

# **BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE**

**Council of the County of Maui**

## **MINUTES**

**April 23, 2021**

**Online Only via BlueJeans**

**CONVENE:** 9:04 a.m.

**PRESENT:** Councilmember Keani N.W. Rawlins-Fernandez, Chair  
Councilmember Tamara Paltin, Vice-Chair  
Councilmember Gabe Johnson, Member  
Councilmember Kelly Takaya King, Member  
Councilmember Alice L. Lee, Member  
Councilmember Michael J. Molina, Member  
Councilmember Shane M. Sinenci, Member  
Councilmember Yuki Lei K. Sugimura, Member (in 9:24 a.m.)

**EXCUSED:** Councilmember Tasha Kama, Member

**STAFF:** Lesley Milner, Legislative Analyst  
Kasie Apo Takayama, Legislative Analyst  
Ana Lillis, Legislative Analyst  
Shelly Espeleta, Supervising Legislative Analyst  
Richard Mitchell, Legislative Attorney  
Yvette Bouthillier, Committee Secretary  
Jean Pokipala, Committee Secretary

Kate Griffiths, Executive Assistant to Councilmember Gabe Johnson  
Keisa Liu, Executive Assistant to Councilmember Gabe Johnson  
Evan Dust, Executive Assistant to Councilmember Tasha Kama  
Lois Whitney, Executive Assistant to Councilmember Tasha Kama  
Davideane Sickels, Executive Assistant to Councilmember Tasha Kama  
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King  
Michelle Del Rosario, Executive Assistant to Councilmember Kelly Takaya King  
Sarah Freistat Pajimola, Executive Assistant to Councilmember Keani N.W. Rawlins-Fernandez  
Gina Young, Executive Assistant to Councilmember Shane M. Sinenci

**ADMIN.:** Michele M. Yoshimura, Budget Director, Office of the Mayor  
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel

**OTHERS:** Brad Ventura, Deputy, Department of Fire and Public Safety  
Odie Odell

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Tim Stevens, Maui County Farm Bureau  
Keoki Kanakaokai  
Kenna Stormogipson  
Jeff Gilbreath  
Kari Hagedorn  
Stan Franco  
William Hankins, Lieutenant, Department of Police  
Scott Crawford  
Mark Sheehan  
Annette Niles  
Reba O'Day, Hawai'i Farmers Union United, Lahaina Chapter  
Michael Williams  
Katherine Zuber  
Russell Kallstrom, Nature Conservancy on Moloka'i  
Kaipo Kekona, Hawai'i Farmers Union United, Lahaina Chapter  
Anny Bruch, Hawai'i Farmers Union United  
Vincent Mina, Hawai'i Farmers Union United  
Faith Chase  
Keiki-Pua Dancil  
Sutee Nitakorn  
Joshua Ahuna  
Toni Marie Davis  
Diane Preza  
Zhan Lindo  
Others (10)

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

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CHAIR RAWLINS-FERNANDEZ: . . .(*gavel*). . . Aloha kakahiaka kākou. 'Eha minuke i ka hala o kahōla 'eiwa. Ma Iwakāluakūmakolu o 'Apelila I ka makahiki `elua kaukani Iwakāluakūmakahi. E 'olu'olu mai, e ho'omalū ke Komike Mo'ohelu Kālā a me Ho'omohala Waiwai o wai kaluna ho'o malu o kēia Komike o Keani Rawlins Fernandez. It is...it was 9:04 on April 23rd, 2021. Will the Budget, Finance, and Economic Development Committee please come to order. I'm your Chair, Keani Rawlins Fernandez. From Chair Lee, our greeting is from Mozambique, Africa, and it's Molo. Molo kākou. I keia lā me kou kākou, eia hope luna ho'omalū o, Tamara Paltin.

VICE-CHAIR PALTIN: Aloha kakahiaka kākou and Molo to all.

CHAIR RAWLINS-FERNANDEZ: Molo to you. Heading back to the West [*sic*] Side, Member Shane Sinenci.

COUNCILMEMBER SINENCI: Hey, aloha kakahiaka, Chair, mai Maui Hikina and Molo Molo kākou, for added emphasis.

CHAIR RAWLINS-FERNANDEZ: Molo to you. Member Mike Molina.

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COUNCILMEMBER MOLINA: Aloha kakahiaka, Madam Chair. Molo and blessings to you, my colleagues, and everyone else viewing in on this beautiful aloha Friday, April 23rd.

CHAIR RAWLINS-FERNANDEZ: Hau'oli Pō'alima. Council Chair Alice Lee.

COUNCILMEMBER LEE: Madam Chair, my mouse was sleeping, so I had to wake it up. To my friends, colleagues, the public, everyone, and including Moloka'i, Molo.

CHAIR RAWLINS-FERNANDEZ: Very clever. Yeah. And your mouse was working really hard until late in the day...evening yesterday, so I don't blame your mouse for wanting to continue to sleep in. Member Kelly King.

COUNCILMEMBER KING: Oh, I guess my mouse is having a hard time too. Aloha kakahiaka mai Maui hema, and Molo to all of you. Looking forward to the weekend. Congratulations to all of us for getting all of the departments done this week, it was a...it was a taxing, but very productive week.

CHAIR RAWLINS-FERNANDEZ: Absolutely. Member Gabe Johnson.

COUNCILMEMBER JOHNSON: Good morning, Chair. Good morning, Councilmembers. Molo to everyone. It's Friday, so ready for the weekend. Lāna'i is beautiful today, nice and warm, cool evenings, so slept good and rejuvenated. Aloha.

CHAIR RAWLINS-FERNANDEZ: Awesome. And Molo to you. Okay. And let's see, I...I think Member Sugimura will be joining us momentarily. And Pro Tem Tasha Kama is excused. Send her and her ohana our aloha. From Corporation Counsel, Deputy Corporation Counsel Kristina Toshikiyo.

MS. TOSHIKIYO: Hello and aloha kakahiaka, Council Chair and Members. Happy Friday.

CHAIR RAWLINS-FERNANDEZ: Hau'oli Pō'alima. Budget Director Michele Yoshimura.

MS. YOSHIMURA: Good morning, Chair. Good morning, Members.

CHAIR RAWLINS-FERNANDEZ: Good morning. Committee Staff, Committee Secretary Yvette Bouthillier.

MS. BOUTHILLIER: Good morning, Committee Chair and Committee Members.

CHAIR RAWLINS-FERNANDEZ: Good morning. Committee Secretary Jean Pokipala.

MS. POKIPALA: Good morning, Chair and Councilmembers. Molo.

CHAIR RAWLINS-FERNANDEZ: Molo. Supervising Legislative Analyst Shelly Espeleta.

MS. ESPELETA: Happy Friday and Molo, Chair and Members.

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CHAIR RAWLINS-FERNANDEZ: Hau'oli Pō'alima. Budget Committee Analyst Lesley Milner.

MS. MILNER: Aloha, Chair. Molo, Members.

CHAIR RAWLINS-FERNANDEZ: Aloha. Legislative Analyst Ana Lillis.

MS. LILLIS: Molo, Committee Chair, Members.

CHAIR RAWLINS-FERNANDEZ: Molo. Legislative Analyst Kasie Apo Takayama.

MS. APO TAKAYAMA: Molo, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Molo. And Legislative Attorney Richard Mitchell. Maybe his mouse is sleeping too. Okay. This online meeting is being conducted in accordance with the Governor's most recent emergency proclamation on COVID-19. Please see the last page of the agenda for information on meeting connectivity. It looks like Member Paltin may be near the Pali. Poor network. Yeah. All right. We have our one agenda item, BFED-1, Proposal...Proposed Fiscal Year 2022 Budget for the County of Maui. And before we get started on testimony, I just want to give the Members a reminder that today at 4:30 is the deadline to submit your OED district fund conditions, so please get that to the BFED Committee by the end of today. We currently have 18 individuals signed up to testify. Oral testimony via phone or video conference will be accepted. Please note that if you are signed in, you are on the list to testify, even if you did not request to testify. Please let Staff know in the chat if you're on and do not intend to testify. Testifiers wanting to provide video testimony, please join by going to the BlueJeans meeting link noted on today's agenda. Testifiers wanting to provide audio testimony, please join by calling the phone number and entering the meeting code also noted on today's agenda. The Committee intends to keep the same meeting link and phone number for all BFED Committee meetings. Written testimony is highly encouraged. Instructions on how to submit testimony can be found at [mauicounty.us/testify](http://mauicounty.us/testify). Oral testimony is limited to three minutes per item. When testifying, please state your first and last name. If you are testifying on behalf of an organization or are a paid lobbyist, please inform the Committee. Staff has posted the link to testifiers log in the chat so testifiers will be able to see where they are on the list. Please be mindful of the use of chat during the meeting. Chat should not be used to provide testimony, chat with Councilmembers, or with other testifiers. If providing testimony, please be courteous to others by muting your microphone and video while waiting your turn to testify. Once you are done testifying, you'll be asked to disconnect from the call; however, you are welcome to continue to view the remainder of the meeting on *Akakū* Channel 53, Facebook Live, or on [mauicounty.us/agendas](http://mauicounty.us/agendas). Participants who wish to view the meeting only without providing testimony, please also disconnect at this time, and instead view of the meeting on *Akakū* Channel 53, Facebook Live, or on [mauicounty.us](http://mauicounty.us). All right. And we'll proceed with our public testimony. The first individual signed up to testify is Deputy Fire Chief Brad Ventura, followed by Odie Odell. Aloha and Molo.

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**. . .BEGIN PUBLIC TESTIMONY. . .**

MR. VENTURA: Aloha. Aloha. Good morning, everybody. Thank you for your hard, diligent work this week. You guys are running a marathon here. I appreciate all your time. My name is Brad Ventura, I'm the Deputy Fire Chief, I'm representing the Fire Department this morning. And I'd just like to testify on a few of the items for consideration. You know, of course, I'd like to thank you all for the reconsideration last night of our AEDs to be...remain in our budget, we appreciate that. And if you're able to follow me through our budget, I'm going to be looking at our Ocean Safety Program to start off with. It's on page 7-71, and we're looking at the proposal made on Monday. So we are able to support the proposal of a reduction for funding for position 30991 of the \$36,492, and redescribe this position to an Ocean Safety Officer I. This reduction...with this reduction, we'll be short \$4,104 to fund this position; however, if we flip over to page 7-70, we will be redescribing position 29734 which will be from an Ocean Safety III, a Lieutenant, up to an Ocean Safety IV, a Captain. And there will actually be savings in this change due to the fact that the retiree who vacated the position was paid at a higher salary step than the incumbent who's taking its place. So with this change, there'll actually be a savings of \$3,192. So with the comment on page 7-71 and 7-70, we're just at a net loss of \$912 with this change, so we can accept the proposal if we're able to change those positions. That's all the testimony I have for you today, if you have any questions.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Deputy Chief Ventura. Members, any questions for our testifier? Okay. And Staff, were you able to (*audio interference*)

VICE-CHAIR PALTIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Yes? You have a question?

VICE-CHAIR PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. Please proceed (*audio interference*)

VICE-CHAIR PALTIN: Was it the 29734 or the 29738 that was going to be redescribed?

MR. VENTURA: It's the...Chair, if I can?

CHAIR RAWLINS-FERNANDEZ: Deputy Chief?

MR. VENTURA: The 3...34 position. The 38 is actually a typo, and it's going to remain, and it is currently filled with a Lieutenant position. The --

VICE-CHAIR PALTIN: Oh, okay.

MR. VENTURA: -- 29734 is vacant, and that's the position that we will redescribe.

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VICE-CHAIR PALTIN: Okay. Got it. Thank you. I'll...I'll propose that at the appropriate time.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. And Ms. Milner, were you able to catch all of that in the notes?

MS. MILNER: Just to confirm, the initial reduction will leave them short \$4,104, but due to a savings in the second position described, that's \$3,192, with a net of \$912 between the two positions.

MR. VENTURA: Correct.

MS. MILNER: Okay. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. All right. Any other questions, Members? Seeing none. We'll thank you for your testimony this morning, Deputy Chief.

MR. VENTURA: Thank you. Everybody have a great day.

CHAIR RAWLINS-FERNANDEZ: You too. Aloha. Our next testifier is Odie Odell, followed by the caller with the last four digits 7394. Aloha, Mr. Odell.

MR. ODELL: Hey, good morning, Councilmembers. Nice to see you again. This is my second testimony, I don't know if you remember me from last time. Nobody asked me any questions, so that's why I'm back. No. I'm Odie Odell, I'm with Flying Dragon Farm and Nursery. I want to stop for a second and just cycle back to what I just said. I'm with Flying Dragon Farm and Nursery. That's my new business. It's...it's one that I just finished the paperwork for the DCCA a few days ago, and that's a business that wouldn't have been possible without the farming apprenticeship mentor program or the help of the Farmers Union. So that's what I'm here today to...to really just talk about for a quick second. I hope you ask me some questions about my experience. It's been an invaluable program for me. But a question I have for you, and this is kind of where it gets a little serious, if something like COVID-19 happens again, what are we going to do if the boat stops coming for food? We import 90 percent of our food to this island. What are we going to do if the boat stops coming? Granted, that's maybe going to happen, maybe never going to happen, hopefully it never happens, but we have to build the infrastructure behind the scenes to be able to support ourselves and our community at our most...one of our basic needs, which is food. And farmers, we don't make a lot. It's a choice that comes from the heart and the soul to...to leave it to the earth and to farm, and financial rewards are not really part of that. So making that decision is...is not always just an easy, oh, this sounds great, we're going to do it, it...it's a lot of restructuring your life. You know, I just sold my brand-new van to buy a truck so I could drive on...so I have a 4x4 to drive onto farms. I went from 100,000 miles to 200,000 miles just to get the truck for the same price because I'm also, you know, spending 100 percent of my time right now educating. I'm taking courses at the university in agriculture, but they don't compare to what this FAM Program is offering. And a much shorter cycle and a much more...a program that envelopes all areas of agriculture very quickly and allows the participants to dive deeper into that which

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connects with them and...and just move on. So I did make some notes this time, so I'm just making sure I covered all the things I wanted to...to chat about. I think the...the last...the last thing that I did mention last time that I...I want to bring back up, and this is a little off the topic, but I do think that we need to start thinking about how to support small farmers with facilities that can process the food, or certified kitchens that can help small farmers that can't afford the upfront capital to build a certified kitchen or get their kitchen certified, and I think that's...that's an important one as well. But I mean, I can't tell you how valuable this FAM Program has been . . .*(timer sounds)*. . . for...for me. And I hope you have some questions for me.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Odell. Mahalo for sharing your...your personal experiences with the FAM Program. The FAM Program has been around a while, and this Council does recognize the value of the program. Member Sinenci, you have a question for Mr. Odell?

COUNCILMEMBER SINENCI: Yeah, thank you, Chair. Yeah, my question for Mr. Odell, and mahalo for your testimony, is that would you be able to be...partake in some of the agriculture group discussions that are...are forming now that we'll be moving towards a new department of agriculture for the County?

CHAIR RAWLINS-FERNANDEZ: Member Sinenci --

MR. ODELL: I'd...I'd be...

CHAIR RAWLINS-FERNANDEZ: -- clarifying questions.

COUNCILMEMBER SINENCI: Okay. Great.

MR. ODELL: I'd be very happy.

COUNCILMEMBER SINENCI: All right. We'll let you know. Thank you.

MR. ODELL: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. Mahalo, Mr. Odell. Seeing no other questions.

MR. ODELL: Thank you.

CHAIR RAWLINS-FERNANDEZ: Have a great day. Aloha. All right. The next testifier is the caller with the last four digits 7394, followed by Keoki Kanakaokai.

MR. STEVENS: Can you hear me okay?

CHAIR RAWLINS-FERNANDEZ: Yes. Now we can hear you.

MR. STEVENS: Great. Okay. So first of all, once again, Tim Stevens with the...the Treasurer

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for the Maui County Farm Bureau. First off, just wanted to thank everyone for number one, their continued support or...and their previous support of the Maui County Farm Bureau. I also realize that you guys are working super hard this past week...for a couple weeks here, so appreciate the diligence there. I just wanted to voice our concern about losing our line item for this year's budget. If you look back at our past year, we've been really diligent and really focused on helping create...create a platform for local agriculture, and helping to ensure that we've been able to provide local...local produce to our communities. We've been heavily involved with the farm purchase...farm produce purchase program, which has helped out our local farmers and ranchers, and also been able to provide this...these commodities to our local communities. We would appreciate to have continued support for all these programs. We feel that they bring tremendous value to the community. We also continue to support the commodities groups throughout the island, as well as different entities including Ag Fest, Ag in the Classroom, and Grown on Maui. So just I'll keep this short, but really just hope that we can continue to have our line item on this year's budget. And feel...feel free to ask any questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Stevens. I see a question from Member King. Member King?

COUNCILMEMBER KING: Thank you, Chair. Mr. Stevens, can you just clarify what you meant by supporting commodities groups island?

MR. STEVENS: Certainly. Yeah. So we...the commodities groups, being the...the landscaping professionals, the Maui cattlemen, as well as the Maui coffee. So we help to...with their community outreach events like Arbor Day, Garden Expo, as well as continuing education opportunities and marketing material. So we help to provide funding via (*audio interference*) through the Maui County Farm Bureau.

COUNCILMEMBER KING: Okay. Thank you for that.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. Seeing no other questions. We'll thank you for your testimony this morning.

MR. STEVENS: Thank you.

CHAIR RAWLINS-FERNANDEZ: And before I call on the next testifier, I'll recognize Councilmember Yuki Lei Sugimura. Aloha.

COUNCILMEMBER SUGIMURA: Good morning...good morning, everybody. Nice seeing all of you.

CHAIR RAWLINS-FERNANDEZ: Good morning. Okay. Our next testifier is 4th out of 21, Keoki Kanakaokai, followed by Kenna Stormogipson...Stormogipson. Aloha.

MR. KANAKAOKAI: Aloha, Committee Chair Rawlins-Fernandez and fellow Committee Members. I'd like to start off by giving my sincerest mahalo and aloha for allowing me



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the time to testify today. My name is Keoki Kanakaokai, and I work for The Nature Conservancy's Maui Terrestrial Program, where I serve as the Field Coordinator. Today I'm here to testify on behalf of TNC's strong support for the County Department of Water Supply's Watershed Grant Program. The County has always encouraged environmental protection and proper watershed management throughout Maui nui, and has helped fund our watershed partnership since they were first established in 1991, making this year its 30th anniversary. I know that this last year the County and State suffered an unprecedented amount of hardship during this global pandemic, and it just means so much to us that you have continued to fight to preserve our native ecosystems. We too had a lot of catching up to do after the shutdown, but when we were able to get back out, we hit the ground running. Our work is labor intensive, strenuous on the body, and often done in inclement weather, but we all understand the importance of our watershed and the native species within. Protecting our island's natural resources plays an essential role in providing potable water to our agriculture industry and the community. The East Maui Watershed alone sources more than 60 billion gallons of fresh surface water a year, all used to supply and provide for local residents and businesses. As conservationists with such awesome kuleana, we sometimes feel defined by our relationship with the places we strive to protect and restore. My kupuna can rest, knowing that our legacy will be committed to saving what remains and restoring what is possible. The work ahead will be hard, but with your continued support, it may be possible to sustain our future, setting up successive generations to continue our work and surpass our own stewardship in the best way. Maui still has some of the most beautiful forests and is home to hundreds of unique species found nowhere else in the world, and I have had the great privilege to work with them firsthand. Continuing this funding will help ensure that future generations get to experience them as well, while also securing their access to the best freshwater on the planet. Mahalo again for your hard work and dedicated to malama aina.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Kanakaokai. Seeing no questions.  
...*(spoke in Hawaiian)*...

MR. KANAKAOKAI: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. KANAKAOKAI: Aloha.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is Kenna Stormogipson, followed by Jeff Gilbreath.

MS. STORMOGIPSON: Excellent job, Chair. It's Stormogipson, and my students used to just call me Ms. SG. But...so thank you, Chair Rawlins-Fernandez. And I'm here to testify about property taxes and how Maui, by increasing property taxes on the ones who can afford it the most, could really take control of this affordable housing crisis. You know, as we know, Maui's ground zero for an economy that's unfair. We have house prices going up and up and up, and yet some of the highest unemployment in the country. So the current economy is really not working for local people, who are having to make do

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on local wages. So I wanted to really encourage the Council to increase the rates on those who can afford it the most. And based on a proposal on focusing on Tier 2 and Tier 3 of Non-Owner-Occupied, by asking Tier 2, someone with a \$1.5 million home to pay \$100 more a month, which is still less than any other County, right, you can get significant revenue for affordable housing. And on Tier 3, if you own a \$5 million home, by a modest increase of just \$400 more a month than you would pay under current rates, right, we can generate millions of dollars for affordable housing. And I just want to stress that with an increase in these rates, not only will you have the funds that you need for affordable housing, but it's still lower than what those second homeowners would pay on any other county in the State. So I think these increases are very fair, they're very modest, and it will really allow the County to take control of affordable housing by having the funds ready to go. And the other increases would be on short-term rentals. And...and just to put a perspective out there, you know, the increases we're talking about are to go to, you know, \$14 or \$13 depending on tiers, but that rate of \$14 for a short-term rental, that is what you would pay on the mainland for an owner-occupied home. In other words, if...if...that's the average rate. If I owned a home as a homeowner, on average on the mainland, I'd be paying \$14 per 1,000. And so to raise the short-term rental to that amount, I feel like it's super reasonable, super fair, and most of these people don't actually live on Maui. So I just really want to encourage the Council to take control and put the funds there. I had a two-hour-long talk yesterday with Makani Maeva about all the ways that the County could . . . *(timer sounds)*. . . Anyway, thank you. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. SG, Stormogipson. Any questions for our testifier? Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for joining us, Kenna. I...I just have a clarifying question on your background. You mentioned you were a teacher, can you tell me a bit more about your background?

MS. STORMOGIPSON: Yeah. So I was a teacher for ten years, I taught high school science, and then I decided to go back to a public policy school. So I went to Berkeley for a degree in public policy, and I ended up here as a military spouse in Hawai'i. And so I wrote my master's thesis on infrastructure finance to support affordable housing in TOD areas in Hawai'i. And then after that, I worked for UH on a couple projects, and then was hired to work for the Budget and Policy Center on affordable housing and infrastructure.

COUNCILMEMBER JOHNSON: Okay. Thank you, Kenna. Thank you, Chair. I have no further questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Okay. Member Paltin? Member Paltin, are you able to unmute?

VICE-CHAIR PALTIN: Can...can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

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VICE-CHAIR PALTIN: Can you hear me? Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Yes, we can hear you.

VICE-CHAIR PALTIN: Thank you, Chair. Thank you, Ms. Stormogipson. My question was, when you said be prepared, to anticipate us being prepared and spending that 20 million within the Fiscal Year '22, or was it something that would be banked?

MS. STORMOGIPSON: Either/or, you know. And actually, the proposal I was putting forward would generate about 30 million. And here's what...you would have that set aside. And then come June, July, you can prioritize which ways will fast track affordable housing. And it could be spent this year, it could be spent next year, but it will put you in the position to fast track the projects that...that could get going right now. And I just talked to a friend of mine who does nothing but municipal bonds, and she was saying that actually, even if you don't spend all the money this year, it puts you in a better bonding position to have it there in that fund. And she was telling me that this year, there are historically low interest rates, like they've never seen interest rates this low, so you will get more bang for your buck when you put it out there this year. And we don't know what interest rates will be like next year. Yeah. I...I just...there's no downside. If you don't put the money there, it could be like trying to run a race and your shoe is too small.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Stormogipson. I...I think Member Paltin got her response. Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Just a follow up, Ms. Stormogipson. So you're okay...so you're okay with us putting this money in now, even though there might not be a list of shovel-ready projects in the pipe, at least we have that, you know, to...to leverage?

