was a recessed meeting.

COUNCILMEMBER KING: Yeah, it's still on the agenda.

COUNCILMEMBER LEE: Okay. I'm sorry. I thought we passed that out of Committee --

COUNCILMEMBER SUGIMURA: We did.

COUNCILMEMBER LEE: -- the first one.

COUNCILMEMBER SUGIMURA: It passed.

COUNCILMEMBER PALTIN: Then we recessed.

COUNCILMEMBER RAWLINS-FERNANDEZ: We took a vote, but we recessed.

CHAIR JOHNSON: Yeah.

COUNCILMEMBER LEE: So the whole thing --

COUNCILMEMBER SUGIMURA: But the Island Plan's got to . . . *(inaudible)*. . .

COUNCILMEMBER LEE: -- didn't pass out of Committee. I mean, the first item didn't pass.

COUNCILMEMBER SUGIMURA: It did.

COUNCILMEMBER PALTIN: No, because we didn't end the meeting yet.

COUNCILMEMBER KING: Oh, it doesn't count. It doesn't pass until we actually end the Committee meeting, and we haven't ended that --

CHAIR JOHNSON: Right.

COUNCILMEMBER KING: -- Committee meeting yet.

COUNCILMEMBER LEE: Well, okay, but can we get a --

CHAIR JOHNSON: I'll tell you what. Why don't we do this. Let's just do --

COUNCILMEMBER LEE: -- can we get an opinion from Corp. Counsel?



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CHAIR JOHNSON: Why don't we do a five-minute recess. We'll square it all away, and we'll come back. Okay?

COUNCILMEMBER SUGIMURA: Okay.

COUNCILMEMBER LEE: Well, Chair, Chair, Chair.

COUNCILMEMBER SUGIMURA: . . .*(inaudible)*. . .

CHAIR JOHNSON: Okay. Go ahead, go ahead.

COUNCILMEMBER LEE: We would like to hear what Corp. Counsel has to say.

CHAIR JOHNSON: Sure. Sure, why not.

COUNCILMEMBER LEE: If you don't mind. Okay.

CHAIR JOHNSON: No, I don't mind. Go ahead.

MS. DESJARDINS: Yeah, I agree that until the meeting is done, it hasn't...you have moved and passed a recommendation to take it to first reading. But you can still...I think you could still pull it back at this point since this is a recessed meeting. That's my understanding. I don't have anything more to add than that unless you want me to do some quick research in the next ten minutes. But I'm pretty sure that that's correct and that that's why --

COUNCILMEMBER LEE: That's fine with me.

MS. DESJARDINS: -- you recess meetings --

COUNCILMEMBER LEE: If our legal advisor is saying it's okay, then I'm sure, you know, it's fine. Thank you.

CHAIR JOHNSON: Okay then. Is it...is...all right. So we're nice and clear now. Okay. So if you don't mind --

MS. DESJARDINS: So you . . .*(inaudible)*. . .

CHAIR JOHNSON: -- I would like to --

MS. DESJARDINS: So by procedure...sorry, I'm sorry to interrupt you.

CHAIR JOHNSON: Go ahead.

MS. DESJARDINS: One more quick thing. So procedurally, you have a motion, you passed it. It's sitting there. So you have to decide then how do you want to deal with that. You passed...the motion on the 201H passed. You voted on it. So it's sitting there now. Are

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you going to defer moving that out and re-agendize it? But you've already passed it, that's all.

CHAIR JOHNSON: No.

MS. DESJARDINS: Now you decide how you want to handle it.

CHAIR JOHNSON: No, it's...that's from the last meeting. This meeting we're just going to, we're going to defer this...Councilmember Paltin's bill.

COUNCILMEMBER KING: Chair, point...point of...

CHAIR JOHNSON: Go ahead. Go ahead, Kelly King.

COUNCILMEMBER KING: Member Rawlins-Fernandez just asked if we could get an opinion from Jeff Gilbreath on AH-15. So that's the line of thinking is how we should...how we should...should we defer AH-15 or not. So that's why she was asking, I believe, is what Jeff Gilbreath thinks about that.

CHAIR JOHNSON: That's right, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Member King. That is what I was asking, just...he said all the bills, and so I'm clarifying if he meant the amendments under AH-16 exclusively, or also AH-15. That's all. That was a comment that he made, and so...

CHAIR JOHNSON: That's a valid question. Let's see if Jeff is online to ask him. Jeff...Jeff, are you there?

MR. GILBREATH: And so what I would say to you folks is that AH-15 relating to 201H, it wasn't our purview to change, or we haven't gotten any recommendations to change --

COUNCILMEMBER RAWLINS-FERNANDEZ: So --

MR. GILBREATH: -- 201H.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Mr. Gilbreath, all I was asking is when you made that comment about push pause on all the amendments, that that specific comment was only referred to the amendments under the AH-16 bill, not AH-15, yes or no?