MS. STORMOGIPSON: Yes, absolutely.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. So you said that you are currently working on policy and infrastructure, and you didn't say you're working for, so I just wondered how we can follow your work. Who are you working for now, if I could ask?

MS. STORMOGIPSON: I'm working for the Hawai'i Budget and Policy Center. I'm...so I did a blog actually earlier, a couple days ago, about how more and more homes purchased on Maui are by non-owner occupants, and the rate's been increasing. But I'd be happy to follow up and send you studies that I've been a part of or, you know --

COUNCILMEMBER SUGIMURA: Please.

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MS. STORMOGIPSON: -- some of the...yeah.

COUNCILMEMBER SUGIMURA: Thank you. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Just one last question for you, Kenna. Do you think it would be reasonable to put short-term rental rates up for the second tier to match the Hotel rate, and the third tier to match the Timeshare rate?

MS. STORMOGIPSON: Oh, yeah. I mean, like I said, those rates are actually even a little bit lower than what you'd be paying on average in any place on the mainland if it was your owner-occupied home.

COUNCILMEMBER JOHNSON: Okay. Thank you, Chair. Thank you, Kenna. I have no further questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Seeing no other questions. We'll thank you for your testimony this morning, Ms. Stormogipson.

MS. STORMOGIPSON: Thank you.

CHAIR RAWLINS-FERNANDEZ: Aloha. Our next testifier is Jeff Gilbreath, followed by Kari Hagedorn.

MR. GILBREATH: Aloha, Councilmembers. Jeff Gilbreath with Hawaiian Community Assets. And I just wanted to present a little bit to you folks, make sure to clear up any confusion about the draft recommendations we presented on...on March 23rd for the affordable housing plan. I'm hoping this will assist with your budget deliberations, and mainly in making critical investments into the Affordable Housing Fund that has the ability to attract matching Federal funds. So on March 23rd, Hawaiian Community Assets presented to the Council draft recommendations for the Affordable Housing Plan. These recommendations were brought forward by your constituents. We used the community recommendations to create a framework and overall strategy for the plan. What we presented was not the plan itself, it was not the final plan, it was a framework and a strategy. There are more than 20 different ways to invest these monies into the Affordable Housing Fund that can fast track 1,800 units of affordable rentals that we know are moving through the pipeline right now, and are priority projects based on our methodology so far. But in order to do that, the Council needs to make significant investments into the Affordable Housing Fund for next year, and will position the County to receive matching funds from the largest Federal investment in infrastructure and affordable housing since FDR. But the final plan...the Council will receive what was agreed upon in the scope of work and executed contract. The final plan will have a matrix comparing high-cost communities we researched. It will add to the lists and maps of existing and pending projects and proposed new projects with a list of impediments, potential solutions, estimated costs, and timelines for development. The

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final plan will include revisions to the Workforce Housing Policy to improve development process. We'll provide analysis of legally permissible ways to give preference to County and area residents. The final plan will provide recommendations for revisions to other County policies. It will include strategies to build capacity of the development community. It will incorporate existing community plans, access to services and infrastructure, future impacts of climate change, and best practices and planning and designing. It will include an overview of the community outreach you folks asked us to do, and meetings with key stakeholders, Councilmembers, and County officials. And it will include action steps for the Council, Administration, and the community to move from plan to action. It will also address key items that your constituents have told us are important, increasing ohana unit development, a new Maui sales price guideline, the Minatoya Act, development of a manufactured housing plant, partnerships with builders, the university, and nonprofits, and supportive services, grants, and loans for local families. The final plan will provide you the options and alternatives with context so the Council can make the best informed decisions possible. As I said, there are many ways an investment in the Affordable Housing Fund can fast track affordable housing in the next year. The final plan will list some of these for you. But in order to do that, the Council needs to make a significant investment in the Affordable Housing Fund . . .  
*.(timer sounds)*. . . for the next year. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Gilbreath. And just a reminder, Members, that the draft Comprehensive Affordable Housing Plan is not on the agenda. Mr. Gilbreath did tie it to one of the Councilmember priority proposals, so please be careful with your question because the plan itself is not on the agenda. Okay. Member King, you have a question?

COUNCILMEMBER KING: Yes, a clarifying question. Thank you. Aloha, Jeff.

MR. GILBREATH: Hey.

COUNCILMEMBER KING: Just when you mentioned the 20 million being able to leverage Federal funds, do you think it's necessary to earmark that 20 million for infrastructure?

MR. GILBREATH: I would recommend you put it into the Affordable Housing Fund. It gives you ways to leverage Federal investment, both infrastructure and for affordable housing specifically.

COUNCILMEMBER KING: Okay. And just leave it undescribed specifically?

MR. GILBREATH: Yeah, I mean infrastructure is an eligible use, and there's a lot of infrastructure...

COUNCILMEMBER KING: That's what I *(audio interference)* that's what I was asking because I...you said leverage Federal funds, I know there's some infrastructure money coming down the pike. So you're talking about being able to leverage additional funds for infrastructure?

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MR. GILBREATH: And affordable housing, correct.

COUNCILMEMBER KING: All right. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Member Paltin?

VICE-CHAIR PALTIN: Thank you, Chair. Thank you, Mr. Gilbreath. Are you able to hear me?

MR. GILBREATH: Yeah.

VICE-CHAIR PALTIN: Okay. Awesome. I just wanted to clarify the part also where you were talking about using this money to leverage Federal funds, and clarify then how we're ensuring that this will be for local people? Most times when you bring in Federal dollars, then anybody from the continental U.S. can take advantage of that.

MR. GILBREATH: Councilmember, there's...an assessment, actually, is being done by...by Kenna on our team to find legally permissible ways to do that. We have seen jurisdictions in San Francisco and San Diego, even some work on Kaua'i that suggests that it is possible to give preference. We just have to dig through those legal memos to make sure we give you folks the best information we can.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, if you're speaking, you're muted. Okay. Try again.

VICE-CHAIR PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, are you (*audio interference*) a follow up...

VICE-CHAIR PALTIN: And so...can you hear me?

MR. GILBREATH: Got you. Yeah.

VICE-CHAIR PALTIN: Oh, okay. So just...just on the follow up then, we would wait to leverage the Federal funds until we have that information?

MR. GILBREATH: Yeah, I would encourage you folks...you know, if that's one of your main concerns or one of your concerns, I would encourage you folks to consider that as you start to commit the funds to specific projects or what have you. And that will be part of that plan again in June, when we bring the final to you folks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Seeing no other questions. We'll thank you for your testimony this morning (*audio interference*) Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I just want a clarifying question for Mr. Gilbreath. You mentioned about the County needs to do significant investment. What's significant? I mean, what kind of scale are we talking about, tens of millions, hundreds of millions? You know these...these numbers are so big that it gets abstract.

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So can you clarify on what significant investment is?

MR. GILBREATH: Yeah. So our team ran the numbers, and based on what we see in terms of needs for infrastructure in particular, but also supportive services and...and subsidies, we saw the need for \$57 million in the next fiscal year. I believe with new growth development, our understanding with the Federal government is they...they could match you folks dollar for dollar. So I think, Councilmember Johnson, and the...the little bit that I've heard about your proposal, I believe that would get us there. But...but yeah, you're looking...you're looking at 57 million to be able to address those key items that we had laid out in the draft...draft recommendations.

COUNCILMEMBER JOHNSON: Thank you for that clarification, Mr. Gilbreath. I have no further questions, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Seeing no other hands. We'll thank you for your testimony this morning, Mr. Gilbreath.

MR. GILBREATH: Thanks, folks.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. GILBREATH: Aloha.

CHAIR RAWLINS-FERNANDEZ: The next individual signed up to testify is Kari Hagedorn, followed by Stan Franco.

MS. HAGEDORN: Aloha.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. HAGEDORN: Am I unmuted?

CHAIR RAWLINS-FERNANDEZ: You may proceed with testimony. *(audio interference)*

MS. HAGEDORN: Thank you. Aloha kakahiaka, Councilmembers. Happy aloha Friday, everybody. I'm Kari Hagedorn, I'm the Manager of the Hāna Farmers Market. And I just wanted to call in and share our appreciation on behalf of the Farmers Market and the Hawai'i Farmers Union United Hāna Chapter for the County's support of HFUU. And because of this support, we've been able to develop and sustain a farmers market out here in rural East Maui, which also has an online portal for those shoppers who are many kupuna who want to secure their food easily in advance of the market. And our market also accepts SNAP benefits for our community. And we are active in our participation in the County's Farmer Purchase Program back since July. Our market greatly benefits our East Maui community and all of our farmers here. Its impacts are...the economic impact and the impacts on our food security are made possible absolutely by the County's support of HFUU. So a big mahalo, and please, for your consideration in continuing to support HFUU because it is crucial to the growth and

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development of our HFUU Hāna Chapter and the Hāna Farmers Market. And I just want to thank you for this testimony.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Hagedorn. Seeing no questions.

MS. HAGEDORN: Correct.

CHAIR RAWLINS-FERNANDEZ: We'll thank you for your testimony this morning. Aloha.

MS. HAGEDORN: Aloha.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is the 8th out of 24, Mr. Stan Franco, followed by Lieutenant William Hankins. Mr. Franco?

MR. FRANCO: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. FRANCO: Molo, Keani and Members. Good morning. It's a bright sunny day on Maui. I thank you so much for your hard work in balancing all the community needs we have with anticipated revenues we'll have in the coming fiscal year. I've been watching, it is hard work, you've done well. So how do you decide where the funds are most needed? On March 14th, 2019, the *Honolulu Star-Advertiser* published an article called Homelessness, Cost of Living is Major Concerns in Hawai'i. Dan Nakano [sic] wrote that 45 percent of Hawai'i voters live in homes where someone is considering moving away. When asked what issues have gotten worse over the past few years, homelessness was number one, 79 percent, followed by the availability of housing that families like yours can afford, 71 percent. The Comprehensive Affordable Housing Plan, you have taken a bold step to respond to this need to financiers, what can we do to end homelessness and make homes available to people at prices they can afford. We should never allow our families to move away because they cannot afford to live here. Therefore, I ask you to make housing your number one priority in the next year's budget, and place funds which will be needed to implement the Comprehensive Affordable Housing Plan into the Fiscal Year 2021...2021-'22 Budget. Please open your hearts to the cry of the people of Maui County and say yes to housing which all our people can afford now. Let us not hear our people say, I no can stay, I no can stay. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Franco. Seeing no hands. We'll thank you for your testimony this morning.

MR. FRANCO: Aloha.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is--aloha--Lieutenant William Hankins, followed by Scott Crawford. Aloha.

MR. HANKINS: Good morning, Council. Can you hear me?



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CHAIR RAWLINS-FERNANDEZ: Loud and clear.

MR. HANKINS: Okay. Hey, thank you so much for letting me testify this morning. I'll be brief and...and pretty much to the point. First of all, I want to thank you guys for all the work you've done in helping me in the past. You know, I came to you before and asked for some things and you guys delivered, and we've been able to make some great strides in reducing fatalities here in Maui County. This morning I'm going to ask the same thing. I know yesterday that there was some discussions about taking away one of the motorcycles from the Police budget. I ask that you please reconsider this, I really need this motorcycle. The reason we need these two motorcycles is I have three motorcycles right now that they're...they're end-of-life cycle. These are motorcycles that were bought in 2015 and '16. The cost monthly for these bikes service-wise is getting to be kind of up there, so we want to get these bikes off the road and replace them with two new bikes. With these two new bikes, these guys that'll be riding these bikes are on the frontlines. They're...they're addressing speeding and a lot of other issues that you're going to be hearing a lot about in the next coming months that we're working with, with the Department of Transportation. I need these bikes so that I can get the officers the tools that they need. In short, what I'm going to ask you again is please, give me the tools to make the roads safe and keep people alive and continue doing the job that we're doing. And I'll take any questions about the motorcycles that you guys have.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Lieutenant. Member King?

COUNCILMEMBER KING: Aloha, Lieutenant Hankins. Thanks for being here, and thanks for all your hard work on trying to reduce traffic fatalities. Can you just share with us the monthly costs of what you talked about with...

MR. HANKINS: The labor breakdown for...for one of these bikes is \$120 an hour. To replace a rear tire is \$490, a front tire is \$360.

COUNCILMEMBER KING: Lieutenant...Lieutenant --

MR. HANKINS: Clutch kits...

COUNCILMEMBER KING: -- can you just tell me what you're spending? You talked about the monthly cost, so what are you spending per month on maintenance and repair? Just round figure.

MR. HANKINS: It's quarterly 5 to \$7,000 is what I'm being told.

COUNCILMEMBER KING: Per bike?

MR. HANKINS: Per bike.

COUNCILMEMBER KING: Okay. Thank you.

UNIDENTIFIED SPEAKER: And as the mileage...

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MR. HANKINS: Yeah. As the mileage goes up higher for these bikes, which we're at, the cost increased to keep them on the road. That's why we want to replace to these bikes with newer bikes and get them on the road. On the mainland, what they're doing is they're replacing them every three years. We understand that that's unrealistic out here because Cycle City, our contractor, they can't keep up with that demand. So we're asking about every five years, and that's where we're at with these bikes.

COUNCILMEMBER KING: Okay. Thank you. Thanks for being here.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Lieutenant. And just for Members' reference, it's on page 15-80 of the Budget Details. And that Harley Davidson motorcycle is \$36,000. Member Paltin?

VICE-CHAIR PALTIN: Thank you, Chair. Can...

CHAIR RAWLINS-FERNANDEZ: We can hear you.

VICE-CHAIR PALTIN: Oh, okay. Thank you. I just was wondering if...if they replace bicycles [sic], recommendation is every three years, is leasing an option?

MR. HANKINS: That is a great question. And we've looked into that, and we cannot do that with Cycle City because they can't keep up the inventory. You got to understand with COVID right now, Harley Davidson's telling us, you know, they need to get these orders in for these bikes because they're backlogged. Cycle City can't come up with leasing every three years. We looked into this, and it's just not feasible here in Hawai'i for us to lease the bikes. I know that you had proposed, Councilmember Paltin, that we push this bike...one of the bikes back for a year. The reason we can't do that is because if you're saying push the bike back a year, we're actually looking at two years before we're going to see this motorcycle. The cost to keep these older bikes on the road is just going to keep getting higher and higher as they go out. You got to remember, Council, that these bikes...this is not joyriding that these guys are doing, this is pursuit driving. They're stopping, it's hard acceleration, it's hard braking, and it's basically chasing people down and pulling people over for whatever violations that...that we come across.

VICE-CHAIR PALTIN: And...and to follow up, if the leasing were for every five years as you're doing replacing, would that then...they be able to do that?

MR. HANKINS: Cycle City said they can't lease, it's not an option for us here. It's not an option, unfortunately. We looked into it and they just said no, it's not an option.

VICE-CHAIR PALTIN: Okay. Thank you.

MR. HANKINS: Yeah, we would love to have new bikes every three years, that would be great.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Seeing no other questions. We'll thank you for your testimony this morning.

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MR. HANKINS: Okay. Thank you. Be safe. We'll be out there for roadblocks this weekend.

CHAIR RAWLINS-FERNANDEZ: Oh, mahalo. Mahalo for your work. Our next testifier is Scott Crawford, followed by Mark Sheehan.

MR. CRAWFORD: Aloha kakahiaka. Good morning, Madam Chair and Members of the Committee. Thank you for the time to present testimony this morning. I'm testifying on behalf of the Hawai'i Farmers Union United Hāna Chapter as the Treasurer, and also the co-manager of the Hāna Farmers Market. I testified a little bit about this on an earlier session, but I was kind of splitting my time between another item, so I just wanted to share a little bit more about the Hāna Farmers Market and the...and the Hāna chapter activities. And again, support...you know, thank you for your support of the...of the Farmers Union. As Kari expressed, this...the farmers market has just...you know, we started back in February, and it's just expanded...continued to expand, and participating in the Farmers Produce Purchase Program has been such a benefit to be able to keep our farmers producing through the pandemic. And also, really, a lot of them have expanded their production because of the...having the farmers market available as an outlet and coming up with new value-added products, and really, just seeing agriculture as a viable...you know, a viable way to make a living. And I wasn't present for the discussion around sort of the changes to the agricultural section of the Mayor's Budget and moving the HFUU line items for the FAM Program and the chapter...chapter support into the Agricultural, Education, and Apprenticeship Fund as I understand. And I can see pros and cons to this, but I just want to say that there...you know, having a dedicated line item, especially for a...an established organization that has a good track record with the County, is very helpful in being able to kind of plan and...and also leverage those funds for other funding. You know, we...as well as the membership funds, we've also...by working with the Hawai'i Farmers Union Foundation, we've been able to get some grants through Hawai'i Community Foundation and other sources that have also supported the Hāna Farmers Market, including some...the...the development of our online market and expanding our...well, one big one was purchasing a van that we use, that's an actual vital...a vital piece of supporting the operation of the farmers market. And also, we use that for our import/export program to be able to export produce out from Hāna to give our farmers here a broader market, and then be able to bring items in from the other side that supplement the market that we...the...for...for things that we're not easily able to grow in Hāna, like due to the climate and things. So you know, having that core of basic support from the County . . . *(timer sounds)* . . . really enables us to...to leverage those funds for even greater support, and to be able to plan looking...looking forward, knowing that that core support is there. So just wanted to encourage...encourage you to consider that. And...and thank you for this opportunity to testify.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Crawford. Seeing no questions. We'll thank you for your testimony this morning.

MR. CRAWFORD: Thank you.

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CHAIR RAWLINS-FERNANDEZ: Aloha. The next testifier is Mark Sheehan, followed by Annette Niles.

MR. SHEEHAN: Aloha kakiaka [sic], Councilmembers. Thank you for all your hard work on the budget. I've been...I've been a licensed real estate broker for 40 years, and I've been concerned with island food security issues for 30 years. And I've never been as concerned as I am right now as I look around and...and...and receive calls, really on a daily basis, from people who are struggling with those issues of food security and affordable housing. So I want to encourage you to please leave the Food Security Hawai'i line item in the...in the budget as a line item. All of the food groups that are working from the Farmers Union to Common Ground Collective, all of them are doing heroic work that is greatly appreciated. And the success of the Food Security Hawai'i Ohana Garden Program has been really far beyond the investment that the Council makes in the \$75,000 grant to Food Security. So please leave that in as a...as a line item. I don't want to see the food groups competing with each other for one pool of money. On the affordable housing issue, I've been looking at the real property tax . . . (inaudible) . . . and I want to really encourage you to raise the taxes on those two tiers, Tier 2 and 3, the...the...the vacation rental units and the high-end unoccupied units. That graph that was put together on the ownership rates for local owners and investors, in five years it's gone from 49/51 to 30/70, so 70 percent of the properties on Maui are now owned by...by investors. And I can tell you, after 40 years in this business, I have never seen the land rush and the money that's pouring in here, and a direct result of that is that local people are leaving the island. Yesterday, a close friend was telling me, tremendous work in this area of food security, went to the Big Island to look around for housing because her house is being sold. But again, I get calls daily, what can I do to stay in my house, how can I find a house? And it's hard for people to find a two-bedroom house for \$2,000. That's outrageous. So there's so much money coming in that it is really driving people to desperation. Every day I get these calls, what can I do, where can I go? And when people...when buyers come to me, often the first thing I have to say is, have you gone to the Big Island? Have you explored the Big Island? They have, you know, 15 times as many homes available there at far lower prices than we have here. But people cannot...so people are leaving our island. The more we can do to build up that Affordable Housing Fund as proposed by Mr. Gilbreath and Ms. Stormogipson is...is really critical, especially if we can have that...those funds leveraged to get Federal funds, so that we begin to set it aside. And...and even though we don't have the exact land parcels are...there, we need to build housing if we want to keep our teachers, and the people who keep...who run this island on the island. We...they can't commute from other less expensive places to live. We have to solve this problem. We can't expect the owner occupants who are profiting from investments here...and they are profiting tremendously, even though they don't live here. I think we need to raise those taxes on those categories, and to begin to...and to build up this affordable housing. It is in a critical situation, and I'm sure you understand it as well as I do. So thank you for grappling with this and dealing with this issue. Aloha.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Sheehan. Okay. I see a question from Member King.

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COUNCILMEMBER KING: Thank you, Chair. Aloha, Mark. Nice to see you, and thank you for your testimony. I wanted to ask you about the...the two programs that you mentioned earlier for food security, Food Security Hawai'i and Common Ground Collective were line items that we kind of lumped together and took the names out of. If we were to fund those directly as line items this year, do you feel like they could be self-sustaining beyond this year and then, you know, we could open up the funding to potentially new or different entities, or do you see them always needing this funding from the County?

MR. SHEEHAN: I...I don't really see how they can kind of achieve financial independence. I've been on boards now for over 30 years, and as a director of the board and President of the Food Security Hawai'i Board, just as your job is to go out there and find the money to run the County, our job is to go out there and find the money to keep nonprofits going, whether it's Maui Tomorrow or Food Security Hawai'i. And there is so much competition for funds because of the stresses that the State and the County is going through that I...I can't really say that in a year or two, they will be independent and...and have adequate sources. A mature organization like Maui Tomorrow that's been around for 30 years has had the ability to slowly develop private donor support in a way that a new organization like Food Security Hawai'i, it will take probably four or five years before they have the depth of support from individual funders who are still in a new organization. But *(audio interference)* the...the Council investing in food security, this is an important...this is as important as affordable housing. Too many of our keiki and kupuna are really struggling, and *(audio interference)*

CHAIR RAWLINS-FERNANDEZ: Member King?

MR. SHEEHAN: So this program helps --

CHAIR RAWLINS-FERNANDEZ: Has your question been answered?

MR. SHEEHAN: -- to...to grow more food in their own backyard.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Sheehan. Sorry, I'm trying to keep it fair, and I'm asking --

MR. SHEEHAN: Okay.

CHAIR RAWLINS-FERNANDEZ: -- the Members to ask clarifying questions only. Okay.  
*(Audio interference)*

COUNCILMEMBER KING: Thank you for your response.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Seeing no other questions. We'll thank you for your testimony this morning, Mr. Sheehan.

MR. SHEEHAN: Okay.

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CHAIR RAWLINS-FERNANDEZ: Mahalo. Our next testifier is Annette Niles, followed by Reba O'Day. Aloha, Ms. Niles.

MS. NILES: (*Audio interference*) Chair, Council Chair and Members. My name is Annette Niles. I'm calling...so I wanted to talk about the agriculture, and I'm so grateful that, you know, you guys are trying to hold our ag together and...with all this coronavirus and food securities, you know, going on. But anyway, my point today of calling was thank you guys very much for helping us with our ag. But I wanted to also...I've been having a lot of calls on the agriculture application. People are trying to use people's properties and wanting to use the properties, but they don't want to give their Schedule F, which we were told that we didn't have to, but on the form it has the attached that you need to put a Schedule F in...to...to do this application, which a Schedule F is for the whole United States. And we felt that we had meetings with RPT, and we should be using our G45 and our G49 and not...or our G49 and not our Schedule F because these owners don't have to know what your business is if you're in the...in the 50th...in the...in the United States, in California, wherever it may. And I just want to clarify to try can get this changed so we could get more people using people's lands and having not to show all their personal thing on that Schedule F. So that...that was just what I wanted to kind of bring up, you know, so we could get more people growing our food and our ranchers having pasture for the cattle. And that's all I...I wanted to share today. And thank you guys very much for working hard on this budget.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Niles. That sounds like a reasonable request, and that's my condition, so I'm happy to make that amendment. Member Paltin?

VICE-CHAIR PALTIN: Thank you. I just was trying to clarify, this is for if you want a specific real property tax rate?

MS. NILES: Yeah...no, no, this is the agriculture application, any farmer --

CHAIR RAWLINS-FERNANDEZ: The microgrants.

MS. NILES: -- or any rancher --

VICE-CHAIR PALTIN: Oh.

MS. NILES: -- has to...yeah. Just...just...you know what, then so we could have more farmers or ranchers, but they don't want to give their Schedule F because that shouldn't be the...the RPT business to know if you have a ranch or a farm in Oregon or Washington or wherever it may be. We should ask that we just use the G45 or the G49 showing (*audio interference*) tax and our license here. I mean, if they were to put...okay, put your license here or put your G49 so we know what you're making or whatever, that's fine; but this Schedule F is the Federal and it's not the State. That's all we asking so we could get more farmers and ranchers on (*audio interference*) instead of having 25 acres sit with no one on and getting away with, you know, taxes on it, you know what I mean? And yet could be used.

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VICE-CHAIR PALTIN: To...to clarify, this is for the grant application, it's not for real property tax rates on ag lands?

MS. NILES: No, I'm not talking about the...on the ag land, no, no. It's just the form so people can do the *(audio interference)* and *(audio interference)* you know what I mean? So they can use...like okay, say I'm going to use your property, but you got to sign this application. And the owner on this application signs everything and can see what you have. You know what I mean? The G49, it's just State. If you need to do that...and it should be within the department, and not having the owners on this application know your business. You know what I mean? Because when they look at it, say okay, I guess you can afford this, so let's raise price. So their property sits, okay, with nothing on. It becomes a fire hazard, and everything around us. You know, and I've been having so much calls every year because of this...

CHAIR RAWLINS-FERNANDEZ: Member Paltin, has your question been answered? Member Paltin, has your question been answered? Okay. All right. Are there any other questions for our testifier? Seeing none. We'll thank you for your testimony, Ms. Niles.

MS. NILES: Thank you for working hard for us. Thank you.

CHAIR RAWLINS-FERNANDEZ: Aloha. Our next testifier is Reba O'Day, followed by Michael Williams.

MS. O'DAY: Aloha, Councilmembers. Mahalo for having me. My name is Reba O'Day, and I run Birds with Arms Farms with my partner in Ha'ikū. I also represent the Haleakalā Chapter of the Hawai'i Farmers Union. I'm the President, as well as the State Treasurer for the Farmers Union. I also am on the Department of Ag Working Group with Jennifer and...

UNIDENTIFIED SPEAKER: No, that's *(audio interference)* so that's why I shut that door because you...your voice is carrying --

CHAIR RAWLINS-FERNANDEZ: I'm sorry.

UNIDENTIFIED SPEAKER: -- in here. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Please proceed, Ms. O'Day.

MS. O'DAY: Okay. Well, first, mahalo for the Farmers Produce Program. We've spent \$50,000 this quarter on local farmers. Last year we covered over \$200,000, and that was directly to farmers, so mahalo. And just mahalo for your current support and funding. I'm here to testify to the importance of the Farmers Union being funded in the programs we put forth through to this County's funding. And I wanted to testify in support of Farmers Union continuing to receive the line item to implement the Farmer Apprentice Mentorship Program. This Saturday I'm going to have the cohort come to our farm, and we are installing a Tatura trellis, which will train beginning farmers on how to better produce fruit. And so it keeps the fruit at a lower harvesting level. And so we're training

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farmers, so mahalo for that support. We also use the funding for chapter development and our annual convention, which is educational outreach. At the Farmers Union, we work to mobilize support, and we build capacity in our community through working with partners such as Mahi Pono, the Maui Food Bank, Mana Foods, and Simplot are just a couple of our partners. We have partnered with the Maui County to address emergencies such as COVID, and we represent the small family farmer voice. So mahalo for all your support.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. O'Day. Seeing no questions. We'll thank you for your testimony this morning. Aloha. Our next testifier is Michael Williams, followed by the caller with the last four digits 1703. Aloha, Mr. Williams.

MR. WILLIAMS: Aloha, kakiaka [sic] and Molo. I am here to testify as President of Maui Tomorrow Foundation about the Affordable Housing Fund. I...I'm urging you to put \$30 million into it, \$30 million more than the Mayor has proposed that the Charter requires, and to keep it flexible. The reason to keep it flexible is because there are many different options you're going to have starting in July on...on where to spend it. You can leverage it with some of the Federal matching money, you can leverage it with bonds. One of the things I really want to make sure you've all seen is the incredible project on Kaua'i called Lima Ola. I submitted some of their materials in my written testimony. That is a County-originated 201H project on 75 acres of land, and it's down the south side of Kaua'i with 550 affordable housing units all mixed, some rentals, some for sale, in a planned community development, and it is under construction now. And you can just imagine, we could use three or four or five of those scattered around Maui. And the...the Planning Department, Jordan Hart, the Deputy Director, has told me that he thinks the best parcel you've got to look at to start with is a County-owned parcel of about 120 acres around the Kihei Police Station. If...if that pans out in the full vetting, you could...you could do a 201H project starting next year and use some of the affordable housing money we're asking for to fund bonds to start paying for the infrastructure buildout you will need for that. What I see is the County...whenever you can get a County-owned parcel, whether you already own it or whether you've got to acquire it with some of this money, you then issue RFPs to developers. And you don't have to make it all 100 percent affordable if you don't want to, you can literally mix in some for-market...market sale houses in the County-owned land project. But that's what I'm urging you to do. I...I totally support the...the tax plan to increase taxes on Tiers 2 and 3 of Non-Owner-Occupied and on the short-term rentals. Property taxes here are much lower than those investors would have to pay anywhere else in the country, and it...it all makes sense. But...but don't let another year go by. If you don't put the money in there now, we won't be able to do anything really new next year. We'll have to wait another whole year, and that would really be a shame, especially with the pressure we see now of out-of-state buyers kicking renters out. We've...I've got three friends that just in the last four weeks have lost their rental because some out-of-state buyer has bought their house and...and told them they have to leave, and they don't know where to go. . . .(timer sounds). . . It's a real problem. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Williams. Seeing no questions. We'll thank you for your testimony this morning. Aloha.



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MR. WILLIAMS: Aloha.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is the caller with the last four digits 1703, followed by Russell Kallstrom.

MS. ZUBER: Hello? Oh, can you hear me?

CHAIR RAWLINS-FERNANDEZ: We can hear you. Yes. Please identify yourself for the record, and you may proceed with your testimony.

MS. ZUBER: Hi. Yes. My name is Katherine Zuber. I am testifying on behalf of the Hawai'i Farmers Union. Great. So --

CHAIR RAWLINS-FERNANDEZ: Please proceed.

MS. ZUBER: -- I wanted to...oh, sorry. So I wanted to speak to my personal experience with HFUU as a citizen of East Maui here in Hāna. And not to be repetitive to what Scott and Kari both said, but the HFUU sponsored farmers market here has been absolutely incredible. It's a meeting place for residents here. They can meet their local farmers, get fresh produce, and save themselves from the four-hour round trip drive to Costco, where they would not be normally buying on-island produce. In a recent poll, so many residents are eating way more on-island food than ever before due to the HFUU sponsored farmers market. It's affordable due to the scripts program as well, and has such a wide variety of produce from Kipahulu, Kaupō, Hāna, Nahiku. I've also had several close friends go through the FAM Program with HFUU and go on to start their own farms, their community gardens. HFUU's FAM Program has directly taught them how to grow their own food, not to mention what it has done for established farms in giving them network...networking opportunities through our monthly Zoom meetings, as well as an incredible place to sell their food every week. So during the height of COVID, as you know, the Hāna Farmers Market moved online, and dozens and dozens of residents were still able to get fresh produce even when they were on lockdown and not leaving their house. And in Hāna especially, being so far from grocery stores, that was just an absolutely incredible blessing. Now I'm more involved with HFUU, I'm the Membership Chair, so interacting with other chapter presidents on other islands. I've seen the profound impact this organization has had across the State, not just in East Maui. Farmers are able to work with other farmers through the organization. They can work towards mutual...mutual goals, start food hubs. There's one in Big Island being started because of HFUU, and I know we're just talking about Maui, but this organization just does so much, works for legislation that supports farmers and a lot more. So thank so much for your time and for giving me the space to provide this testimony, and happy Friday.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Zuber. Seeing no questions. We'll thank you for your testimony this morning. Aloha.

MS. ZUBER: Thank you so much. Bye.

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CHAIR RAWLINS-FERNANDEZ: Our next testifier is Russell Kallstrom, followed by Kaipo Kekona.

MR. KALLSTROM: Okay. Aloha. Can you hear me? I'm not sure how to turn on my video.

CHAIR RAWLINS-FERNANDEZ: We can hear you.

MR. KALLSTROM: Okay. Is my video on?

CHAIR RAWLINS-FERNANDEZ: No, it's not. So where you see the mic, to the left of it is a little icon with a camera. If you click that it...it should turn it on.

MR. KALLSTROM: Hmm, I don't see it. Anyway, I...I apologize for not being able to do the technology, but I want to say aloha to Chair Rawlins-Fernandez and the Committee Members. My name is Russell Kallstrom, acting lead on Moloka'i for The Nature Conservancy, testifying in support of the Mayor's Budget. And I'd like to thank you for your continued support, and wish you all a happy belated Earth Day. The Nature Conservancy's Maui program has shared the value of County of Maui funding to Maui Island. On Moloka'i, the County's Department of Water Supply is a major funder and partner to the East Moloka'i Watershed Partnership that manages and...and enhances watersheds across more than a third of Moloka'i's land area, over 30 ahupua`a in total. This funding allows critical work to occur at source headwaters, and is at the forefront of managing invasive species like Australian tree fern that have the potential to irrevocably change Moloka'i's watersheds, but unlike elsewhere, are not established here. In the Kumulipo, we learn about how what is mauka protects what is makai. While funding staff and conservation actions, DWS funds also pay for the operation of key infrastructure like the Kawela Stream gauge that monitors sedimentation on what may be Moloka'i's most valuable asset, its South Shore fringing reef, which is the longest continuous fringing reef in the United States. When we support the environment, all residents benefit. The funds the County provides through DWS are matched many times over through private, State, and Federal sources, bringing money to Maui County while maintaining and enhancing the lands and waters on which we depend. In this last year alone, that meant over 1.8 million of Federal funding alone for watershed protection. And I just wanted to finish by saying mahalo for your continued support of critical watershed areas of Maui and Moloka'i.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Kallstrom. Seeing no questions. We'll thank you for your testimony this morning.

MR. KALLSTROM: Thank you and aloha.

CHAIR RAWLINS-FERNANDEZ: Aloha. Our next testifier is Kaipo Kekona, followed by Anny Bruch.

MR. KEKONA: Aloha. You guys can hear me?

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CHAIR RAWLINS-FERNANDEZ: Aloha. Yeah, we can hear you loud and clear. Please proceed.

MR. KEKONA: Okay. So I just wanted to say first and foremost, thank you all very *(audio interference)* for your time and effort, I really appreciate it. I'm testifying on behalf of the Hawai'i Farmers Union. I am the Lāhainā Chapter Chair. And I just want to encourage you folks to consider, when looking over the budget situation...I know what's happening, I'm familiar and I understand the process. Like it or not, that's just how it is, and I...and I just want to express that I would imagine you guys, considering what the current support the County has issued to the...to these bigger existing programs that are...that are currently functioning within our community and County, and include that into the budget. And then increase the budget to support the smaller farmers that...or the personal farmers that do not align with the larger organizations which needs the support just as well, if not even more so. Our union produces a lot of different avenues and venues for the agricultural industry in which we benefit our communities at large in many different ways. Not only by providing our good food and sustainable systems, but we also in our...in a capacity support the economy as well. In the efforts to expand and look into our diversified economy systems, seeing the impact that COVID put upon our economy with the tourist industry and knowing that it's not stable, and seeing value in our agriculture industry more than before is...is a prime indicator. I know I don't have to speak to that very much, I know you guys understand that. One of the things that I'd like to share, which is the...is the impact that the union and the bureau both in this situation *(audio interference)* during this pandemic. Facilitation has taken place to produce food and provide food through...to our community through these organizations that had supported many of our families and communities, and none of those organizations were...got funds to pay for any of that service. We...we strictly did it out of heart and the caring for our community, and the County definitely benefitted from that relationship and that partnership together. And I...I encourage you guys to consider that when looking over the budget and understanding. And I know that it is...it is in your best effort to create an equal opportunity for everyone to have support in their agriculture endeavors. And I appreciate *(audio interference)* efforts. Just want to make sure that you are looking *(audio interference)* at least as important for the industry. And yeah, that's about it. I appreciate it all. Thank you guys very much.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Kekona. I see a question from Member Sinenci. Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair. And aloha, Mr. Kekona, for your testimony today. Yeah, just two questions. Were...did you guys receive any CARES Act funding during the pandemic? And two, is there still a need for infrastructure for farmers out where you guys are at?

MR. KEKONA: Yeah. So we did receive some CARES Act monies, that totally flipped 100 percent right back into the community as far as what our chapter *(audio interference)* and utilized it for. And then number two, current...yeah, money needed as far as infrastructure goes, most definitely. We are collaborating with our community and...and interested farmers to support and...and grow the industry out, so the infrastructure will definitely be needed. And especially when you consider like certified

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places to process their food and all of that. Most of our upcoming farmers are not ever...going to be even looking at that consideration. But then you got to also consider the...the...the organic processing station versus your, you know, commercial (*audio interference*) type of processes which is going to be utilized, I'm sure, in both perspectives. But yeah, money for infrastructure will definitely be needed the more we value and provide for the agriculture industry.

COUNCILMEMBER SINENCI: Oh, okay. Mahalo, Mr. Kekona. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Seeing no other questions. We'll thank you for your testimony this morning.

MR. KEKONA: All right. Mahalo nui. A hui hou.

CHAIR RAWLINS-FERNANDEZ: Aloha. Chair Lee, do you have a question? Oh, you're muted.

COUNCILMEMBER LEE: No, I don't. Thank you.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. It looked like maybe you had a question for me. I...I see that it's almost 10:30. We have two...five more testifiers. So perhaps we take the five testifiers, and then we can take our morning break. Okay. Okay. Six...six testifiers. Our next testifier is Anny Bruch, followed by Vincent Mina.

MS. BRUCH: Hi. Can you hear me okay? Yes?

CHAIR RAWLINS-FERNANDEZ: Aloha. We can hear you loud and clear.

MS. BRUCH: Okay. Aloha. Good morning, Councilmembers. Many thanks for all your support and for allowing me to testify in support of Hawai'i Farmers Union this morning, and for all the support that we have received from the County. My name's Anny Bruch, I'm the Vice-President of (*audio interference*) and previously that (*audio interference*) I used to work in community strengthening, both at...

CHAIR RAWLINS-FERNANDEZ: Ms. Bruch, I've muted you so that I can speak to you. Perhaps turning off your video may help your audio. Your audio is starting to break up. Okay? I'll unmute you again. I have also paused your time. All right. Please proceed.

MS. BRUCH: Okay. Okay. So I'll say my name is Anny Bruch, I'm the Vice-President for the organization. And I have seen in my previous work in community strengthening that civil society can be a crucial and effective partner to government's development work. That is the case where HFUU, which has been an effective...has been effective as a partner to Maui County's food distribution program in response to COVID is...and developing food hubs is a way to strengthen the food systems, and to continue its well respected farm apprentice training program. Capable civil society organizations such as HFUU are key to achieving government's goals and objectives to sustainable food production. And support to these organizations, in this case through a line item budget, will allow HFUU to leverage funds that increase our ability to work on Maui, plan for

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increased programs, and continue the good work we have achieved to date. Having a network of farmers that can represent the needs of family farms is valuable and critical to Hawai'i's agriculture. And this network is a unique asset to Maui, and we request the continuation of support to HFUU's good work, very much appreciating the support that we received up to date. We're...we're thankful for your continued support, and mahalo for the opportunity to join you this morning at this meeting.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Bruch. Seeing no questions. We'll thank you for your testimony this morning. Aloha.

MS. BRUCH: Aloha.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is Vincent Mina, followed by Faith Chase.

MR. MINA: Aloha.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. MINA: Okay. Now I'm unmuted. We're looking at having a fundraiser, Chair, in our organization that has t-shirts that says, please unmute. Aloha, everybody. And I'm very...I sit here today very proud of our organization, and hearing all the manao shared with the Council this morning. There's a lot of wisdom in our organization, and they're a wiz and I'm dumb. And I just feel like I stand on their shoulders in...in how they show up and comport themselves in the community and in growing our agricultural sector forward. We really appreciate the Mayor's Office and the Council working hand in hand to bring agriculture to the forefront, it's so critical, and it's what's for dinner. And you know, we're on a...on a island-wide basis we're continuing to work, and then we're also able to use Maui's leadership as a template to go to the other counties and show them how Maui is showing up and how...what they can do. So we've met with Mayor Roth on the Big Island, with the Big Island presidents in that respect. So it's been a beautiful thing to grow the capacity of this organization in support of regenerative agricultural practices that where all of our...all of our...which all of our abundance comes from, basically, is the soil. And so we...we...we value that, we've been all about that over all these years, and that's what we're working towards. We're right now in partnership with Mahi Pono in a sense of...not a...not a financial partnership per se, I don't get paid by Mahi Pono, but working with them to...to bring forward the FAM apprentice mentoring program, to place our...our apprentices on the lands. Also we're working with them to...to bring forward an abundance of land to grow cover crops for cover crop seed. This is...these kind of initiatives will transition all farms into...into...pointed in the direction to be growing their soils instead of mining them. And so we're really appreciative of the openness of agricultural entities like Mahi Pono and others who value our educational outreach. I've been an organic farmer for 27 years, yet I haven't arrived anywhere, so we're all learning in this process. Get pointed in the direction and working together and knowing our lanes. I think that's the most important thing that everybody knows their lane, so this way we can put all the lanes together into a superhighway and enact policy that will support an agricultural system that's resilient and supportive of people getting nutrient-rich foods be well. So we really appreciate Maui's leadership. You folks have

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been so great in...in keeping steady with us, and we...we hope this will continue.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Mina. Seeing no questions. We'll thank you for your testimony this morning.

MR. MINA: Thank you so much, Chair. Aloha.

CHAIR RAWLINS-FERNANDEZ: Okay. So after I gave you the count of our testifiers, three more individuals signed up. So we'll take Faith Chase, and then we'll do our morning break. Ms. Chase?

MS. CHASE: Good morning, Chair. Good morning, Council. I heard the discussion regarding the line item and the agriculture for food security and all this, and I just want to say, I'm...I'm in actually deep gratitude for you looking out for those other micro agricultural interests that are working hard to find their footing. I am absolutely in support of making that funding broader and competitive, if it has to be called that. You know, I know I've said this before, but I think it's really important hearing all the HFUU testimonies come today. My daughter's on her way to the Hāna Farmers Market. I helped inspire that Hāna Chapter. I was the membership chair for HFUU. I was the policy committee secretary for two years. I was the sustainable agricultural committee secretary for three. And I broke away because I don't see the positioning...first of all, I don't see Hawaiian farmers or aboriginal Hawaiians being on the...on the forefront. That's why I joined HFUU because I really wanted to find support for my kalo farmers, the water fight, organic farming, and I just didn't see it. So I really, really appreciate that you make this a broader reach. There is driving organizing forces within the Department of Hawaiian Home Lands' homesteaders, not the DHHL itself, the homesteading associations. There's ranching and farming associations. Each...all the waitlisters are being empowered. Moloka'i is getting their farming act together. I go to all those meetings. They're...you're going to be refreshed with the news as the next year unfolds. You know, I'm sorry to...I'm sorry to have to state the obvious, but the partnership with Mahi Pono does not...that does not bear...that does not bode well with me. They...they just...their RUP report just came out. They used 240 gallons of Paraquat containing herbicide, 8 times on 97...974 acres at the intersection of Haleakalā and Hāna Highway, between January to May 2020. And it sprayed another 21 gallons on 800...185 acres around Hawaiian Cement close to North Kihei. This...this...this has to stop. You know darn well the anti-GMO and Beyond Pesticides, you know, work. And while we don't have the chambers filled with all those activists and all those stewards that you've seen before, I...I boldly speak on all their behalf today, and just say I'm in deep gratitude. You know, there's a...there's an organization in Maine and Texas and many of the midway states, it's...they...they combine the gardeners and the farmers. I...I see a Hawai'i organic gardeners and farmers association building and strengthening. So thank you for making this...this funding available. And I'm a ranch girl, so forgive the...forgive the figure of speech, but at . . .(timer sounds). . . some point, you got to stop sucking off of the teat, you got to stop...get off the teat of...of the County and find those revenue streams. Thank you for listening today.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Chase. Seeing no questions. We'll thank you for

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your testimony this morning.

MS. CHASE: A hui hou.

CHAIR RAWLINS-FERNANDEZ: Hui hou. Okay. So we'll take our morning break. We'll reconvene at 10:50. Okay. All right. When we return from our recess, the first...the next two individuals signed up to testify are Keiki-Pua Dancil, followed by the caller with the last four digits 4517. Okay. It's 10:37 on April 23rd, and the Budget, Finance, and Economic Development Committee is now in recess. . . .(gavel). . .

RECESS: 10:37 a.m.

RECONVENE: 10:52 a.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Budget, Finance, and Economic Development Committee please return to order. It is 10:52 on April 23rd. Mahalo for that much needed break. We'll continue with public testimony, starting with Keiki-Pua Dancil, followed by the caller with the last four digits 4517.

MS. DANCIL: Aloha, Budget Chair Rawlins-Fernandez and Councilmembers. First, mahalo nui for all of you for your service. The deliberations that you have been having are important, and your dedication is commendable. My name is Keiki-Pua Dancil from Pūlama Lānaʻi, and we're here to testify on the fiscal year Councilmembers' priority proposal matrix item number 20 and 27. Earlier in the year, you heard from our Lānaʻi community. Some were able to testify in person via BlueJeans, and many signed a letter, 175 to be exact. These are all Lānaʻi residents. To be clear, only about 20 percent work for Pūlama. As you all know, each community is unique. The housing situation on Lānaʻi is different. In the letter, our residents highlighted the lack of housing inventory on Lānaʻi. On Lānaʻi, the issue is availability and not necessarily affordability. It's been 25 years since the last housing development was built. In the letter, the residents mention some solutions to the housing shortage. They humbly ask you for the following: to support the Hōkūao project, our 201H project, to move forward, as well as the County's affordable homes project. To be clear, Pūlama Lānaʻi will not be using State, Federal, or County funding for our project. These funds identified in item number 20 may help move the County's affordable housing project forward. Both projects are located on adjacent TMKs, and the County could leverage the infrastructure that we would be installing. Infrastructure has been identified as one of the major impediments to moving their project forward. We understand that there is a potential developer that is interested in the County's affordable housing project. After speaking with this developer earlier this week, it is clear that the two projects could...should they move forward, could complement each other. We believe the two projects are important. If both completed, the forecasted number of homes constructed, the inventory on Lānaʻi would increase approximately 30 percent. That would definitely be a potential solution to the inventory issue on Lānaʻi. We're also here to speak on...support item number 27, where there is a provision to allocate funding for feral animal control between the three islands, Maui, Molokaʻi, and Lānaʻi equally at 250,000. We were a recipient of the funding during this last fiscal year, and efforts are well underway to meet the project's goals. Mahalo. I'm here for questions.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Dancil. Seeing no questions. We'll thank you for your testimony this morning. Aloha. Our next testifier is Sutee Nitakorn, followed by the individual with the last four digits 4...9979. Sutee Nitakorn? I'm sorry if I'm saying your name wrong. Or Sutee. Sute'e.

MR. NITAKORN: Aloha. Can everybody hear me okay?

CHAIR RAWLINS-FERNANDEZ: Yes, we can hear and see you. And please correct --

MR. NITAKORN: Thank you.