MR. GILBREATH: It was my understanding that all I was talking about was AH-16.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Gilbreath.

MR. GILBREATH: So that comment applied to that.

CHAIR JOHNSON: Perfectly clear.

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MR. GILBREATH: However, I would . . . *(inaudible)* . . .

CHAIR JOHNSON: Thank you so much, Jeff.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Gilbreath. Mahalo, Chair.

CHAIR JOHNSON: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

CHAIR JOHNSON: All right. Now, that brings us to the...oh, no, there's hands. Okay. Go ahead, Councilmember Kelly King, followed by...

COUNCILMEMBER KING: I just...I just heard Jeff say, however. So I just wondered if he could finish his statement.

MR. GILBREATH: So however, you know, knowing that you folks have contracted us to look at 2.96, and 201H is part of it, right, I think we'd have to...so understanding that. But with regard to 201H, yeah, that it...you know, it's part of 2.96. So that...that is, you know, we're looking at improving that...that ordinance in particular. But again, no recommendations have come related to the 201H program.

COUNCILMEMBER KING: Okay. But the question was--all you have to say yes or no---is are you asking us to pause on both bills or just the...you know, are we asking us to pause on both bills, the ones that we passed and the one today.

MR. GILBREATH: I would ask that this Council recognizes the major lift that's...that we're trying to do here, that we're trying to create consensus across many different entities, that trust does not exist, right, or hasn't existed for some time.

COUNCILMEMBER KING: But we...but we...I think we --

MR. GILBREATH: I think any action...any action that gets taken on any bills without recommendation could muddy that relationship, could muddy that movement forward. However...

COUNCILMEMBER KING: So you're asking us to pause on both bills? That's all we want to know.

VICE-CHAIR MOLINA: Point of order, Chair.

MR. GILBREATH: My comments again today were...

CHAIR JOHNSON: Okay. I think we...thank you, Jeff.

VICE-CHAIR MOLINA: Chair, point of order.

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CHAIR JOHNSON: Yeah, go ahead.

VICE-CHAIR MOLINA: Was Mr. Gilbreath listed as a resource for AH-15?

CHAIR JOHNSON: No, he was not.

VICE-CHAIR MOLINA: Okay. I have concerns that he's giving comment on something that he was not a resource on. So I guess any further soliciting of a response from him --

CHAIR JOHNSON: Yeah.

VICE-CHAIR MOLINA: -- today on AH-15, in my mind, is inappropriate. But that's just me. Thank you.

CHAIR JOHNSON: Valid point. Okay. Let's move on because I know Alice Lee had one question, or one...your hand was up, Councilmember Alice Lee.

COUNCILMEMBER LEE: Yeah.

CHAIR JOHNSON: Go ahead.

COUNCILMEMBER LEE: I was just wondering, and I understand everybody's point of view. Everybody has a valid point. But Jeff Gilbreath was...was he asked to be a resource only for AH-16 without realizing that there's some...it's connected? Did he know that AH-15 is connected to AH-16? I mean, you sent him, you notified --

CHAIR JOHNSON: They're not connected.

COUNCILMEMBER LEE: -- him, right?

CHAIR JOHNSON: I'm sorry, they're not connected.

COUNCILMEMBER LEE: What did you let him --

CHAIR JOHNSON: I just said, yeah, I want you for Tamara's bill. For her bill, he's the resource. Because he wasn't the resource for the last bill.

COUNCILMEMBER LEE: Okay. So he only prepared for AH-16 --

CHAIR JOHNSON: Um-hum.

COUNCILMEMBER LEE: -- right?

CHAIR JOHNSON: Right. So this...

COUNCILMEMBER LEE: So that's why he's giving us those kinds of answers. He didn't

**AFFORDABLE HOUSING COMMITTEE**  
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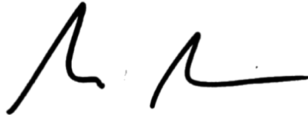
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prepare for AH-15.

CHAIR JOHNSON: Yeah, okay. Valid point, valid point. All right. Anything else, and no more hands, I don't see them. Okay. So we're going to...we're going to...that brings us to the end of the meeting, the end of the agenda. Thank you, Members, and all of our participants today. I really appreciate your patience, and that vigorous debate we had. The time is now 3:49 p.m. and February 10, 2021. The reconvened meeting of the Affordable Housing Committee is now adjourned. . . .*(gavel)* . . .

**ADJOURN: 3:49 p.m.**

APPROVED BY:



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GABE JOHNSON, Chair  
Affordable Housing Committee

ah:min:210210:mt

Transcribed by: Marie Tesoro

**AFFORDABLE HOUSING COMMITTEE**  
**Council of the County of Maui**

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CERTIFICATION

I, Marie Tesoro, hereby certify that pages 1 through 38 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 30th day of March 2021, in Wailuku, Hawai'i

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

Marie Tesoro