CHAIR RAWLINS-FERNANDEZ: -- me, I'm sure I said your name wrong.

MR. NITAKORN: I apologize for the delay. But I just wanted to testify upon...not exactly sure of the detail on which part it is, but the funding for the Maui Visitors Bureau. And just speaking as a community member and also being in the industry, it's just...you know, just understanding that Maui has been long established for visitorship, and our point is to sustain our business so it coincides with tourism, and growing is just a matter of the point of view in the community's eyes. Can be viewed in a number of different ways, but from my point of view, it's growing community members and keeping residents on island with job opportunities, utilizing resources such as local agriculture and multiple utilities ranging, you know, anywhere within the industry from electricity to different parts. And you know, the Maui Visitors Bureau is our central point of communication for organized tourism, and the point is to deliver the proper message on how to be with Maui. And so just wanted to finish that thought with, you know, having the Maui Visitors Bureau be a part of us to help self-sustain. And with the...you know, the revenue that helps to sustain it through various parts of...through...through taxation to the jobs, to other revenues coming in. So just to finish with that thought, and just to say thank you for everything that the Council does to...I know it's an arduous thing to look through everything with the finances and to decide the right thing, but just wanted to say that and be a part of this meeting. So thank you for your time.

CHAIR RAWLINS-FERNANDEZ: Mahalo. And will you please say your name for us?

MR. NITAKORN: Sutee Nitakorn.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. I was right. Okay. Mahalo for your testimony. Seeing no questions.

MR. NITAKORN: Thank you.

CHAIR RAWLINS-FERNANDEZ: We'll thank you for your testimony this morning. Aloha.

MR. NITAKORN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Our last two testifiers is the caller with the last four digits



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9979, followed by Toni Marie Davis.

MR. AHUNA: Hello.

CHAIR RAWLINS-FERNANDEZ: Aloha. We can hear you. Please identify yourself for the record --

MR. AHUNA: Aloha.

CHAIR RAWLINS-FERNANDEZ: -- and you may proceed with your testimony.

MR. AHUNA: Aloha and good morning. My name Joshua Ahuna. I'm calling in regards to the defunding of the Maui Visitors Bureau. You know, in a time where visitor education is necessary, we need the Maui Visitors Bureau to be fully funded, as we need them as one of the leaders in this arena to implement education and tourism management. To defund MVB at this particular time will only be a detriment to visitor education and management system. So I humbly ask that we continue funding efforts and give the MVB a chance to succeed. Thank you for your time and aloha.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ahuna. Seeing no questions. We'll thank you for your testimony this morning. Aloha.

MR. AHUNA: Thank you. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Our last testifier signed up is Toni Marie Davis. Ms. Davis, it's your turn to testify.

MS. DAVIS: Aloha. Aloha kakakiaka [sic]. Good morning. This is Toni Marie Davis. I'm the Executive Director with the Activities and Attractions Association of Hawai'i, and I...I'm testifying to support Maui Visitors Bureau. It always...as a resident and...I...I...I do work for, you know, the...in destination experiences throughout the State, and this pandemic has devastated that sector tremendously. And as we get back on our feet, I mean, the reason we have this huge budget short...shortage is because lack of visitors. The visitor industry is...man, it is just a phenomenal export business. People make money in another economy, and they come here to spend that and put that in our economy. It is a beautiful gift to any destination. People are after it in many, many places, to have that kind of magic that we have here in Maui. And yes, people will still come here if we don't do any marketing, but the question is, what kind of people will come here? And how many of those people will we need to make the similar income or income that will help us keep up? When we...I've been on a committee for over tourism, and over tourism is two things, you know, it's too many people for the lack of infrastructure. So you know, I hear it on both sides. You know, we...we just didn't make...keep up with the people, but at the same time, this place has the carrying capacity. You know, management is key, and balancing the people that come here. I have said it many times to the Council, it's so important that we have people that come here that are high spending, and it sounds bad in some ways. I have urged for moratoriums on bed and breakfasts. I think, you know, having visitors come, having them be a higher spending

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and stay at those places that are zoned Resort is healthiest for our community, but those high-spending visitors need to be lured. They're being lured by other places. MVB was cut to 1.5, that's half of what it usually gets. And at 1.5, now you've switched it to 500,000 but it's not even MVB, it's like to whoever wants to apply for the grant. I...you know, there was a quote that John De Fries recently said about the cutting of HTA, and it was, you know, Pacific Islanders, when you're running out of firewood, you don't burn the canoe, guys. . . .*(timer sounds)*. . . Anyway, I'm pau. I've said my piece. I wish you all luck. I really admire all of you, and I hope you are more akamai than me. I don't get it. I love this place, and I am here to do whatever I can to help. So again, thank you so much for your service. Aloha.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Davis. Seeing no questions. We'll thank you for your testimony. Aloha. We had...we have three more individuals signed up to testify. The next individual signed up to testify is identified as Tracy (*phonetic*), followed by caller with the last four digits 3990. Participant identified as Tracy, would you like to testify? Okay. We will go to the next individual, and we can circle back. Okay. The next testifier is the caller with the last four digits 3990, followed by Zhan Lindo.

MS. PREZA: Hello? Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Aloha. We can hear you. Please identify yourself for the record, and you may proceed with your testimony.

MS. PREZA: Okay. Aloha. My name is Diane Preza. Hi there. And I'm calling from the Island of Lānaʻi. And I just wanted to testify very quickly about...first of all, I'm so sorry, I just want to thank you all for your service and all the time that you're putting into this budget. I know that you have so much to sort through. So I...I'm just wanting to testify about the Lānaʻi affordable housing project here, and I support...I support it. And just being a lifelong resident of Lānaʻi, I've never seen the need for housing this bad on this island. And so when I saw that there's a potential for \$5 million earmarked for...to look into infrastructure and for...to support affordable housing regarding planning, design, engineering, and construction, anything...things that are related to this affordable housing project, you know, I...I support. And my husband and I and our family, we do support this. So I really didn't have anything prepared other than we just hope that please, don't forget about Lānaʻi. And you know, we...we appreciate everything you do, but please...please go forward with this. And...and actually, that's all I have to say. I'm so sorry, I didn't have anything prepared other than...so I appreciate support for this. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Preza. What you said was...was perfect. Okay. Seeing no questions for you. We'll thank you for your testimony. Aloha.

MS. PREZA: Mahalo. Aloha.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is Zhan Lindo.

MS. LINDO: Hi, Councilmembers. My name is Zhan Lindo, and I just want to say that I am

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testifying on my own behalf. I took a couple minutes especially because I heard some of the testifiers asking for the MVB monies to be put back. So I want to testify as a citizen of...of Moloka'i, of Maui County, and just celebrate that you guys have the courage and...and see the benefit in using this time that was so challenging to be venturous and out of the box and think of ways that we can totally stand on our feet without tourism. So I want to support what you guys are doing. I want to support that you took it away. And for me, this is personal too. The first thing in pandemic that MVB did to Moloka'i is they discontinued our Moloka'i representative for the visitors association. Imagine that, during the time when the pandemic first started, people were still coming. We were not safe, we were...there was no representation on our island for managing tourism. So when they talk about managing tourism, I have not seen it. In addition to that, I was part of trying to secure a visitors initiative through MVB for putting together a digital announcement where we could help through the pandemic through all kinds of ways to manage tourism on Moloka'i. Never happened. Never happened, even though was put in the budget for Moloka'i. So I have not seen their management skills. I don't trust that they do what they say they're going to do. And I just thank you for the courage you have. Because Moloka'i, we...we can stand tall, we get plenty backlash. *(audio interference)* anti-tourism, not...we love visitors, we love when they get to be educated, but right now, get plenty more things that we need to do to protect our community, and I just...just so thank you for protecting our community. And also, just one thing on affordable housing. I worked for Habitat for long, I all for affordable housing, but I will say over and over again that no matter how much money you put, we not going build ourselves out of this problem, and we got to start to prioritize looking at what kind of resources we have that we not going deplete just because we want to put up structures. So thank you so much for hard work. I know how hard you guys work. And I...I just am so thrilled with all the courage and...and just passion that you guys...you guys have. So thank you. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Lindo. Seeing no questions. We'll thank you for your testimony this morning. We will check with the individual signed in as Tracy. And also invite anyone wishing to testify at this time who hasn't testified and would like to, you may unmute yourself at this time and proceed with your testimony. Okay. Hearing no one indicating that they would like to testify, we'll close public testimony. Are there any objections to closing oral testimony and accepting written testimony into the record?

**COUNCILMEMBERS VOICED NO OBJECTIONS**

**. . .END OF PUBLIC TESTIMONY. . .**

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay. Okay. Did everyone receive...oh, sorry. I will follow my notes. Okay.

**ITEM 1:                    PROPOSED FISCAL YEAR 2022 BUDGET FOR THE COUNTY  
                                 OF MAUI (CC 21-30 and CC 21-173)**

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CHAIR RAWLINS-FERNANDEZ: We have one item on today's agenda, BFED-1, Proposed Fiscal Year 2022 Budget for the County of Maui. We are on day five, kind of...kind of the last day. Yeah. Day five, last day of decisions week. Yesterday we completed our review of all the remaining departments. Good job, Members. Okay. We completed our decisions on Parks and Recreation, Police, Prosecuting Attorney, Transportation, and Department of Water Supply. So today we will do the following: We'll review the departments that we went over yesterday in OpenGov, and we will review Members' priority spreadsheets, any outstanding reconsiderations, and then begin our discussion on RPT and Affordable Housing Fund. Any questions on how...on our path forward today? Okay, wonderful. Okay. Ms. Milner, will you please share your screen so we can see OpenGov starting with the Departments [sic] of Parks and Recreation. All right. We made one amendment to the Department of Parks and Recreation in the Administration Program, Chair Lee's priority proposal for \$50,000 for a comprehensive assessment of highly utilized County parks and recreational facilities in the Wailuku District. Next, we'll review the amendments we made to the Department of Police. Under the Uniform Patrol Services Program, we made a reduction to the six Police Officer II vacant positions, and redescribed them as Police Officer I positions, resulting in a reduction of \$99,288. In the Technical and Support Services Program, we made a reduction of 50,000 by removing expansion requests for the Lāhainā station environmental impact study. We reduced \$2,604 for an automated electronic...oh, sorry, the AEDs. A reduction of \$36,000 for one Harley Davidson motorcycle, and a reduction of 156,000 for an appropriation for unmarked vehicles. That's for 43, 44, 45, and 48. Next we'll go to the Department of Prosecuting Attorney. We made one amendment by adding \$50,000 to create the Maui community outreach court and look at its possibility for assessment and data collection. All right. And then we'll go to Department of Transportation. In the Administration Program, we added \$135,000 for one MEO ADA (*audio interference*) replacement bus. And added 2,000 for equipment for Transportation System Analyst that was requested by the Department, and \$61,308 for the salary for that Transportation System Analyst position. And lastly, the Department of Water Supply. Oh. Oh, okay. Yeah, we can do Department of Public Works. In the Engineering Program...

MS. MILNER: That's right, Chair. All those were withdrawn, so I switched to Special Maintenance.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. In the Special Maintenance Program, we added \$110,000 for diagnostic equipment and diesel equipment in General Fund. And in the Highways Administration Program, we added \$170,000 for mini excavator, 40,000 for a skid-steer loader, and 90,000 for a small...I think it was a small pickup truck. Yeah, of course it's not going to work now. Okay. Let me look at my notes. Okay. And we added 60,720...oh, Ms. Espeleta, you have it handy? Okay. You're unmuted. Okay. Ms. Espeleta, are you talking to me?

MS. ESPELETA: I apologize, Chair, I'm not sure what's happening with my system, but it got unmuted. I apologize.

CHAIR RAWLINS-FERNANDEZ: No problem. Okay. And then we added 60,720 for two E/P

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for eight months for the maintenance of County roadways. And that was Chair Lee's priority. Okay. And now the last department, Department of Water Supply.

MS. MILNER: Chair, I have no changes for the Department of Water Supply.

CHAIR RAWLINS-FERNANDEZ: Okay. That's what I thought. No amendments to Department of Water Supply. All right. Any questions on this portion? Did we miss any reduction that you had tracked, or any of your proposals that we added?

COUNCILMEMBER LEE: One question.

CHAIR RAWLINS-FERNANDEZ: Chair Lee?

COUNCILMEMBER LEE: Are we going to restore the...the motorcycle for the Police, or at a later time?

CHAIR RAWLINS-FERNANDEZ: Yeah, at a later time. I'll ask for --

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: -- reconsiderations after this. Okay.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Any other questions, Members? Member Sinenci?

COUNCILMEMBER SINENCI: Oh, sorry. Yeah, I didn't...the landfill garage under Finance, ARPA funds.

CHAIR RAWLINS-FERNANDEZ: Ms. Milner, Finance Department. I think Administration Program, American Rescue Plan Act.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci's --

MS. MILNER: Just a moment, Chair, I'm pulling up the grants in Exhibit 1.

CHAIR RAWLINS-FERNANDEZ: -- conditional...oh. Okay. Mahalo. In the meantime, did the Members receive the email that was sent by BFED Committee...oh, Member Molina, you have a question?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I don't know if you went over it, but I believe yesterday we added 120,000 for the plan and design for the Pā'ia parking lot from...under Parks.

CHAIR RAWLINS-FERNANDEZ: Oh, yeah. Okay. Under Parks and Recreation CIPs, Member

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Molina's priority for an interim lower parking lot for design, planning, permitting, and engineering for \$120,000.

COUNCILMEMBER MOLINA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. So did everyone receive the email from the BFED Committee with Exhibit 1 and the spreadsheets? Beautiful. Okay. So here, Member Sinenci, under the American Rescue Plan Act of 2021...I don't see it. Okay. 250,000...no, that's not the one. Oh, there. Okay. Up to 200,000 for a covered maintenance bay at the Hāna Landfill, if permissible. Okay.

COUNCILMEMBER SINENCI: Mahalo.

CHAIR RAWLINS-FERNANDEZ: All right. Okay. Members, anything else for this portion? Okay. I see no hands. All right. We'll...we'll go to the Members' spreadsheets. We can...perhaps we can share the spreadsheet that was emailed last night. Okay. Oh, yeah, that's the one. Okay. Perfect. Okay. I know it's very tiny, so if you have the email, then perhaps you can refer to your electronic version. Go down to Parks, starting with Parks. Okay. Oh, starting with Police. Okay. 99,288 for the Police Officer II to I. All eight Members present voted for the reduction. Associated fringe, 98,176. We also voted...all eight Members voted to reduce the 50,000 for the Lāhainā EIS, 36,000 for the Harley Davidson motorcycle, and four vehicles for 156,000...oh, sorry. Okay. Let me go back. The Harley Davidson motorcycle received five votes, so it was split amongst the five that voted for it. And the removal of the four vehicle replacements for 156,000 was divided amongst the six that voted for that reduction. And then the reduction of the AEDs for \$2,604 is divided amongst all eight that voted in favor. Okay. So there you'll see the last row on each Member...the division of all the departmental reductions, as well as certification. Okay. And then we can go to each Member. All right. Okay. So at the top, I tried to make this as user friendly as possible. So at the very top, you'll see the total amount that each Councilmember gained through division of the certification of RPT, as well as the portion of reductions that the Councilmember received. So the revenue from myself, \$786,626. The expense includes my priorities, or each Councilmembers' priorities, as well as the departmental requests, and that's \$1,163,817. And I would need \$377,191 to cover those priorities and requests. And one quick note before we go to the next Member is at the top where it has the revenue breakdown, I've put in the surplus from RPT certification. This number is the total certification number subtracted by the 1 percent for open space, the 4 percent for Affordable Housing Fund, and 150,000 for Member Kama divided by 8. And so that's how we get the \$451,931. In departmental requests, the number from the spread...the prior spreadsheet carries over to this line, departmental reductions for \$334,694. Right now the...after this, we'll be discussing RPT rates, and that is where the RPT revenue...additional RPT revenue would go to cover the 377,191 that I would still need to cover the priorities and requests under...under me as a Councilmember. Okay. And then so the...under Members' priorities, it has the breakdown of approved and pending priority proposals. Most Members should have all of them either approved, disapproved, and the only pending priorities should be those under the Affordable Housing Fund. For departmental requests, everyone has the same details, so there's four departmental

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requests divided by the eight of us, and that's for a total of...Ms. Milner, will you...okay, \$42,301. Okay. So that's how to read the spreadsheets that you were emailed last night. Okay. So moving forward, I'm just going to cover the top section because I think that's where Members are most concerned about. Okay. So we'll go to the next Councilmember. Okay. Chair Lee, you have a question?

COUNCILMEMBER LEE: Yeah. You said that what...what...whatever deficit you have will be covered by the RPT, but couldn't it also be covered by the amounts in the black for the other...from the other Members?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Yes, absolutely. Mahalo...

COUNCILMEMBER LEE: I mean, I would hate to put all of this on RPT. Okay. Thanks.

CHAIR RAWLINS-FERNANDEZ: Yes, yes. So we can figure that part out together. So I could put another line if Members would like where Members can share the revenue gained through departmental reductions. Okay. Very good. Any other questions, Members? Okay. I see no hands. So we'll go on to Committee Vice-Chair Paltin. Okay. Total revenue \$786,626, total expenses \$677,301, and it's over or surplus of \$109,325. Okay. Next Councilmember, Member Johnson, total revenue \$760,300, total expenses 1,367,301, a deficit of \$607,000, and this does not include the pending \$20 million priority proposal under the Affordable Housing Fund. Okay. Next Councilmember, Pro Tem Kama. As we discussed, and Pro Tem Kama approved, we allocated 150,000 to Pro Tem Kama, and 150,000 of her priority proposals...her one request and Chair Lee's recommendation for 150,000 is covered for a zero balance. Next Councilmember, Member King, total revenue is \$767,937, expenses \$845,342, a deficit of 77,405. Next Councilmember, Chair Lee, total revenue 702,983, expenses 486,503, a surplus of 216,480. The next Councilmember is Member Molina, total revenue \$753,100, total expenses \$1,073,778, for a deficit of 320,677. Member Molina, you have a question?

COUNCILMEMBER MOLINA: Yeah. Yeah, thank you, Madam Chair. Could you have Staff relook at my revenue again? Because I know I disagreed with you on one of the proposals but, you know, I'm showing a 33,000...well, what's reflected as a 30...roughly \$33,000 difference. But on the proposal that I disagreed, it showed more like 7,000. So if that could be relooked at again, assessed, we come back with another number at a later point.

CHAIR RAWLINS-FERNANDEZ: Okay. So the spreadsheets that include all of the reductions was included in the email last night.

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: So if you could check that spreadsheet, if Staff could assist

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in identifying which reduction that would need to be fixed in order to gain the revenue that you tracked.

COUNCILMEMBER MOLINA: Okay. I'll have my Staff work...work with your Staff on that.

MS. MILNER: Chair?

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

COUNCILMEMBER MOLINA: Okay. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Ms. Milner? Ms. Milner?

MS. MILNER: Sorry. I just...I just found an error in the spreadsheet, so we'll get that updated this evening. Apologies, Member Molina.

COUNCILMEMBER MOLINA: No, no worries. Thank you.

CHAIR RAWLINS-FERNANDEZ: Our Staff is so efficient. Mahalo, Ms. Milner. Okay. So...okay. Next Councilmember...did I say a deficit of 320,677. Okay. Member Shane Sinenci, total revenue is 719,310, expenses 833,449, for a deficit of \$114,139. Okay. And lastly, Member Sugimura, total revenue 715,243, expenses 192,301, for a surplus of \$522,942. Okay. Members, any other questions? Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. Could you ask Ms. Milner to look at mine also? My...my Staff looked at it. Thank you very much for sending it last night. That means you were working all the way through midnight. And my number that I get for revenue side comes out to 741,570, and there's a difference of 26,327.

CHAIR RAWLINS-FERNANDEZ: Okay. Staff just informed me that you and Member Sinenci also had an error, so that will be fixed and we can send out the corrected spreadsheets. Okay. Okay. Any other questions? Thank you very much for tracking these, and then that way, you know, we have something to reconcile with. That was really important, so mahalo to the Councilmembers and their Staff. We're all in this together. Okay. I see no more hands. In that case, mahalo, Ms. Milner, you can stop sharing now. Okay. Okay.

\*\*\*\*\*

**RECONSIDERATIONS**

CHAIR RAWLINS-FERNANDEZ: Seeing no questions on the spreadsheets, we'll go to the next part of the process this morning, and that is asking for reconsiderations. Oh, Member Paltin?

VICE-CHAIR PALTIN: Sorry. My question was on the process that we just...oh, okay. I...I didn't refresh my Granicus. Never mind.



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CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Any other questions? Member Lee...Chair Lee?

COUNCILMEMBER LEE: Member Paltin, you know where you got your shot, move your arm around, don't keep it still. Yeah.

CHAIR RAWLINS-FERNANDEZ: Excellent advice, Chair Lee. We'll get some music to go with that arm movement. DJ Pajimola. No, I'm just kidding, I'm just kidding. We're going to go...we're going to go to reconsiderations. Okay. Members, any motions for reconsideration? So if you wanted to make that motion for restoring the motorcycle, this would be the time. Member Paltin, followed by Member Sugimura.

**DEPARTMENT OF FIRE AND PUBLIC SAFETY**  
**(Ocean Safety Program)**

VICE-CHAIR PALTIN: Thank you. I'd like to open up the Fire Department, Ocean Safety Program, for a reconsideration.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KING: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, seconded by Member King. Any discussion? Okay. So the motion is for reconsideration of Ocean Safety under the Department of Fire and Public Safety. All those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBERS: Raising their hands in support.

CHAIR RAWLINS-FERNANDEZ: Eight "ayes," zero "noes," one excused.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:    APPROVE**

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CHAIR RAWLINS-FERNANDEZ: Member Paltin, your motion?

VICE-CHAIR PALTIN: Okay. Is it okay if I just check with Director Yoshimura if I...if I have it correct before the motion is made, or...

CHAIR RAWLINS-FERNANDEZ: Sure.

VICE-CHAIR PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: Oh, I think Staff was also taking notes, but Budget Director Yoshimura? Oh, there you are. Okay. All right. Please proceed, Member Paltin.

VICE-CHAIR PALTIN: Thank you. And just checking, so the information we got that was that P29738 was a mistake as an OSO-IV, and that's supposed to be an OSO-III, and I just was double checking because the FY '21 Details put P29738 to an OSO-IV from an OSO-III with an additional 5,000 for...for reallocation. And so I was just double checking before we make 29734 into the IV that you're sure that 29738 is a OSO-III based on FY '21 Details. I didn't want to make...I just wanted to confirm how that was a mistake.

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Councilmember Paltin, okay, so that's the information that we got from the Department that on page 7-70, position number 29738 should actually be an OSO-III. And the salary is correct. It's an OSO-III at an SR-19G, \$69,192. So that one is correct, it's just the title is wrong. In the Fiscal Year '21 Budget, it may have been a proposed reallocation or they may have reallocated throughout Fiscal Year '21, and so now bringing it back down to a III. But no changes need to be made to that except for the title. Position number 29734 is the one that Deputy Chief talked about this morning. That's the position that's going to be reallocated to a Ocean Safety Officer IV, and that one is the one that the incumbent is getting paid less than what the budgeted amount is, so that will offset the difference that is going to be needed. So I believe he indicated that he was short about \$900 or so.

VICE-CHAIR PALTIN: In that case, I would like to move to amend the title for position 29738 from an OSO-IV to an OSO-III, and also move to amend position 29734 from an OSO-III to a IV, and increase position 30991 by \$912; is that correct?

MS. YOSHIMURA: Yes, Chair, that's correct.

VICE-CHAIR PALTIN: Okay. That's my motion.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Paltin, seconded by Sinenci. Members, discussion? Okay. Seeing none. I'll call for the question. All those in favor of the

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motion please raise your hand and say “aye.”

COUNCILMEMBERS: Raising their hands in support.

CHAIR RAWLINS-FERNANDEZ: Okay. Eight “ayes,” zero “noes,” one excused.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

CHAIR RAWLINS-FERNANDEZ: Member Paltin, any other amendments under this program?

VICE-CHAIR PALTIN: I move that we have consensus for Fire Ocean Safety Program.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Members, consensus?

COUNCILMEMBERS: Raising their hands in consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. We have achieved consensus. Oh. And then a clarification to your motion, Member Paltin, are we not doing the \$36,492 decrease?

VICE-CHAIR PALTIN: I think that we’re doing 36,000-something decrease, but adding \$912 to that amount so...shucks, I didn’t do the math. My brain feels a little slow.

CHAIR RAWLINS-FERNANDEZ: I think that’s correct. Budget Director? No, I think that’s correct. Budget Director?

MS. YOSHIMURA: Chair, yeah, just for clarification, so on position number P30991, you did a reduction of \$36,492. And what we are asking you to do is to put that position to an OSO-I instead of a IV that’s indicated in the details, and restoring \$912 to make that position whole. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that clarification, so the motion stands. Okay. All right, are there any other reconsiderations...oh, sorry, Member Sugimura,

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your hand, and then...yeah, Member King.

**DEPARTMENT OF POLICE**  
**(Technical and Support Services Program)**

COUNCILMEMBER SUGIMURA: Thank you. I'd like to request reconsideration for Police, Technical and Support Services Program, for the Harley Davidson...one Harley Davidson.

COUNCILMEMBER KING: Second.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Moved by Member Sugimura, seconded by Councilmember King to...for reconsideration of the Technical Services Program under the Department of Police. All those in favor, please raise your hand and say "aye."

COUNCILMEMBER SUGIMURA: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay. Eight "ayes," zero "noes," one excused.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:    APPROVE**

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. This is to restore the one Harley Davidson in the program book....Details is 15-80, page 15-80, and it's for \$36,000.

CHAIR RAWLINS-FERNANDEZ: Okay. Yeah, \$36,000 even. Is there a second? Okay. Seconded by Member King. Okay. Moved by Member Sugimura, seconded by Member King. Member Sugimura, would you like to speak to the motion?

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COUNCILMEMBER SUGIMURA: I think we all heard Lieutenant Hankins this morning talking about the...the Harley Davidson, so those are...those are the reasons.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. Anyone else wishing to speak to the motion? Member King?

COUNCILMEMBER KING: Thank you. Chair, just real quickly because I did get a text from Lieutenant Hankins that these are the only two vehicles that the Traffic Division has asked for.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Seeing no other hands, I'll call for the question. All those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBER SUGIMURA: Aye.

CHAIR RAWLINS-FERNANDEZ: Eight "ayes," zero "noes," and one excused.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

COUNCILMEMBER SUGIMURA: Thank you, Members.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. All right, and I will ask for consensus of the Technical Services Program under the Department of Police.

COUNCILMEMBER SUGIMURA: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay, consensus. All right, Member King, you had a reconsideration?

COUNCILMEMBER KING: Oh, it was just the same one that Member Sugimura already did. So thank you, Member Sugimura, we're on the same wave length there.

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CHAIR RAWLINS-FERNANDEZ: All right. Anyone else wishing to move for reconsideration? Okay. Very good. All right. Okay. Members, it's 11:46. This will likely be a lengthy discussion. Would like to take lunch now and then come back? Okay. Would you...

COUNCILMEMBER LEE: Yes.

CHAIR RAWLINS-FERNANDEZ: Yeah, yeah.

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: So we'll...we'll do...do you want to do until 1:00 or 1:30 since we're going early? I mean, it's only going to be 13 minutes early.

COUNCILMEMBER KING: 1:30.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KING: Throw that out there.

COUNCILMEMBER LEE: Yeah, 1:30.

COUNCILMEMBER JOHNSON: 1:30.

CHAIR RAWLINS-FERNANDEZ: All right, we'll recess until 1:30. Okay. It's 11:47 on April 23rd, and the Budget, Finance, and Economic Development Committee is now in recess. . . .(gavel). . .

RECESS: 11:47 a.m.

RECONVENE: 1:33 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . The Budget, Finance, and Economic Development Committee please return to order. It's 1:33 on April 23rd. I hope everyone had a good lunch. Very good. Okay. Okay. Where'd I put my notes? All right. There was...before we continue on with the next phase, there was one missed reconsideration, and so we'll take that up first, and then we'll move on to the next phase of our process. All right. Chair Lee? Would you like to move to reconsider the Council Services Program under the Office of Council Services?

**OFFICE OF THE COUNTY COUNCIL**  
**(Council Services Program)**

COUNCILMEMBER LEE: Okay. And what are we going to reconsider? . . .(laughing). . .

CHAIR RAWLINS-FERNANDEZ: Oh, did you want to...

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COUNCILMEMBER LEE: Oh, collapsing. Oh, I see, I see.

CHAIR RAWLINS-FERNANDEZ: You would like to collapse...

COUNCILMEMBER LEE: Oh, I was thinking what...what appropriation was...did I miss? Yeah, I'm going to make a motion to collapse the three accounts, A, B, and C.

CHAIR RAWLINS-FERNANDEZ: Reconsider first.

COUNCILMEMBER LEE: So reconsider, oh, okay.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER LEE: Reconsider.

CHAIR RAWLINS-FERNANDEZ: Moved by...moved by Chair Lee. Is there a second? Seconded by Member Sinenci. Okay. Any discussion? I think Chair Lee --

COUNCILMEMBER LEE: Yes. Yeah.

CHAIR RAWLINS-FERNANDEZ: -- explained. Okay. Chair Lee?

COUNCILMEMBER LEE: I explained it before, but our office needs the flexibility to make changes without having to go through the whole process. And it's such a small office that we're not talking millions of dollars. Often it's...it's small amounts. So we...I'm asking for your support to collapse the ABC Account for OCS. Thank you.

CHAIR RAWLINS-FERNANDEZ: All right, so the motion on the floor is for reconsideration for that reason. Member Paltin?

VICE-CHAIR PALTIN: Oh, I just wanted to report I was hesitant to do this at first, but everything was straightened out, and it was just that an estimate was given by the Mayor because they didn't have exact numbers. And what had happened was they were taking like hourly workers to the max amount, and not taking in like they might work less than 19.75 hours and whatnot. So everything was straightened out, and so I can support it.

COUNCILMEMBER LEE: Thank you.

MS. BOUTHILLIER: Excuse me, Committee Chair, this is Yvette. On the reconsideration motion, it was moved by Alice Lee and seconded by Councilmember Sinenci, but you didn't call the total tally for the votes. You just went right into...

CHAIR RAWLINS-FERNANDEZ: Oh. No, no. We didn't...we didn't vote yet.

MS. BOUTHILLIER: Oh, okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah, yeah. We're...we're still discussing the reconsideration.

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MS. BOUTHILLIER: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah. Mahalo, Ms. Bouthillier. Mahalo for that catch. Yeah, we're discussing the merits of the motion under this motion for reconsideration, and I've...I've allowed it because it's their reason for voting in favor of the reconsideration.

MS. BOUTHILLIER: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Bouthillier. All right, seeing no other hands, I'll call for the question. All those in favor of reconsideration of the Council Services Program in the Office of Council Services, please raise your hand and say "aye."

COUNCILMEMBERS: Raising their hands in support.

CHAIR RAWLINS-FERNANDEZ: Seven "ayes," two excused, Member Sugimura and Pro Tem Kama.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

CHAIR RAWLINS-FERNANDEZ: All right. Okay. Now the motion...

COUNCILMEMBER KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Member King?

COUNCILMEMBER KING: I don't see...I don't see Member Molina.

CHAIR RAWLINS-FERNANDEZ: Oh, I do.

COUNCILMEMBER LEE: He's here.



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COUNCILMEMBER KING: Okay.

COUNCILMEMBER LEE: He's here.

COUNCILMEMBER KING: Let me try to refresh my screen.

COUNCILMEMBER LEE: Okay. Move to approve collapsing the three accounts in OCS.

CHAIR RAWLINS-FERNANDEZ: Moved by Chair Lee, seconded by Member Sinenci. Discussion? I think you discussed it already, but if you want to discuss it more, Chair Lee?

COUNCILMEMBER LEE: No, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. All right, anyone else wishing to speak to the motion? Seeing none. I'll call for the question. All those in favor of collapsing the ABC Account under the Council Services Program, please raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

CHAIR RAWLINS-FERNANDEZ: All right. Seven "ayes," two excused, Member Sugimura and Pro Tem Kama.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:    APPROVE**

CHAIR RAWLINS-FERNANDEZ: I'll now...oh, sorry. Before I ask for consensus, there's one other reconsideration, and that's on the legislation under this program, and it's for the...Ms. Milner, will you share screen. So after we went over our proposed priorities, one of my priorities was to add a communications position, which was not included on the legislation...on the bill that we had voted to recommend passage of. So at this time,

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I would like if...if we could include that position. So the motion is on the screen, if someone who supports this would please make the motion.

COUNCILMEMBER LEE: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay, Chair Lee moved to...and Member Sinenci seconded to substitute the attached proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 2.08, MAUI COUNTY CODE, TO ESTABLISH A DEPUTY DIRECTOR OF COUNCIL SERVICES AND REVISING PAY RANGES FOR COUNCIL SERVICES STAFF," for the posted bill at paragraph 3.a. of the agenda's description section. And so Ms. Milner, if you'll scroll to the amended section, please. Okay. And there is the position that my priority proposal added. Okay. Anyone wishing to speak to the motion of adding this position in the CR? Okay. Ms. Milner, you can stop share...sharing your screen now. Mahalo. Member King?

COUNCILMEMBER KING: Oh, thank you. So the money's already in there, it's just we forgot to put the title in? Oh, okay.

CHAIR RAWLINS-FERNANDEZ: So on Monday, when took up the Office of Council Services, I proposed my priority proposal, which was to add a Communications Specialist position and received unanimous support. So we already amended the...the budget to include the funding for the position, including...so salaries, and then the 2,000 for equipment and supplies, as well as fringe. Okay. Mahalo, Member King. Anyone else wishing to speak to the motion? Seeing no hands. I'll ask for...I'll call for the question. All those in favor of the motion to add the Communication Specialist position to the legislation or to the bill. All in favor please, raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay, I see seven "ayes," zero "noes," two excused, Member Sugimura and Pro Tem Kama.

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

**NOES:**        **None.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:**        **Recommending FIRST READING of revised bill by C.R.**

CHAIR RAWLINS-FERNANDEZ: Okay. If there are no other reconsiderations...Member Sinenci, you have a reconsideration under this program? Member King?

COUNCILMEMBER KING: Yeah, I have a question. You know, when I went back over looking at the district offices, I realized that the amount that I was given to put in there was the amount that it costs to run the office, but it didn't include the amounts...I think it was like \$10,000 short of the amount to set up the office, which was, you know, what was spent on the West Maui office. So rather than make a change in it, would this...since we're collapsing the A, B and C Account, would that be something that we could go back for later on if...if we don't...if...I'm hoping that...I don't want to do anything because I'm hoping that we don't...that we can get something cheaper than that and I can stay under that extra 10,000. And I was going to add it to my district fund request, except it doesn't seem to fit into environmental, economic, or cultural development. So I'm just wondering if...should I make a proposal now, or is it something that could be done later on if...if we find...you know, my...my...my hope is that just try to find something cheaper than the West Maui place to rent, but...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. So I think...I think everyone voted in favor of the motion with the understanding, after Member Paltin shared her experience with locating and securing an office in West Maui, that finding and securing and contracting (*audio interference*) in two months is...is a pretty lofty goal. And so it took them a year and a half. So I know I voted in favor, knowing that it might be more than would be needed. But Chair Lee?

COUNCILMEMBER LEE: I think it would be prudent to add additional monies to OCS because they probably didn't, you know, anticipate that expense, right? Because it will come under OCS.

COUNCILMEMBER KING: Right.

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COUNCILMEMBER LEE: Yeah.

COUNCILMEMBER KING: Right. Okay.

COUNCILMEMBER LEE: So we need to add for two locations.

COUNCILMEMBER KING: Right. And...and the reason being because there's a lot more commercial space available now than when Member Paltin was looking. There's a lot of empty commercial space after the COVID. You know, a lot of businesses went out. So I don't anticipate having that hard of a time finding a place to rent myself. But if that's the case, then I would propose adding 20,000 more to the district office proposal.

COUNCILMEMBER LEE: Offices. Okay.

COUNCILMEMBER KING: Offices. Yeah, it was 10,000 each, so...

COUNCILMEMBER LEE: Yeah, right.

COUNCILMEMBER KING: Up to...and...and it should say up to. So if we can find, you know, something less expensive, obviously we don't have to spend the whole amount.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member King. Is there a second? Second from Member Molina. I think...is there anyone else wishing to discuss the motion? All right. Seeing no hands, I'll call for the question. All those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

COUNCILMEMBER KING: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay. I see six "ayes;" one no...what? I don't think it's necessary. And two excused, Member Sugimura and Pro Tem Kama. Okay, so motion carries.

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

**NOES:**        **Chair Rawlins-Fernandez.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

CHAIR RAWLINS-FERNANDEZ: We've added 20,000 to the OCS budget for purposes of moving the office, creating the office. Okay. Anyone else under this program? If not, I'm going to ask for...oh, Budget Director?

MS. YOSHIMURA: Chair, sorry. I was going to ask about another item, not...not about this one. Thank you.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. All right. I'll ask for consensus for the Council Services Program under the Office of Council Services. Consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: All right, consensus. Okay. And...okay. Budget Director?

**DEPARTMENT OF PUBLIC WORKS**

MS. YOSHIMURA: Thank you, Chair. So the Department of Public Works informed me that they'll be getting a grant for \$1.2 million from the Natural Resource Conservation Service for the Lāhainā watershed flood protection project. So I wanted to get direction from you on how you wanted me to proceed to add this to the Fiscal Year '22 Budget. I can send you a transmittal...

CHAIR RAWLINS-FERNANDEZ: Would anyone like...okay. Are you able to share screen? Or I don't need to see it, actually. It's a grant. Is anyone --

MS. YOSHIMURA: It's a grant.

CHAIR RAWLINS-FERNANDEZ: -- willing to make this motion to recognize the grant funding into the FY'22 Budget? Moved by Member Paltin...

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VICE-CHAIR PALTIN: Do we need to move...do we need to move for reconsideration (*audio interference*)

CHAIR RAWLINS-FERNANDEZ: Budget Director...oh, what program under Public Works was it?

MS. YOSHIMURA: Yes, it would be an amendment to Appendix A, Part I, under the Department of Public Works. There would also be an amendment to Appendix C to add the project, and to the Capital Program bill to add the project as well. And I can forward you the information, but I just need the direction on how you wanted to proceed with this. Thank you.

VICE-CHAIR PALTIN: All of those things.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Paltin. Is there a second for reconsideration of those items? Member Sinenci. I'll call for the question. All those in favor, please raise your hand and say "aye."

COUNCILMEMBERS: Raising their hands in support.

CHAIR RAWLINS-FERNANDEZ: Aye for reconsideration. Okay. Six "ayes;" three excused Member King, Member Sugimura, and Pro Tem Kama.

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

**NOES:       None.**

**ABSTAIN:   None.**

**ABSENT:     None.**

**EXC.:       Councilmembers Kama, King, and Sugimura.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

CHAIR RAWLINS-FERNANDEZ: All right. And now for the motion (*audio interference*) Budget Director will you please state what the motion would be.

COUNCILMEMBER LEE: You're kind of breaking up, Vice-Chair.

CHAIR RAWLINS-FERNANDEZ: Oh, sorry. Okay. Budget Director...can you hear me now?

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COUNCILMEMBER LEE: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay. Would you please state what the motion would be, and then the Members can...

MS. YOSHIMURA: Okay, Chair. So the recommendation from the Administration would be to amend Appendix A, Part I, by adding a project under the Department of Public Works entitled "USDA Natural Resource Conservation Service, Lāhainā Watershed Flood Protection Project" by \$1,229,230. The second part of it would be to amend Appendix C to add, under the West Maui...or under the Department of Public Works, West Maui Community Plan Area, by adding CBS-1026, Lāhainā Watershed Flood Protection Project \$1,229,230, and adding the project description. The project description would be to conduct an environmental and planning study to review the existing project plans, examine the existing drainage conditions in the watershed, evaluate the project need and feasibility, develop design alternatives, conduct stakeholder and public outreach, select a design alternative, and produce a final report that will support the next phase of the project. And this project actually is to...is necessary to alleviate flooding in Lāhainā Town. So Chair, I will forward you...and...a project sheet for this that can be incorporated. The last thing would be to add to the Capital Program bill...or to the Capital Program a project entitled, "CBS-126 Lāhainā Watershed Flood Protection Project," \$1,229,230, and the source of funding would be from this...would be Federal.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay.

MS. YOSHIMURA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Okay. Member Paltin?

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: So moved. Okay. Moved by Member Paltin.

COUNCILMEMBER LEE: Second.

CHAIR RAWLINS-FERNANDEZ: Seconded by Chair Lee. All those...oh, anyone wishing to discuss? Okay. All those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBERS: Raising their hands in support.

CHAIR RAWLINS-FERNANDEZ: Okay, six "ayes"...no. Seven "ayes;" two excused, Member Sugimura and Pro Tem Kama.

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

**NOES:**        **None.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: Thank you, Chair. Thank you, Councilmembers.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director Yoshimura. Okay. So consensus with the Appendix A, CIP...I think like there was one more. Consensus on those?

COUNCILMEMBERS: Raising their hands in consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. All right, consensus. All right, very good. Member Sinenci, you have a request for reconsideration?

COUNCILMEMBER SINENCI: I did mine last night. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Did you have a different question? You had your hand up.

COUNCILMEMBER SINENCI: No, I think I have a lag going on. Thank you.

\*\*\*\*\*

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Very good. Okay. Okay. If there are no further reconsiderations for the Members to consider, we'll move forward. Okay. All right. I'm going to share my screen really quickly to present an example of what RPT rates could look like if we were to cover all of the Members' priority proposals, and then we'll go into the Affordable Housing Fund. Okay. I'm guessing that that's too small for everyone. Okay. So this proposal...it doesn't have the total. Okay. Let me share the other one. All right. Okay. So this proposal would generate 20,946,000...oh. All right. BlueJeans...okay, there we go. Okay. BlueJeans wasn't letting me share for a second. All right. So this proposal would generate 20,946,777...



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COUNCILMEMBER LEE: I don't see anything. Oh, now it...now it's back.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. For Owner-Occupied, three tiers. Okay. Can you see it? Okay. All right, there we go. So this line...so this is how much, after certification, the Mayor...the Mayor's proposed rates would generate. And adjusting the rates generates 20,946,000 over what the Mayor proposed. So instead of 373 million, 394 million, and this is how much would need to go into Open Space Fund and the Affordable Housing Fund. So the 4 percent to Affordable Housing Fund would require 15 million...15.8 million. All right. My proposal is to...for Owner-Occupied Tier 1 - up to 600,000, and at 2.41, and that would generate 26 million. Tier 2 - 600,000 to 2 million at 2.51. And at Tier 3 - over 2 million. Non-Owner-Occupied Tier 1 - under 600 at 5.45. And these two are the same as the Mayor's proposed rates. This is 10 cents...20 cents higher. Tier 3 is 10 cents higher than what the Mayor proposed. *(audio interference)* 7.60. Apartment, this is the Mayor's, the same, Apartment. And then Hotel and Resort, 30 cents above what the Mayor proposed, and Timeshare is the same. And then for STR, Tier 1 - below 600 at \$12, Tier 2 - 600 to 2 million at 12.57, and Tier 3 - above 2 million, 13.23. And then Agriculture, Conservation, Commercial, Industrial, and Commercial Residential would be the same as what the Mayor proposed. And so these adjustments...this is what the Mayor proposed for STR, this is what I proposed for STR. These adjustments would garner enough to cover everyone's proposals. So that's just an idea of what it could look like. I'll now share my screen showing the Affordable Housing Fund. All right. Okay. Okay. So the projected amount for the Affordable Housing Fund is 37,282...\$37,282,151. The Mayor has proposed to put \$19,071,101...102 worth of conditions on the certified RPT amount. The balance, after the Mayor's conditions, if we were to approve them all, would be \$18,211,049. Okay.

**AFFORDABLE HOUSING FUND**

CHAIR RAWLINS-FERNANDEZ: So I propose that we first go through the Mayor's proposal on page 46 of the Budget bill, and that's the Affordable Housing Fund. There are eight conditions being proposed, and we received those proposals in Committee prior to Budget Session starting. This is the Affordable Housing Fund Plan. I'll go one by one and ask for consensus. Okay. Number one, up to \$70,000 must be for Administrative expenses. Consensus? Member Paltin. Go ahead.

VICE-CHAIR PALTIN: Can you hear me? Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

VICE-CHAIR PALTIN: Oh, okay. I'm sorry, can you repeat that, I was looking for my paper.

CHAIR RAWLINS-FERNANDEZ: Page 46, the letter L., Affordable Housing Fund. Number one, the first condition is up to \$70,000 must be for Administrative expenses. Okay. Consensus, Members? Do you have a question, Member King, or consensus?

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COUNCILMEMBER KING: I have a question.

CHAIR RAWLINS-FERNANDEZ: Okay. Go ahead.

COUNCILMEMBER KING: Okay. Is there a requirement for it to be a percentage of the Affordable Housing Fund, so if we add more money do we have to increase that Administrative . . . *(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Would you like to ask Budget Director, our Staff, Corp. Counsel?

COUNCILMEMBER KING: I guess Budget Director.

CHAIR RAWLINS-FERNANDEZ: Okay. Budget Director Yoshimura, do you have that answer for Member King? The question is, is there a required percentage for the administrative expenses for the Affordable Housing Fund?

MS. YOSHIMURA: Chair, Councilmember King, Chapter 3.35.010, letter D., no more than 3 percent of the fund shall be used for Administrative expenses, so up to 3 percent.

COUNCILMEMBER KING: So there's no...there's no minimum per se?

MS. YOSHIMURA: There's no minimum. The --

COUNCILMEMBER KING: Okay.

MS. YOSHIMURA: -- Department's just asking for 70,000.

COUNCILMEMBER KING: Okay.

MS. YOSHIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. Okay.

COUNCILMEMBER KING: Okay. Great.

CHAIR RAWLINS-FERNANDEZ: I'll ask for consensus. All right, by a show of thumbs I guess, and then that way I'll know the difference between if you have a question and consensus.

COUNCILMEMBERS: Raising their thumbs in support.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Consensus. The next proposed condition is up to \$2 million must be for planning, design, engineering, construction, and construction related to the Lānaʻi Affordable Housing Project. Consensus? Okay. Member Johnson.

COUNCILMEMBER JOHNSON: Chair, this is one of my proposals, so I do not have consensus with the number. So I don't know, how would you like me to go forward in this.

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CHAIR RAWLINS-FERNANDEZ: Okay. Member Johnson, it's the same...same way we handled Open Space. So you proposed \$1 million more for the ag park than what the Mayor had proposed. So we first approved the 1 million, and then we took up your proposed 1 million for a total of 2 million. So right now, we're talking about the Mayor's proposed 2 million. So if you would you like to have at least 2 million in the Affordable Housing Fund for the Lānaʻi Affordable Housing Project, then we would say so now. And then if you want to add more, we can add...we can take up that motion later.

COUNCILMEMBER JOHNSON: Thank you for the clarification.

CHAIR RAWLINS-FERNANDEZ: Okay. Chair Lee, followed by Member Paltin.

COUNCILMEMBER LEE: What happened to the rule about shovel ready? I mean, there is no specific project here. So I thought we were going to set aside monies for...for planning and design of a project, since there is no project. Nothing has been applied for or proposed. So right now, that \$2 million has been parked there for years. I thought we were going --

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER LEE: -- to put...put it to good use for things that are shovel ready.

CHAIR RAWLINS-FERNANDEZ: Okay. So Chair Lee, do you want to make a motion?

COUNCILMEMBER LEE: Okay. I'll make a motion then that...of the 2 million...like 500,000 be set aside for planning and design of a project, affordable housing project on Lānaʻi.

CHAIR RAWLINS-FERNANDEZ: Is there a second? Okay. Is that a second?

COUNCILMEMBER KING: Yeah, second for discussion, and then I have a question.

CHAIR RAWLINS-FERNANDEZ: Okay. Chair Lee moved to reduce the proposed amount from 2 million to 500,000, with a second for discussion from Member King. Okay. I think, Chair Lee, you spoke to the motion, so I'll ask others to speak to the motion. Okay. Member King, followed by Member Sinenci.

COUNCILMEMBER KING: Okay. My question is, who is doing this project?

CHAIR RAWLINS-FERNANDEZ: Budget Director Yoshimura, do you have that information for the proposed 2 million that the Mayor put into the Affordable Housing Fund?

COUNCILMEMBER KING: Who's...who's developing the Lānaʻi Affordable Housing Project?

MS. YOSHIMURA: Thank you, Chair. I believe the...our Department of Housing and Human Concerns is working on it. There's a contract with Munekiyo, I believe, on doing an assessment or a feasibility, and that's the extent to my knowledge. I will get more

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information for you on it from the Department. Thank you.

COUNCILMEMBER KING: Okay. So we don't have a...we don't have a designated developer for this yet?

MS. YOSHIMURA: No. Chair, no. But I thought that this was stemming from a 201H or a 201G project, so let me check with the Department.

COUNCILMEMBER KING: Okay. Thank you.

COUNCILMEMBER LEE: I believe it --

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo...

COUNCILMEMBER LEE: -- hasn't been applied for.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. Mahalo, Member King. Member King, it looked like Member Johnson had his hand up to respond to your question as well. Do you want to hear a response from Member Johnson?

COUNCILMEMBER KING: Sure.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for the question. I...I have been on the phone with Doug Bigley and the Ikaika Ohana, and they are very interested in the project. And if you recall earlier this morning, Keiki-Pua Dancil, who represents Pūlama Lānaʻi, also reached out to him, and they are in full support of that. So he is ready to move. We all know his...his...his track record, what he did with the Keawe Street Apartments. So that's why I'm not only in full support of it, I'm pushing for more money because that's what he needs to...to balance it against the Federal funds. So I don't want to go down and explain more unless you want more, but yes, Ikaika Ohana, Doug Bigley, they're...they're ready to go. They're really excited about it.

COUNCILMEMBER KING: They have plans already created?

COUNCILMEMBER JOHNSON: Yes, he...Chair, if I may? Yes, they...they thought the Keawe Street Apartment model is ideal for Lānaʻi because in the Keawe Street Apartment model, they had the State-owned land and \$5 million. In this project, the Lānaʻi project, we have County-owned land hopefully, and we get the \$5 million. . . .*(timer sounds)*. . .

COUNCILMEMBER KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Member Sinenci, followed by Member Paltin.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, Councilmember Johnson did answer

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my question. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Paltin, and then I'll check if anyone else wants to speak to the motion, and then I'll call on you, Chair Lee. Okay. Member Paltin?

VICE-CHAIR PALTIN: Thank you, Chair. I have two questions. One is overall Affordable Housing Fund, and one is specific for Lānaʻi. Is now an okay time to ask for the overall affordable housing question, or do you want me to wait until this particular one is over?

CHAIR RAWLINS-FERNANDEZ: Okay. Not knowing what your question is, I'm going to say after. Would...would knowing the answer...would knowing the answer to this question help you make a decision on this motion? Because then I think that's going to determine when you should ask that question.

VICE-CHAIR PALTIN: You can hear me? Okay. Well, I guess not for this one, but it would probably...I mean, the answer to my question should probably be consistent through...throughout all the projects. But generally speaking, I'm supportive of this project. So I mean...but I think it would...okay, I'll ask it. You know, in...it seemed like in the past when we earmarked or conditioned these appropriations for specific projects, my question is, will the line item still need to come before Council for authorization? Like I think we had the Ikaika Ohana on this list before, but they still had to come before the Council for authorization. So I guess I'm...I'm wondering if it still needs to come before the Council for authorization. More so like some of the other projects where, you know, maybe the surrounding community doesn't know anything about this project, and they might want a chance to weigh in or have some discussion. It seems like Lānaʻi is...pretty much all the community is supportive of building, but you know, just in these various areas, are we giving full . . .(timer sounds). . . authorization by giving this line item?

CHAIR RAWLINS-FERNANDEZ: So Member Paltin, this is the Council's...my understanding is this is the Council's approval process. So if we approve of (*audio interference*) being on the (*audio interference*) giving them the green...if they don't need to come back to us for a DBA, a Change in Zoning, a community plan amendment, then they wouldn't need anything more from us to approve. So that's why in previous budgets, when the Mayor proposed conditioning projects that we never received presentations from, we didn't approve of it being in the Affordable Housing Fund. So that...that's been this Council's previous policy, that we would like to see the presentation before we agree to a condition in the Affordable Housing Fund. As far as legally, we can ask Corporation Counsel, and she can correct anything that I may have misstated or I got it wrong.

MS. TOSHIKIYO: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Ms. Toshikiyo?

MS. TOSHIKIYO: You know, I do agree with what you just stated regarding you can approve the funds through the budget, but if there are other approvals that the Council will need

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to...to give, then it would have to come before you again.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Toshikiyo. Okay. Members...Member Molina, and then I'll go to Chair Lee, and then Member Paltin. Okay. Member Molina?

COUNCILMEMBER MOLINA: Yeah, yeah, thank...yeah, thank you, Madam Chair. So as I understand this then, we approve setting aside 2 million, but we do have to name a specific project, or just say 2 million for future affordable Lāna'i project? And...and again, as the land...I presume the land is already...has the zoning entitlements already for housing? So my question, yeah, do we have to specify the name of the project? Because upon, you know, Mr. Johnson telling us it's Mr. Bigley.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. So we can ask either Corporation Counsel or Budget Director, but the questions that you're asking is usually why we have a policy of not approving conditions to Affordable Housing Fund until we know the details and we're confident in what it is that we're approving. Okay. Who would you like to hear from, Budget Director or Corporation Counsel?

COUNCILMEMBER MOLINA: Either one. Let's go with the Budget Director first.

CHAIR RAWLINS-FERNANDEZ: All right. Budget Director, by not naming the entity that would receive the funds, what happens to the funds? Does it just go to the Administration to decide how to use that fund?

MS. YOSHIMURA: Chair, Councilmember Molina, if the project...I believe the...there would be an application for the funding, and the Department would be working with the applicant. If there's...if it's a broad category, or if it's just for Lāna'i Affordable Housing Project, yeah, we would put out an RFP for a project on Lāna'i, and then do...I've been trying to contact both Director or Deputy to get more information on it. But yeah, without naming an entity, it would be something that it would...we would probably take applications on. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo --

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: -- Budget Director.

COUNCILMEMBER MOLINA: Thank you, Madam Director.

CHAIR RAWLINS-FERNANDEZ: So we would basically follow procurement law in determining a fair process in who would get the contract. Okay. Chair Lee, followed by Member Paltin, and then Member Johnson.

COUNCILMEMBER LEE: For clarification, it's my understanding, in answer to Mr. Molina's question, this property has not been zoned because no 201H application has been applied for. We're all been on the Council for a couple of years now, we did not approve

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any 201H application, so there might be one...a project that is being considered, and perhaps being researched, but there is no official project for this funding at all. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. Member Paltin?

VICE-CHAIR PALTIN: Hi. I...I guess maybe my question is for Member Johnson. Do we know how much acres we're talking about? And just for the Keawe Street example, the State had land, and I think they gave 37 million to Bigley guys, so is 5 million appropriate? And how many acres and units are we talking about?

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank...thank you, Councilmember Paltin. I can give you some answers because right off the bat, we have 73 acres, okay, that's been sitting there forever. That \$2 million has been earmarked for that project for the longest time. So...

VICE-CHAIR PALTIN: Do you know what the 73 acres is zoned as?

COUNCILMEMBER JOHNSON: Yeah, it's zoned for the...it's zoned Residential single-family home. It's...I got the community plan right here, the Lānaʻi Community Plan made in 2016, and it's...so it's all there ready. It's been sitting there languishing because I don't know if you guys recall, but back in the day, Mayor Alan Arakawa said you need \$10 million in infrastructure to get this project to touch the ground; however, . . . *(timer sounds)*. . . we have...we...if we get 5 million, then Bigley will use that as a...as a way to do the one for one. And you increase your...your money by leveraging against the Federal funds, which we know down...coming down the pipeline. I don't want to take up too much of your time because I know I'm on time. I have this written down. If you want me to give my speech I can, but --

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER JOHNSON: -- it's there.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Johnson.

COUNCILMEMBER JOHNSON: You wanted me to...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Johnson. Go ahead.

COUNCILMEMBER JOHNSON: Okay. I'll give you my prepared speech. I made this one under three minutes. So there's currently 2 million provisoed for the County Lānaʻi Affordable Housing Project. I humbly ask that we add another 3 million to it. Lānaʻi hasn't had an affordable housing project since the 1990s. The community has been waiting patiently to see it happen for decades. Just like the agricultural park, we've been told that this is...it's the cost of the infrastructure that's holding us back. And we've also heard that the County only supports shovel-ready projects. And this is an unfair standard to meet because Lānaʻi is so country. We have very little shovel-ready projects,

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so this put us in a Catch-22. At this point, how do you expect us to be shovel ready when we don't even have a shovel? By increasing the amount towards the Lānaʻi Affordable Housing Project from 2 million to...2 million to 5, a developer can leverage this investment to collect matching funds to start this project, a project that has...no one has wanted to touch for so long, it's been sitting around for decades while people suffer and are forced to move off this island due to lack of inventory. A nonprofit developer has figured out how to do this. Doug Bigley has done it with the Keawe Street Apartment, and wants to...when the State granted land and million...and 5 million, he wants to use the same style for that financial model to do it again on Lānaʻi. Lānaʻi's affordable housing is "low-hanging fruit" as the County already owns the land. And may I mention, in the 2016 Lānaʻi Community Plan on page 11-1, it states that the Countywide Plan specifically addresses affordable housing to ensure that an adequate and permanent supply of affordable housing, both new and existing units, is made available for purchase or rental to our residents and workforce population. . . .*(inaudible)*. . . providing houses for low- to moderate-family incomes. This was written in 2010. We have not seen new affordable housing on Lānaʻi in 30 years, and my community is suffering because of it. I ask for this proposal today because the timing and the critical timing as the company prepares for its long awaited upcoming workforce housing project called Hōkūao. The DHHL, which has land next to the County's, is already working with Ikaika Ohana in Kona, and could replicate the same model on Lānaʻi. And all three developments could be sharing in the cost of infrastructure, bringing the price down for them, in turn for the hardworking people. Timing is everything, and the time is now. Please support this proposal and give Lānaʻi residents a real chance at affordable housing. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Anyone else wishing to speak to the motion? And the current motion...Member Sinenci, followed by Member Molina. And the current motion is to reduce the funding from 2 million to 500,000, that's the...the motion on the floor, and it sounds like Member Johnson wants to amend the motion to 5 million?

COUNCILMEMBER JOHNSON: That is correct, Chair.

CHAIR RAWLINS-FERNANDEZ: And Member Sinenci has seconded the motion to amend the main motion. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, listening to Councilmember Johnson and...and looking at...we had a lot of testimony this morning, Members, from...from people that if we're not going to do it now, we're...we're not going to be able to...to leverage it in. And hopefully with, you know, an injection of Federal funds, you know, this is where we need to...as...as this Council...again, we've been at critical mass for years now, that with the mass exodus of our young families out to the mainland. I mean, we're...we're not going to be able to retain them if we don't act now. So I'm going to support Member Johnson's amendment right now. I believe there is a model by Ikaika Ohana that we were also looking forward to, a rent-to-own model where it can quickly put young families, particularly young families in...into homes and...and they can still, even though that they'll pay at their income rate, but for 15 years of rent first, they could



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still establish credit and...for the first 15 years, and then the option to buy after 15 years. I think this is a...we've seen...we haven't seen a model like this that could quickly get our young families into homes. So I'm going to support his motion. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sinenci. Budget Director Yoshimura?

MS. YOSHIMURA: Chair, okay, I can share a little bit more information with you. So after speaking with the departments, it's a project...it was a 201H project that was approved back in 2010. There was 73 acres, Lānaʻi City, a contract was issued to Munekiyo and Hiraga in 2017 for planning and design. The contract expires August of 2021, so the design and planning should be done by then. And that's what the...and then the \$2 million would be moving forward to continue development of that parcel.

CHAIR RAWLINS-FERNANDEZ: Okay. Do you have specifics on what development the 2 million would be used toward?

MS. YOSHIMURA: I'm not sure if it'll be...sorry, I don't have exact information. I contacted the Department, they were serving on a panel this...this afternoon, so I can try to get more information from the Department and provide that to you. But it seems as though it's a County project, not...not something that we would be putting out to bid at this time.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. And then lastly, one of the Members asked about entitlements, if it's appropriately zoned or if it would need to come to Council for a Change in Zoning.

MS. YOSHIMURA: Okay. I will check on that too.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. Okay. Member Molina, followed by Member Paltin.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Now I'm somewhat on the fence with this amendment...proposed amendment with...and I was just kind of thinking off the top of my head. Now that it's been...the revelation has been made that we have a developer that could be ready to go, a very reputable one, maybe just...I'm just throwing out a consideration, leave the 2 million earmarked for a Lānaʻi affordable housing project, and then take the subject matter to Mr. Johnson's Committee where we can vet it out as, I assume, a 201H project. And then maybe through your Committee at a later point, Madam Chair, the additional 3 million could be considered if that's what is needed. So you know, I'm just trying to think of some...some ideas here, how we can reach the objective. So those are my thoughts, Madam Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Paltin, followed by Member Johnson.

VICE-CHAIR PALTIN: I'm kind of in agreement with Member Molina a little bit. Like you know, I'm...I'm totally supportive of affordable housing on Lānaʻi, the...I just am not sure like,

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you know, the...the details. Like is this tied to conditions in Ordinance 2140, the Koele Project District? Is that how we got the land? Like where is the land? Is it adjacent to Lower Wailua (*phonetic*)? Because that one, I think 115 acres are...were given. And I just want to be sure that if...if this was land given to the County as part of a Change in Zoning, that we're in compliance with all of the conditions, and the County is getting the full amount of what was promised. Like you know, Member Johnson is saying we have 73 acres of land, how did we get it? Were there other conditions that aren't being complied with that are owed to us? Because you know, how we've seen in compliance reports like all these things, and then people just were like, oh, we were supposed to get a police station? Oh, we were supposed to get this? So I'm...I'm supportive, I just want to ensure...like I'm not sure where the land is that we're talking about, and I'm not sure all the...all the conditions in zoning have been complied with, and that we're getting the full amount of what we want. I'm not sure what...where the land is. But you know, with these added details, I'm sure I would, you know, support the full 5 million. But I feel I'm...I'm voting or deciding on something, authorizing something right now that I have no idea about, and I feel a little nervous about that. I mean, I...I totally trust Member Johnson, just saying like maybe there's more that we were owed that we're not in compliance with conditions and Change in Zoning on. And I guess so my...my...is this a condition number two . . .(*timer sounds*) . . . of Ordinance 2140?

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Okay. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. If I may respond to some of those questions. So I...I spoke with...with Director Linda Munsell, and she said this will be going out to a request for proposal. So that's kind of where I'm coming from, is that we want to show that the nonprofit developer, that we're serious about putting this up. So Doug Bigley is saying we need \$5 million to leverage it, so if we don't ask for nothing, we're not going to get nothing. So that's...that's where I'm coming from. The 73 acres was given and approved for a 3,300...or a 372 affordable housing units. That's from my...from my community plan that we had worked on for years. So we keep hitting these roadblocks. And I...I know that now is the time to do this. That...the...some of those questions that you asked me, Councilmember Paltin, are going to be vetted out in our community here. I don't want to tell them it's 372 units if they don't want 372 units. Doug Bigley has told us in the past that he works with the community first, so it's really hard for me to answer this is exactly what he wants or...I mean, because he's going to go to the community. The community is going to decide if this is 372 exact units. But he said...told me and has told the community that 30 to 60 percent AMI, and that's...that's beautiful. Those are good numbers. Those are what the community of this town needs.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. I saw Member King and Member Sinenci with their hands up earlier. Did you still want to speak to the motion to amend the main motion?

COUNCILMEMBER KING: Yeah...well, I guess I still had a question. I think it was partially answered because I was going to ask who was going to actually develop it, but we don't know that yet because it has to go out to bid. So...and I love Doug Bigley, I think he's

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done wonderful things for our community, but there's no assurance at this point that he's going to win this bid. So that would be my first concern, and how long it would take. You know, and we would still want to know that we were comfortable with whoever did win the bid and what their plans were before we went to 5 million. And so you know, my thought is I would support keeping that 2 million if we're...as far along as it sounds like we're at, and then adding more once we get...you know, it could take us a year to get...to see a plan for this...the...the number of units. You know, it hasn't gone out to bid yet, once it does go out to bid then the new developer...the plans are not...the plans weren't...weren't...were the plans created by Munekiyo and Hiraga, and we're just waiting to find someone to build the plans according to their specs? Is that where we're at? We...we don't have...

CHAIR RAWLINS-FERNANDEZ: Would you like Member Johnson to answer your question?

COUNCILMEMBER KING: Well...yeah, if you can.

CHAIR RAWLINS-FERNANDEZ: Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for the question, Councilmember King. I...I just want to reiterate that Doug Bigley has worked with Munekage [sic] in the past, out of Kona among other projects, and he's willing to work with them. But yeah, it's...it's going to be three phases. So the...you know, we've had Doug Bigley come out here and talk to us, and he's really kind of reserved in giving those kinds of answers because they have a formula. So they're...and they...and they base it off of the community input. So...but yeah...

COUNCILMEMBER KING: Right. But we've never...but, Member Johnson, we've never approved the money for his projects out of the Affordable Housing Fund until he's come to us and gone over the plans with us and we know exactly what we're getting. So that's where I'm a little bit hesitant. Because first of all, we have to know that he's getting it, that he's going to...he's going to win the bid. But...but my question is, if Munekiyo was given a contract to...to design the project, then we still haven't even seen their designs. So if they...I'm asking if...if they were contracted to design it, then is it designed . . . (timer sounds) . . .

COUNCILMEMBER JOHNSON: I'm...I'm sorry, can you --

CHAIR RAWLINS-FERNANDEZ: Mahalo...

COUNCILMEMBER JOHNSON: -- ask...can you ask that...

CHAIR RAWLINS-FERNANDEZ: The time is up. Budget Director Yoshimura?

MS. YOSHIMURA: Chair, sorry. After further discussion with the Department, I'll stand corrected, the Munekiyo contract was to assess the capacity of the parcel and do updated approvals for the 201H project, and looking at the parameters for the first phase. So that's what Munekiyo was contracted to do. And look at the entitlements,

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the parcel was at one time Ag, and it got approval to reclassify to Urban back in 2007, and that's the 73-acre parcel. So Chair, sorry I don't have too much information for you. I am trying to have the Director respond with more information. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. Yeah, I...I prefer not to do committee work during Budget Session, and prefer to have plans presented to the Council in Committee so that we can have a full discussion with the department, with the planner and not be constrained by the timing of Budget Session itself. Okay. Anyone else wishing to speak to the motion? I think, Member Johnson, you spoke twice already. Member Sinenci?

COUNCILMEMBER SINENCI: Yeah, thank you, Chair, for the opportunity. And in...in my recollection, I did meet with Ms. Nunokawa of Hiraga and Munekiyo, so we did meet about the...the current planning of this particular project. I...I was supporting Member Johnson because the model that Ikaika Ohana has, the amount of leveraging that Ikaika Ohana can do with Federal funding and State funding, DHHC funding, he can...the project...you know, it's 90 percent that he can pull it off on, on...on Lānaʻi particularly. So...but I'm...I'm okay with keeping the...the 2 million for what it was designed for until...until we can hear back from Munekiyo and Hiraga. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Chair Lee?

COUNCILMEMBER LEE: Yeah. I...I wouldn't be able to support maintaining \$2 million here when there could be some other worthy project that is shovel ready that could use it in the immediate future. I...I have no doubt that Member Johnson will stridently go after a project on his island. But...but frankly, there is no project right now, and...and there's a lot of speculation about who may or may not be the developer who may or may not use similar designs as in Lāhainā. So all the speculation and really, not having anything concrete at this point, and yet we're willing to put away...put aside \$2 million when another project could use it, I really can't vote in favor of that. The most I can vote in favor of is setting aside perhaps 500,000 for...to complete the plans or the update for the project. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Anyone else wishing to speak? I think most of us have spoken. All right. For a lot of the reasons that the Members have cited, I...I cannot support putting more than 2 million into the Affordable Housing Fund at this time. It sounds like the ball has been...has already started rolling. Member Johnson, good job in working with the developer and the Department. I'm really excited about plans moving forward and having a fuller discussion in your Committee outside of Budget Session. I'm very hopeful because I know how enthusiastic and passionate you are about this. You know, it's...it's...it's really unfortunate how long everything takes. Permitting takes so long, entitlements take so long, but I know you have the commitment and dedication to see it through. So in this year, while we anticipate receiving the study or plan back from Munekiyo and Hiraga, while you continue to work with Ikaika Ohana and the Department in...in figuring out what the plan will be, and then the Council can discuss it together and support it together. Because I...I...it sounds like everyone wants to see affordable housing increased on Lānaʻi. There's no

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doubt about that, we all want that, but it's really hard to support putting a lot of...a lot, a lot of funding, \$5 million reserved for this project that doesn't have legs yet, and so therefore, I cannot support 5 million, but I...I can support the 2 million remaining there. I would vote against the motion to amend, and then against the main motion. All right, I'll call for the question. All those in favor of the...Member Molina?

COUNCILMEMBER MOLINA: Yeah. Yeah, Madam Chair, so again, if you could restate the amendment. Now, Chair Lee put in a \$500,000 amendment, and then Member Johnson then proposed 5 million instead of...okay. All right. So he made an amendment to the amendment. Okay. So we're voting on the 5 million. Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: There's just...there's a main motion and then there's motion to amend. So the motion to amend is to condition \$5 million for the Lānaʻi Affordable Housing Project. So that's the vote that we're going to take right now, and then if it passes, that'll be the main motion. If it doesn't, then the main motion is to reduce the 2 million to 500,000, okay, but we're going to take it one motion at a time. And the first motion is to condition \$5 million for the Lānaʻi Affordable Housing Project. Okay. All those in favor of the motion, please raise your hand and say "aye." Oh, Member Johnson, are you voting?

COUNCILMEMBER JOHNSON: I'm voting, but I got things to say, but I'm voting.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. All those in favor of the motion, please raise your hand and say "aye." I see Member Johnson. All those opposed, please raise your hand and say "no."

COUNCILMEMBERS: Raising their hands in opposition.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Let's see. Five...five [sic] "noes." Okay. So one "aye," Member Johnson; and five [sic] "noes;" two excused, Member Sugimura and Pro Tem Kama.

<b>VOTE:</b>	<b>AYES:</b>	<b>Councilmember Johnson.</b>
	<b>NOES:</b>	<b>Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers King, Lee, Molina, and Sinenci.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Councilmembers Kama and Sugimura.</b>

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: So we're back to the main motion which is to reduce the

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Mayor's proposed \$2 million condition in the Affordable Housing Fund to 500,000, and I think most everyone spoke to the main motion as well. So I'll call for the question to reduce the 2 million condition to \$500,000. All those in favor of the motion, please raise your hand and say "aye." Okay. Chair Lee. All those opposed, please raise your hand and say "no."

COUNCILMEMBERS: Raising their hands in opposition.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Six "noes;" one "aye," Chair Lee; two excused, Member Sugimura and Pro Tem Kama.

**VOTE:       AYES:       Councilmember Lee.**

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

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmembers Kama and Sugimura.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Okay. So I'm going to now vote on the proposal from the Mayor because I don't think there's consensus, unless there's consensus. Is there any objection to leaving the \$2 million as proposed in the Affordable Housing Fund?

COUNCILMEMBER KING: You need a vote.

CHAIR RAWLINS-FERNANDEZ: Okay. So I'll take the vote. All those in favor of the Mayor's proposed \$2 million condition in the Affordable Housing Fund for the Lānaʻi Affordable Housing Project, please raise your hand and say "aye." All right, I see five "ayes." Okay. All those opposed, please raise your hand and say "no." Okay. I see two "noes," Chair Lee, Member Johnson. Five "ayes;" two "noes," Chair Lee, Member Johnson; two excused, Member Sugimura and Pro Tem Kama. Motion passes.

MS. BOUTHILLIER: Excuse me, Committee Chair. On that last motion, who...who's the...the movant and the second on that one?

CHAIR RAWLINS-FERNANDEZ: There was no motion.

MS. BOUTHILLIER: It was just a consensus?

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CHAIR RAWLINS-FERNANDEZ: I was asking for consensus. Yeah.

MS. BOUTHILLIER: Okay. Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: It was not consensus...

MS. BOUTHILLIER: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: All right, for a matter of procedure, does anyone want to make that motion? Does anyone want to make the motion to leave in the 2 million that the Mayor proposed? Member Paltin?

COUNCILMEMBER SINENCI: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. And then seconded by Molina. Okay. So the motion to keep the 2 million for the Lānaʻi Affordable Housing Project was made by Member Paltin, seconded by Member Molina. The vote was five “ayes;” two “noes,” Chair Lee, Member Johnson; two excused, Member Sugimura and Pro Tem Kama.

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

**NOES: Councilmembers Johnson and Lee.**

**ABSTAIN:       None.**

**ABSENT:           None.**

**EXC.: Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION: APPROVE**

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Bouthillier. Next time I'll make the motion first. All right. The third condition under the Affordable Housing Fund is for up to 650,000 for the acquisition of the property located at 266 Dickenson Street, Lāhainā, Maui. Okay. Is there a motion to keep it in, to take it out, to amend the amount? My preference is...would be to remove it. I would entertain a motion to remove the third condition for \$650,000 to...to purchase 266 Dickenson Street.

COUNCILMEMBER SINENCI: Second for discussion.

COUNCILMEMBER LEE: Second for discussion because I sure would like to know why.  
*... (laughing) ...*

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COUNCILMEMBER KING: I think she needs a motion first before a second.

COUNCILMEMBER LEE: Okay. I move, I move...well, wait a minute.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER LEE: So nobody moved.

CHAIR RAWLINS-FERNANDEZ: No, you can vote against it. Don't move. . . .*(laughing)*. . .

COUNCILMEMBER LEE: All right, I won't move.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci, do you want to make that motion? I heard you say second, and I heard two seconds.

COUNCILMEMBER SINENCI: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Sinenci, seconded by Chair Lee for discussion, both for discussion, and you can vote against your own motion procedurally. Okay. So I...I would like to...my preference to remove that is so that...for the same reason, I would like a presentation in Committee. I don't know the details about this. This was just sprung on us in budget. Okay. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Just more a procedure matter as it relates to Chair Lee as the movant. So she cannot...if she's going to vote against her motion, she cannot debate yeah, or...or openly come out against it, yeah, since she made the, you know, the motion?

CHAIR RAWLINS-FERNANDEZ: Member Sinenci made the motion.

COUNCILMEMBER MOLINA: Oh, Member Sinenci made the motion. Okay. Well, in Member Sinenci's case, he cannot...if he decides to vote against the motion then he cannot debate then, right?

CHAIR RAWLINS-FERNANDEZ: He cannot speak against the motion, but he can vote against it.

COUNCILMEMBER MOLINA: He can vote against, but cannot speak against, correct. Okay. Yeah, just wanted that clarification. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Member Paltin?

VICE-CHAIR PALTIN: Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR PALTIN: Oh. So the information that I have, if...if you don't know what's...if you



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don't have the information, I think a handful of us did the site visit in Lāhainā and had the Committee meeting in Lāhainā. And I guess what happened was the Planning Department gave wrong information to the landowner three times. We had this in Committee, we didn't go into executive session because we were at, I think, maybe the Kaunoa Senior Center and Galazin at the time didn't think it was a secure location. Member Molina asked the landowner to follow up with the school and the PTA. To my knowledge, that hadn't happened. I think at one point, the consultant mentioned that they would sue the County because of wrong information given, and nobody wanted to get into a large lawsuit, Montana Beach situation, or whatever. And so this, I think, was...the outcome was the County would buy it so that there's no legal implications with the Planning Department giving wrong information. Although it was never clarified that we would be liable...or I mean, it was never asked in executive session the information. So that's the information that I have, and I'm not opposed to clearing my master agenda so...and lawsuits and whatnot. So I'm generally supportive.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member King, was that you? No. Oh, okay.

COUNCILMEMBER KING: Yes, it was. Thank you. I --

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

COUNCILMEMBER KING: -- I'm...I'm kind of confused because it says that the money is going to be granted to Ke Ao Hali'i for land acquisition, but I thought Member Paltin said we...we're buying the land for the County?

CHAIR RAWLINS-FERNANDEZ: No, it's number three, the Dickenson Street.

VICE-CHAIR PALTIN: The next page, on page 47.

COUNCILMEMBER KING: Oh, I'm sorry. I'm not...I'm looking at the wrong thing. Okay. Never mind. Sorry. I'll take a look at...

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. Okay. I'll use my second time to speak. Oh, oh, okay. So Member Paltin, I...I was in PSLU then, and I'm in PSLU now, and I went to that meeting in Lāhainā. I know the details of this (*audio interference*) but I haven't seen an appraisal, I haven't seen any like, you know, legal documents with the agreement on this is what we will settle for. I...I just want it presented in Committee. This is not something that Council is asking for, this is something that the Administration is asking for. So after we adopt the budget, the Administration has all the power to amend the budget to add the 650,000 after we have an opportunity to receive the information in Committee. And I'm happy to...to take this up and hear the details, see the appraisal, see how they determined 650,000, and...and then we can vote on the budget amendment to include this in the Affordable Housing Plan. But until that time, I...I don't feel like I'm being fiscally responsible by approving this amount because it won't come back to us again. Once we approve it, then we're authorizing the acquisition of it for...for up to 650,000, I'm not comfortable with that. Okay. Chair Lee?

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COUNCILMEMBER LEE: I have a question for Member Paltin. What information was incorrect from the Planning Department that impacts this particular purchase or...yeah, the payment of 650,000?

VICE-CHAIR PALTIN: The zoning was incorrect. They thought they could build a three-story, nine-unit apartment or something, and it's not zoned for that.

COUNCILMEMBER LEE: So what is this money for then? It's for a project, right?

VICE-CHAIR PALTIN: It's to buy the land from the landowner that got wrong information.

COUNCILMEMBER LEE: Oh, I see. Oh, this is almost like a settlement thing?

VICE-CHAIR PALTIN: Yeah. I think it was a request from Member Sugimura.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: And that is why it should go to Committee. Member King?

COUNCILMEMBER KING: Just to be clear on what parcel this is, is this the one that was supposed to be an apartment building that we went to? Okay. Now I'm clear. I was there...I was there as well. I had no idea that something happened and that we were going to be buying the property. So I agree with Chair Rawlins-Fernandez that we should...we should at least have had Corp. Counsel bring this as a settlement issue to the GET Committee if that's what we're trying...if we're trying to buy this in response to a settlement that's usually the process, you know, and don't just put in the budget and pass it with...without us knowing what actually happened.

CHAIR RAWLINS-FERNANDEZ: Anyone else speaking...would like to speak to the motion? If not, I will call for the question, and the motion is to remove the \$650,000 for the acquisition of 266 Dickenson Street, and the BFED Committee will take this up after Budget Session for a full discussion, and accept a potential budget amendment at a later time to include this if that's what the Council approves. That's the motion. All those in favor of the motion, please raise your hand. Aye. It's to...to remove the 650. Okay. So Chair Lee, Member King, Member Johnson, and myself. Okay. And then those that oppose, raise your hand and say "no."

COUNCILMEMBER SINENCI: Chair, did I...

CHAIR RAWLINS-FERNANDEZ: Member Sinenci? You said yes?

COUNCILMEMBER SINENCI: Was Member Molina...yeah, that was...if I could, right, did he say that I can...

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay. All right. And then those opposed, Member Molina, Member Paltin? Member Molina, how are you voting?

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COUNCILMEMBER MOLINA: I was kind of on the fence, but I didn't want to see my colleague from West Maui stand alone on this so...and no disrespect to your recommendation, Chair, so I can understand, but I kind of lean towards Member Paltin. I understand her sentiments for this, so I'll be a no.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER MOLINA: Yeah, thank you.

CHAIR RAWLINS-FERNANDEZ: Five "ayes;" two "noes," Member Molina, Member Paltin; two excused, Member Sugimura and Pro Temp Kama. The motion to remove the 650...650,000 passes.

**VOTE:        AYES:        Chair Rawlins-Fernandez, and Councilmembers Johnson, King, Lee, and Sinenci.**

**NOES:        Vice-Chair Paltin and Councilmember Molina.**

**ABSTAIN:       None.**

**ABSENT:        None.**

**EXC.:        Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:       APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay. The fourth condition under the Affordable Housing Fund reads up to 3,025,442 must be for a grant to Ikaika Ohana for land acquisition, planning and design, new construction, and reimbursement of entitlement work done by the land's sellers for a 56-unit, multifamily rental project for the Kaiaulu O Halelea Phase 1B project in...at Lipoa Parkway, Kihei. The project will include six units at or below 30 percent AMI, 6 units at or below 40 percent AMI, 43 units at or below 60 percent AMI, and 1 unit for an onsite property manager. The affordable period...affordability period is 65 years. Consensus? Unless there's a motion for something else.

COUNCILMEMBER SINENCI: Consensus.

CHAIR RAWLINS-FERNANDEZ: Member Paltin? Objection?

COUNCILMEMBER LEE: Not listening.

VICE-CHAIR PALTIN: I had a question.

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CHAIR RAWLINS-FERNANDEZ: Okay. Is it for Budget Director?

VICE-CHAIR PALTIN: I think so, yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. Please proceed with your question, Member Paltin.

VICE-CHAIR PALTIN: Does this project need any further authorization for the Council or would...this will release the money? Like a Change in Zoning or anything?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, thank you. I think this would allow for release of the funds. I don't think there's any more approvals. I'm not 100 percent sure, but they did come before you for the first phase, 1A, for the funding, and this is just to continue their project.

VICE-CHAIR PALTIN: Okay. Thank you. I'm ready to vote.

CHAIR RAWLINS-FERNANDEZ: Okay. Members, consensus? Member Molina? Okay. Okay. Number five, up to 4,665,660 must be for a grant to Hawaiian Community Development Board for land acquisition for a 96-unit senior rental project for the Hale O Pi'ikea II located at Pi'ikea Avenue and Liloa Drive, Kihei. The project will include 10 units at or below 30 percent AMI, 19 units at or below 50 percent AMI, and 68 units at or below 60 percent of the AMI. The affordability period is 61 years. Is there a motion or consensus? Member Paltin, you have a question? Okay. Please proceed.

VICE-CHAIR PALTIN: Same question for the Budget Director. I just would like to know before I vote. Sorry.

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, Pi'ikea, this project needs an SMA Minor, and it's in process right now.

VICE-CHAIR PALTIN: The...the...no Change in Zoning?

MS. YOSHIMURA: No Change in Zoning.

CHAIR RAWLINS-FERNANDEZ: Member Paltin? Okay. Number six, up to 6 million must be for a grant to Highridge Costa Development, LLC for the planning, design, and new construction for a 120-unit multifamily rental project for the Waiehu Apartments Project located at Kahekili Highway, Waiehu, Maui. The project will include 7 units at or below 30 percent of the AMI, 112 units at or below 60 percent AMI, and 1 unit for an onsite property manager. The affordability period is 60 years. I don't believe we've heard this project before. Member Paltin?

VICE-CHAIR PALTIN: Same question for the Budget Director, please. Would it require a

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Change in Zoning?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, I'm not sure on this one. I think this one was heard by the Affordable Housing Committee, but let me check with the Department.

VICE-CHAIR PALTIN: If it was...I think it was still in ag...do you know if it's proposed to be a 201H, or if...if it's an ag, then it still needs to come either to PSLU for a change in zoning, or affordable housing for the 201H process.

MS. YOSHIMURA: Chair. Councilmember Paltin, I'm not sure. I'll check with the Department. Could I request that you defer this one to the end of the list, and then I'll get back to you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. So I won't ask for a consensus on that one because I want to have that one removed. So I would like to vote against that. Okay. But we'll defer that one for now. Number 7, up to \$2 million must be for a grant to Na Hale O Maui for land acquisition, foreclosure or abandoned building acquisition, rehabilitation, and new construction for six for-sale single-family homes, including three units at or below 100 percent of the AMI, and three units at or below 120 percent of the AMI. The affordability period is in perpetuity. Is there a motion? Member Paltin, same question?

VICE-CHAIR PALTIN: So moved, but yeah, I have a question. Not same question, but if it's shovel...if this is like shovel ready, are they ready to move on these things? So I guess different question.

MS. YOSHIMURA: Chair. Councilmember Paltin, I believe the Executive Director for Na Hale said they haven't identified the projects...the exact parcels yet or property, but they were asking for an appropriation for...when housing does become available, they would pursue the purchase. And I believe they have other sources of funds that will go along with this.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: Can we do like the thing where we approve it, but they need to come to us for authorization or no, that's not a thing?

CHAIR RAWLINS-FERNANDEZ: I mean, I guess we could make that a condition. Budget Director.

MS. YOSHIMURA: Chair, I think there was proposals like that before, where the Administration would have to come back with the Resolution, but let me take a look at prior budgets and I can give you an answer. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. All right.

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VICE-CHAIR PALTIN: (audio interference) \$10 too. Now I'm going to have to give Ms. Yoshimura \$10 like Chair Lee too.

CHAIR RAWLINS-FERNANDEZ: (laughing) Yeah. So Staff has reminded me that we did do something similar with Ke Ao Hali'i and the purchase of Mokae and Maka'alaie when we wanted a management plan. So we put that condition in the earmark for Ke Ao Hali'i, to have them present to Council the management plan before we released the funds. Okay. All right. So I will defer decision...I'm sorry, Member Paltin.

VICE-CHAIR PALTIN: That would be my preference...like give them the money, but ask for authorization before they spend it, just so we know.

CHAIR RAWLINS-FERNANDEZ: All right. Would you like to make a motion?

VICE-CHAIR PALTIN: I would like to move to approve number 7, with the condition that they come before Council for authorization...release of funds for authorization with like more information.

CHAIR RAWLINS-FERNANDEZ: Okay. Motion by Member Paltin. Second by Member Sinenci. Okay. Members, any further discussion? Member King.

COUNCILMEMBER KING: Thank you, Chair. So there's nothing...they have no property identified at this point, they're just asking to hold \$2 million out of the Affordable Housing Fund, in case they find something. I'm having a little bit of a problem with that because, you know, like the other projects that we're saying we would like to see exactly what we're getting before we approve it. And, you know, we all love this organization, Na Hale O Maui is great, but there's a lot of great organizations. Doug Bigley is great, and we're not putting money out there just, you know, so that sometime in the future he can access it. So I...you know, I think we should be fair with all of these projects that if we haven't vetted them, and seen the plans, and know exactly what they're doing then, you know, they should...when they find something, they should come to us and then ask for the money.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak the first time to the motion? All right, Member Paltin.

VICE-CHAIR PALTIN: Well, I just was thinking the opposite because isn't that what we just did with Lāna'i's \$2 million...like we kind of approved it, and then we just want more information in Committee. So I thought that was being consistent, but I could be wrong.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Anyone else wishing to speak to the motion?

COUNCILMEMBER LEE: What is the motion again?

CHAIR RAWLINS-FERNANDEZ: The motion is to approve the earmark for \$2 million for Na

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Hale O Maui for land acquisition, foreclosure, abandoned building, rehabilitation for construction for six for-sale single-family homes with a condition that Na Hale O Maui . . . *(timer sounds)* . . . return to Council to...for approval before accessing the funds. Member King.

COUNCILMEMBER KING: Okay. Thank you for my second and final. I just wanted to say that one of the things that...why I approved the Lāna'i \$2 million so that Budget could move forward and we can issue an RFP. Because I think if there's no money in there, we can't do that. But what I don't...what I would not want to have happen is if we hold \$2 million for Na Hale O Maui and nothing comes up in the next year, and then we can't spend it on another Affordable Housing Project that might come shovel ready, which is what we're hoping Member Johnson's Committee might get to . . . *(inaudible)*. . . So without...you know, we already have an identified piece of property with the Lāna'i Project, we don't even have anything identified for that Na Hale O Maui Fund, \$2 million, so that's just what's my position where I'm coming from. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Member Molina.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Can I ask Corp. Counsel a question as it relates to how long...I mean, are there any stipulations that...okay, if we earmark these funds for a certain project, is there a length of time that these monies that have been earmarked they have to be used. Like we just dealt with Lāna'i, and it's been sitting there for five years and, you know, it could be a reoccurrence with other proposals in the future. You know, you earmark \$2 million for Project XYZ, then nothing happens for a year, two years, and it keeps going on and on and on. Is there anything in our Ordinance that establishes a time limit that the funds have to be used by the...I guess the grantee or so, whoever we're earmarking it for?

CHAIR RAWLINS-FERNANDEZ: Ms. Toshikiyo.

MS. TOSHIKIYO: Yes, thank you. I think that it would be for the fiscal year, and that would be the more prudent way to approach this. You're talking about if you earmark the funds for Fiscal Year 2022?

COUNCILMEMBER MOLINA: So in other words, every year it has to just be revoted on to keep the funds in there. So if they didn't get the project done in a year, during that fiscal year, and it's still sitting there...so the Council again has to just vote on it every year?

MS. TOSHIKIYO: Yes. That's my understanding, yes.

COUNCILMEMBER MOLINA: Okay. So basically, the Council would have to come up with their policy if they choose to write...like set a limit. Like, you know, if you don't use these monies within five years then, you know, it's opened up...the proviso is lifted, I guess, yeah. Anyway, thank you, Corp. Counsel, I appreciate it. Yeah, so thank you Madam Chair. That is something that just kind of crossed my mind. Now, I don't know if we need to establish a policy down the road with regards to this fund for monies that's been earmarked and not used, so we don't have, you know, monies just sitting there for

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five years earmarked for someone who is not able to use it, yeah. So anyway...thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Anyone else wishing to speak for the first time . . . *(timer sounds)*. . . to the motion. Okay. Member Paltin.

VICE-CHAIR PALTIN: I think I'd like to withdraw my motion based on information from Deputy Director Munsell. She mentioned that Na Hale O Maui would have a hard time competing with a cash buyer, which we know there's choke of them coming here and purchasing properties that are going into mortgage foreclosure, and that the mortgage or the eviction moratorium and all of that is ending. So I'll just...I'd like to withdraw my motion and...and support the amount because affordable in perpetuity, and they're accountable to the community and instead...or amend it to have a transmittal to the Council.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci, did you make the second? I don't remember who made the second, was it Chair Lee?

COUNCILMEMBER SINENCI: Yeah, I'm sorry. Yeah, I did...I thought it...so the motion was to remove the \$2 million, Member Paltin?

CHAIR RAWLINS-FERNANDEZ: No. No. The motion is to...sorry, Member.

VICE-CHAIR PALTIN: Amend.

CHAIR RAWLINS-FERNANDEZ: Okay. The motion is to keep \$2 million...so earmark \$2 million for Na Hale O Maui. Initially Member Paltin...her original motion was to condition the release of funds to a presentation and approval by Council, but now Member Paltin would like to amend her motion for just a notification transmittal to Council. . . . *(timer sounds)*. . .

COUNCILMEMBER SINENCI: I can support that.

CHAIR RAWLINS-FERNANDEZ: So if you were the seconder then...okay. All right. Anyone else wishing to speak to the motion? Chair Lee.

COUNCILMEMBER LEE: I support that motion because Na Hale O Maui has been very consistent in following through on their purchases, et cetera, and their money has never been unused. So I can support this. Thank you.

CHAIR RAWLINS-FERNANDEZ: All right. Okay, and seeing no other hands, I'll share my thoughts on the motion. Okay. So I'm against the motion. I would've voted to remove the \$2 million and ask the Budget Director to do a Budget amendment later after we had time to discuss it in Committee. After hearing or being reminded about the potential wave of foreclosures and evictions that could be happening after the moratorium ends, I would support this one-time allocation, or one-time condition of 2 million in the Affordable Housing Fund, with the condition of notification transmittal to Council, but



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I would need one more thing if Member Paltin would entertain. It's for Fiscal Year 2022, and then it expires. And then that way we can review it, and it's not going to remain in the Affordable Housing Fund for longer than the year, as Member Molina brought up. Okay. Member Paltin is amendable to that motion...amendment to her motion and Member Sinenci accepts that as the seconder. Right? Oh, Member Paltin. Member Paltin.

VICE-CHAIR PALTIN: Okay. I just also...I'm just requesting of the Administration and Na Hale, and it's not like conditional or anything, that they just, you know, communicate with us and let us know what's going on early in the game and just no surprises or anything. It's not . . . *(inaudible)*. . . or a requirement, it's just a friendly request.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Budget Director.

MS. YOSHIMURA: Chair, just for clarification then. So you want this to be a proposal that'll...if we enter into a grant agreement with them for \$2 million, it expires June 30, 2022, without an extension. Is that what you're indicating? Because once the money gets encumbered, then it wouldn't...we could extend the grants, right, so I just want it to be clear on that.

CHAIR RAWLINS-FERNANDEZ: Mahalo for the question on clarification, Budget Director. Yes. I would like the remaining funds...you know, I...it would be great if they used the entire 2 million, and . . . *(inaudible)*. . . a lot more for their inventory I would fully support that, and I hope the 2 million is spent in this next fiscal year. But whatever remaining . . . *(inaudible)*. . . funds we can revisit that in the next Budget session, and if they need more funding, we can approve it at that time. Okay.

MS. YOSHIMURA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. All right. I will call for the question. All those in favor of the motion...and I'll repeat the motion. It's to approve the 2 million to Na Hale O Maui, number 7, with the condition of Na Hale O Maui transmitting notification to the Council. And this grant would expire on June 30th, 2022, without the opportunity of an extension. Okay. All those in favor, please raise your hand and say "aye." All right. I see Member Paltin, Chair Lee, Member Sinenci, Member Molina. All those opposed, please raise your hand and say "no." Okay. Member King, Member Johnson. Okay. So five "ayes"; two "noes"; two excused - Member Sugimura and Pro Tem Kama. Okay.

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

**NOES:**            **Councilmembers Johnson and King.**

**ABSTAIN:**        **None.**

**ABSENT:**         **None.**

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**EXC.: Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION: APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay. There's one more, but it's way past our usual time that we take a break. So would you like to take up this last one and then take a break, or would you like to take our break now? One more. Okay. All right. The last one is number 8, up to 660,000 must be for a grant to Catholic Charity Housing Development Corporation for planning and design of a 179-unit multi-family rental project for the Hale Pilina project, located at Puunene Avenue, Kahului, Maui. The project will include 18 units at or below 30 percent of the AMI, 18 units at or below 50 percent AMI, and 142 units at or below 60 percent AMI, and one unit for an onsite property manager. The affordability period is 61 years. Is there consensus? Oh, questions. Member Paltin and Member...okay. Member Paltin.

VICE-CHAIR PALTIN: I guess my question would be for Ms. Yoshimura, if this project would need further Council approval like change in zoning, or 201H, and if...you know, since this is only planning and design, are they locked into these numbers, like they got to do 142, 60 percent and below and all those things, regardless of what their planning and design comes out to be? Those would be my two questions.

CHAIR RAWLINS-FERNANDEZ: Budget Director.

MS. YOSHIMURA: Chair, thank you. It will require additional Council approval. This is a 100 percent project subject to 2.97, which is the Residential Workforce Housing Policy, and they are currently doing their environmental assessment. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. All right. Anyone else wishing...oh, Member Paltin. Oh, okay. What's your second...

VICE-CHAIR PALTIN: The second question about if they're locked in to those numbers.

CHAIR RAWLINS-FERNANDEZ: Budget Director.

MS. YOSHIMURA: If they are locked into the numbers that was provided in the description? I'm not sure if they're locked into those numbers, it would be subject to the income limit set by the funding that they get. So I guess it's still...it could be adjusted.

CHAIR RAWLINS-FERNANDEZ: Okay. Is there a motion or consensus? All right. All right, and we'll see this project again, it'll have to come before Council. All right. Yeah. And just a flag that there's a typo in number 8...18 units. It says "unites" at or below 50 percent. Minor typo. So I guess if we can make that amendment before we adopt it, it'll make all the difference. Okay, it's 3:20. Members, do you want to take a break now?

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You want 10 minutes or 15?

COUNCILMEMBER LEE: 15.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KING: Chair? Chair.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: I was going to propose that we take 20 minutes because we have to have our District Fund request in by 4:30. So if there is anybody else like me that needs a few minutes to work on that to get it to you. Is that still a requirement? I think your...

CHAIR RAWLINS-FERNANDEZ: Yeah, the deadline is at 4:30. All right. We may be here past 5:00, just to let Members know. Okay, Member Paltin.

VICE-CHAIR PALTIN: Oh, did we want to go back to the Highridge Costa one or...just wondering what we were...did she mean end of the..

CHAIR RAWLINS-FERNANDEZ: We can check...we can check with Budget Director if she has that information now before we go on break if you want, or we can give her a little more time? Budget Director.

MS. YOSHIMURA: Chair, so the Waiehu Project is a 100 percent project subject to 2.97, which is the Residential Workforce Housing. The property is currently zoned ag, and they are currently doing their environmental assessment.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: Thank you. I'd like to amend number 6 down to 1 million and just, you know, when we get more details we can go from there.

CHAIR RAWLINS-FERNANDEZ: All right. That's the motion. Is there a second? The motion is to condition 6 million...sorry, 1 million for a grant to Highridge Costa Development LLC for the planning, design, and new construction for a 120-unit multi-family rental project for the Waiehu Apartments Project. Is there a second? Second by Member Sinenci. Discussion? Member Sinenci.

COUNCILMEMBER SINENCI: Chair, yeah, we received...just with the caveat that we can also do some title research as well as part of that \$1 million. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci, I'm sorry. What is your comment?

COUNCILMEMBER SINENCI: Oh, I mean, our office has just been receiving some phone calls about just the title of the lot...the location for some...I don't know if there is like any title challenges.

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CHAIR RAWLINS-FERNANDEZ: So what do you want to do? I'm sorry.

COUNCILMEMBER SINENCI: I mean, if the 1 million was part of doing any title research to get clear title.

CHAIR RAWLINS-FERNANDEZ: No, that question is for...

VICE-CHAIR PALTIN: If that's the case, I'll withdraw my motion.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci, you were the seconder. Do you withdraw too, your second?

COUNCILMEMBER SINENCI: I just wasn't sure if Member Paltin, you didn't want to include title research in it?

CHAIR RAWLINS-FERNANDEZ: Member Paltin has withdrawn her motion. You rather take it...

COUNCILMEMBER SINENCI: Oh, okay. I withdraw too. Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Is...okay, I will entertain a motion to remove number 6 for 6 million for the Highridge Costa Development so that we can take it up in Committee. Is there a motion? Moved by Member King, second by Member Johnson. Okay, any further discussion? Chair Lee.

COUNCILMEMBER LEE: So we're removing this item until we receive a presentation, is that the idea?

CHAIR RAWLINS-FERNANDEZ: Yeah, just like the Lāna'i project, the Dickenson one, and...yeah. I don't remember receiving a presentation and getting an opportunity to discuss it.

COUNCILMEMBER LEE: What did you say about the Lāna'i one? What did you say?

CHAIR RAWLINS-FERNANDEZ: Oh, the Lāna'i, and the Dickenson, and the last one. So we would like to have it in Committee first. Okay.

COUNCILMEMBER LEE: I thought you guys approved the Lāna'i one?

CHAIR RAWLINS-FERNANDEZ: But not for more than...

COUNCILMEMBER LEE: Okay. Don't let me stop the train, just keep going.

CHAIR RAWLINS-FERNANDEZ: All right. All those in favor of the motion, please raise your hand. It's to remove the number 6. All right. I see seven "ayes", zero "noes", two excused - Member Sugimura and Pro Tem Kama.

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

**NOES:**        **None.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmembers Kama and Sugimura.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

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CHAIR RAWLINS-FERNANDEZ: All right. That's everything. Chair Lee.

COUNCILMEMBER LEE: No, I just wanted to ask Director Michele Yoshimura to stay on the call because I did want clarification on the District Funds since it's due at 4:30 today. I mean, I don't know why we have to be so specific with our projects, but that's okay if that's in the rules.

CHAIR RAWLINS-FERNANDEZ: You don't have to. Okay. I'll just...I'll clarify.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: So there's, you know, 140,000 for each district.

COUNCILMEMBER LEE: Right.

CHAIR RAWLINS-FERNANDEZ: If you want to submit conditions to that 140, then you may, and the deadline to do that is today at 4:30. If you don't want to add any conditions, then you have no deadline.

COUNCILMEMBER LEE: Okay. But the understanding is when a project does come along, that monies would be available for us...to us, right...right, Michele? I just want to make sure, yeah?

CHAIR RAWLINS-FERNANDEZ: Budget Director.

MS. YOSHIMURA: Chair. Chair Lee, yeah. It would be my preference that there are no limitations or restrictions or, you know, as we called them before, provisos, because it makes it easier if there is any changes or something goes wrong with the project--

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COUNCILMEMBER LEE: Yeah.

MS. YOSHIMURA: -- and rather have you work with Director Inamasu to fund those projects. So...and I know...yeah.

COUNCILMEMBER LEE: That's what I was hoping to do.

MS. YOSHIMURA: And I know she's...

COUNCILMEMBER LEE: That's what I was hoping to do. I was going to proviso some, but not all.

MS. YOSHIMURA: Yeah. I know she's been very open about working with all of you on your projects and the balances in your funds. Thank you.

COUNCILMEMBER LEE: Yeah. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER LEE: So your...wait, wait. Excuse me, one last clarification.

CHAIR RAWLINS-FERNANDEZ: Chair Lee.

COUNCILMEMBER LEE: So your rule wasn't necessarily to itemize the entire 140,000, yeah?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER LEE: Because our rule...I mean, our requirement was to report to Lesley Milner by 4:30 with our list of projects. That was my understanding.

CHAIR RAWLINS-FERNANDEZ: Yeah. That's only if you have.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Yeah. Okay. Member King.

COUNCILMEMBER KING: Okay. Thank you, Chair. You know, my...in the past, and this is before Ms. Inamasu became the Head OED, if...leaving money in there resulted in the OED Office giving it to other people without our knowledge. And you know, the past, the South Maui...the things that showed up in the South Maui District Funds were portions of things that happened across the County, and they weren't even charged to all the Counties, because not all the Counties had District Funds left. So...because my pot did have District funds left, I ended up paying for part of some celebration that was happening in Central Maui for locally grown food or something like that. So that's why...that's why then the next year, I decided I better go ahead and, you know, earmark all the money. But if we have assurance that that's not going to happen without our

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knowledge, you know, the Councilmembers' knowledge, then I'm more comfortable of leaving some of the money in there. Is that the policy now, Director? I guess that's my question to you.

CHAIR RAWLINS-FERNANDEZ: Director Yoshimura.

MS. YOSHIMURA: Chair, I know in prior year, projects that were across throughout the County, portions of that project would get charged to the District Funds. I know you folks have a different working relationship now with Director Inamasu, and I hope, you know, we can continue that. She's been very open and...with working with all of you, and that experience should continue, and that relationship should continue. So again, it's up to you if, you know, how you want to handle your District Funds, but we are committed to working with the Members on that. Thank you.

COUNCILMEMBER KING: Okay. Thank you, Director. And, you know, I do really appreciate JoAnn because she has been very responsive, but I was just shocked in the past that, you know, things got charged to the South Maui Fund that didn't get charged to all the other funds because we happen to have money in our fund and some of the other ones were already, you know, already out...fully prescribed. So, you know, I appreciate the assurance that you're giving us. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. I'm going to see if anyone else wants to speak about this. Okay. And also aloha, Member Sugimura. I'm so happy your son...

COUNCILMEMBER SUGIMURA: I know. So sorry his flight got...was delayed because of the testing thing, but sorry.

CHAIR RAWLINS-FERNANDEZ: Oh, no. You must be so happy right now.

COUNCILMEMBER SUGIMURA: I'm so happy. I'm so happy. Yes. So you're talking about the District Funds?

CHAIR RAWLINS-FERNANDEZ: Yes. And that...if you plan to condition any of the 140,000, then those conditions are due by 4:30 today.

COUNCILMEMBER SUGIMURA: Right.

CHAIR RAWLINS-FERNANDEZ: But if you prefer to not condition any of that 140,000, then you don't have any deadlines.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: And what we were just discussing as you joined us was that we recognize that Director Inamasu has been fabulous with working with us, and we hope she stays on for a long time.

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COUNCILMEMBER SUGIMURA: She's very good. Yeah. Thank you. I'm not planning on conditioning it. So thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Then you have no deadline. Chair Lee, followed by Member Sinenci.

COUNCILMEMBER LEE: I just wanted to check if we needed a motion to be able to use the funds in other Districts, based on our approval. You know, let's say at the end...toward the end of the year, Member Paltin needs \$10,000 more for something in Lāhainā, and I have...just happen to have \$10,000 more. Can we move it? Because what did you say, Ms. Yoshimura, that you have done that in the past...crossed District lines?

CHAIR RAWLINS-FERNANDEZ: Budget Director.

MS. YOSHIMURA: Chair, if we had a County-wide project, and we had, let's say, ten participants who came from South Maui with...we could charge a fifth of the project to South Maui...to participants from Wailuku, we would charge the percentage to Wailuku. And that's where you would see just a portion of a project. If you wanted to have the flexibility of...well, I guess it would require a resolution to transfer funds between Districts.

COUNCILMEMBER LEE: Oh, okay. We can do that then.

MS. YOSHIMURA: And it would be initiated by the Administration.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Any other questions before we take this recess? Member Sinenci.

COUNCILMEMBER SINENCI: Mahalo for the discussion. Just following up on Member King's about having some of the monies taken out of the District. We did have a conversation with Director Inamasu, and she said yes, sometimes when it applies, you know, like some school dance that covers all Districts, she might come in and take out some of the funds. However, I would appreciate if, you know, we got some kind of, you know, a call from the Director, just to see that there is funds wanting to be taken out. If we could add that to...that the Councilmembers approve any request be used from...for the District.

CHAIR RAWLINS-FERNANDEZ: Okay. Members, I will draft language for our District pots based on our discussion if we can take a recess. And we will do a 20-minute recess. All right.

COUNCILMEMBER LEE: Oh, I guess so.

CHAIR RAWLINS-FERNANDEZ: Well, 20 minutes would take us to 3:55, so should we just say 4:00? Okay.



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COUNCILMEMBER KING: Four o'clock , that's good. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. We're going to recess this meeting until 4:00. Before I recess, Staff has notified me that I need to restate something for the record. For Member Johnson's proposal to increase the Lāna'i Affordable Housing Project by \$3 million, I said that the vote was 1-5-2, and I would need to restate that it was 1-6-2. So the vote on that motion was one "no", Member Johnson; six "ayes"; two excused, Member Sugimura and Pro Tem Kama, and that's for the record. All right. It's 3:35 on April 23rd. I'll see you all back at four o'clock. The Budget, Finance, and Economic Development Committee is now in recess. . . . *(gavel)*. . .

RECESS: 3:35 p.m.  
RECONVENE: 4:05 p.m.

CHAIR RAWLINS-FERNANDEZ: . . . *(gavel)*. . . Will the Budget, Finance, and Economic Development Committee please return to order. It's 4:05 on April 23rd. And I have proposed language for the Members' consideration based on the discussion that we had before going into our afternoon recess. Okay. So the language would read, notice must be provided to Council if funds are to be expended outside of the named area without Councilmember consent or pre-approval. Is that something that the Members would like conditioned to the --

UNIDENTIFIED SPEAKER: Consensus.

CHAIR RAWLINS-FERNANDEZ: -- OED District Fund? All right, consensus. Member Sugimura.

COUNCILMEMBER SUGIMURA: Yeah, fine.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. So it's unanimous. Okay. All right. All right. Let's see. Okay. I'm going to share my screen. We're going to continue with the Affordable Housing Fund discussion. So we just went through the Mayor's conditions. All right. Okay. Okay, so we removed the 650,000, which is number 3, the third condition in the Mayor's proposal. We removed number 6, which was 6 million in the Mayor's proposal, and that's all. Okay. So the total amount of conditions, all eight conditions, were \$19,071,102, and by removing the two conditions, it's now \$12,421,102, leaving a balance of \$24,000,861. We took a vote on Member Johnson's proposal for the Lāna'i Affordable Housing Project to increase it by \$3 million, and that vote failed. All right. So we'll now take up...oh shucks. Member Johnson's proposal for 20 million, which is number...sorry, one moment...18 on your matrix recommending...okay, so increasing the Affordable Housing Fund by \$20 million to support 100 percent Affordable Housing Project. So we'll take up Member Johnson's proposal first. Okay. Member Johnson, are you ready with your priority proposal?

COUNCILMEMBER JOHNSON: Yes, yes I am, Chair. I move to add...

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CHAIR RAWLINS-FERNANDEZ: Please proceed.

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**MEMBERS' PRIORITY PROPOSALS**

**Affordable Housing Fund**

COUNCILMEMBER JOHNSON: Thank you. I move to add 20 million to the Affordable Housing Fund.

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Johnson, seconded by Member Molina. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you, Members. I have prepared marks [sic], but I just want to be...a little preemption, I'm not married to the idea of this being earmarked exactly for infrastructure, so I'll just have that caveat in your mind as I read my prepared marks [sic]. Okay. So we need affordable housing, and we need it now. I was shocked that 78 percent of developers surveyed by the HCA said the price of infrastructure was the biggest hurdle they faced. The TIG written during Elle Cochran's time also said the infrastructure was a biggest obstacle. If we help with that upfront cost, this will incentivize building of affordable housing, would also bring the price per unit down. Twenty million would require around five to six increase in real property tax revenue, and I believe we can raise rates on investors and second homeowners who are driving up our housing prices, all the while they are profiting and getting richer. This is an equitable solution for our community. A wise man commented on Maui State of Affairs and said, "Why are we coddling the wealthy who have plenty of houses when people who live here working two jobs can't even afford one house." The price of a median home is reaching 1 million, Members. So the only way our residents will be able to buy a home is through affordable housing. I may also add that the State of Hawai'i is way behind the ball. Hawai'i is ranked 50th in the property taxes rates stuck between Alabama and Louisiana. Of all people, Texan's tax is a third highest in the nation, and Texans hate taxes. Putting \$20 million into the Affordable Housing Fund at this current time is a two for one. This is allotted funding would position the County in a great position to be matching Federal funds a dollar for a dollar. Through the American Jobs Plan, planned for the passage in mid-summer, this 20 million could fund...full well turn into 40 million. This opportunity may not come once again in a lifetime. Interest rates are also at a historic low, and this is the time to use our bonds. Infrastructure is a ginormous cost. I was told part of the North South Collector Road cost \$20 million. The infrastructure that is impeding Lāna'i's Affordable Housing Project for over 30 years is the cost of the \$10 million infrastructure. It's not just roads, it includes wastewater, water supply, delivery, public lighting, and transportation corridors. My office already drafted a Bill to create a Community Serving Infrastructure Revolving Fund specifically to help developers with upfront infrastructure cost with the premise that funds would be granted or eventually paid back. But when going through the PAF process, OCS advised us that this proposal can fall under the Affordable

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Housing Fund 3.35.040, Use of Funds, Section H, to increase investment in public infrastructure in connection with related affordable housing projects. So here it is, folks. I hope it garnishes your support. If we don't commit affordable housing for our working class, it will be a pipe dream. If we do nothing, we will get nothing. Too many local families are feeling the squeeze, and being priced out. We need to be bold and put a serious amount of money on Affordable Housing Fund. This will attract developers to do the hard work on housing and infrastructure ASAP. If the County is committed to funding big solutions, how do we expect good developers to commit to helping us build real solutions? There's no reason to wait, and every reason to take big action. If we don't do this, how will we explain to our residents in crisis that we decided to wait again? Mahalo, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Anyone wishing to speak to the motion? Chair Lee, followed by Member King.

COUNCILMEMBER LEE: Thank you, Madam Chair. Mr. Johnson, I'm assuming that you're thinking that the 20 million is coming from...at increasing taxes. Is that where it's coming from?

COUNCILMEMBER JOHNSON: Vice-Chair [sic], if I may. That's correct.

CHAIR RAWLINS-FERNANDEZ: Member Johnson.

COUNCILMEMBER LEE: Okay. And then this for the Chair, the projects that the Mayor included in the Affordable Housing Fund that we decided not to vote on, it was a vote to wait until we've heard their presentations. So we didn't necessarily vote not to fund them; am I correct?

CHAIR RAWLINS-FERNANDEZ: Yes. We didn't vote on the merits because we don't know what the merits are at the moment.

COUNCILMEMBER LEE: Okay. Right.

CHAIR RAWLINS-FERNANDEZ: If we wish to . . . *(inaudible)* . . . remove it from the Affordable Housing Fund now, and then they can come back...Administration can come back with a Budget Amendment after we've heard from them and approve it.

COUNCILMEMBER LEE: Wait, and what are you...you're going to remove it...when you say remove it, you're talking about removing the projects, not the money.

CHAIR RAWLINS-FERNANDEZ: The money. Oh, yeah. It removes the condition...the Mayor's condition.

COUNCILMEMBER LEE: Yeah, not the money. So are you...are you thinking that the monies that we are not going to be allocated toward the projects we just didn't approve are now available for, let's say, part of the \$20 million, is that what the idea is?

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CHAIR RAWLINS-FERNANDEZ: That's an idea.

COUNCILMEMBER LEE: That's an idea. Okay.

CHAIR RAWLINS-FERNANDEZ: That's not...it sounds like it's not Member Johnson's idea, but that is an idea.

COUNCILMEMBER LEE: Okay. So while the discussion continues, can we get an opinion from Corp. Counsel about using the Affordable Housing Fund for infrastructure that will benefit those who are not tied to the Affordable Housing Project, like the general public, and then there's an Affordable Housing Fund, yeah, and the money is supposed to pay for the Affordable Housing Fund. But let's say, a new sewer system is required, and the sewer system costs \$20 million to be shared by the general public, is that...is that permitted using the Affordable Housing Fund? So if I could have those questions answered. Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Toshikiyo.

MS. TOSHIKIYO: I'm sorry, Chair Lee, can you please repeat your question. It sounds like there may have been two or three parts of it or just...is your question in general whether or not we can use the Affordable Housing Fund to invest in infrastructure related to the Affordable Housing Projects.

COUNCILMEMBER LEE: Okay. Infrastructure will not be a standalone infrastructure. I'm sure if you build a sewer treatment plant, it's not only going to be for that Affordable Housing Project. So let's say...normally the projects are like...let's say 30 units, 40 units or something, and the sewer treatment plant is like \$10 million, is it permitted? And the use of that infrastructure or sewer treatment plant . . . *(timer sounds)*. . . is going to be used by everybody else, that have nothing to do or don't even live at the housing project. So obviously, the project itself represents a small percentage of the expenditure of the sewer treatment plant. So my question is, can you use the monies from the Affordable Housing Fund for something as general as that, or not.

MS. TOSHIKIYO: I think that it could be related to the Affordable Housing Project, and that was the purpose of, you know, keeping it in the infrastructure. Later on, if it needs to be used also by the general public, I don't see there being a prohibition. I think the question would be how much would you be funding for the infrastructure because it would be related to the actual affordability of the project. So perhaps...like if it's a, I don't know, 50 percent affordability, we're looking at some kind of calculation so that you're not funding the entire infrastructure. But it would have...

COUNCILMEMBER LEE: Anyway, so that's my point. We have to calculate a percentage...only a percentage of that 10 million can come from...10 million of cost can come from the Affordable Housing Fund.

MS. TOSHIKIYO: Yeah. So it definitely would be on a project by project basis to make sure that it does fit within the fund usage.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Okay. The timer went. Okay. Mahalo, Ms. Toshikiyo. All right. I don't remember who I called on.

COUNCILMEMBER KING: I think it was me, Chair.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Okay. I hope it was me. . . .*(inaudible)*. . . for anybody else. Okay.

CHAIR RAWLINS-FERNANDEZ: No one else is raising their hand right now, so if you were not, you can go.

COUNCILMEMBER KING: Thanks. So yeah...no I want to support the project, and I'm glad that you decided not to insist that the 20 million all go for infrastructure because I do believe that what we heard from Mr. Gilbreath today, which is if we put in Affordable Housing Funds, we can leverage Federal funds for infrastructure dollar for dollar. And just in my conversations with our Congressional delegation, I think we have a good shot at that. And I think it should be on a case-by-case basis so that we're doing infrastructure that is related to the Affordable Housing Projects to be approved. So that's all I wanted to say. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak to the motion, which is to increase the Affordable Housing Fund by \$20 million. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair, for my opportunity. Yeah, I just wanted to speak in support. I know that the...just this past week, the Administration had vetoed Bill 10, which this Council had approved up to 75 percent of projects being for affordable and below. But I think that what Mr. Gilbreath said today was that...and I believe what the Administration felt was, was this Council's dedication to investing into affordable housing, and this is the way we do it. And so like Mr. Gilbreath said this morning, he's never seen this type of investments since FDR. So we're doing our part. I think the critical mass...I mean, we have to move, I think, when we're at this stage. And if we have the opportunity now, then I can be supportive. And again, with the vote is to...this is just one part of the process that's going to take many other, you know, variables, and so with my vote, I'm committed to working on those other variables as well. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Molina.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. And a question for Mr. Johnson. Just the 20 million proposal, just how you arrived at that number versus, say, 5 million or 10 million and so forth, if you could just share that with us.

COUNCILMEMBER JOHNSON: Sure. Thank you, Chair.

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CHAIR RAWLINS-FERNANDEZ: Member Johnson.

COUNCILMEMBER JOHNSON: Thank you for the question. I...I mean, we're talking big numbers because that's the...I mean, I gave the example of the North-South Collector Road and how expensive it is, and the...you know, I spoke to like Rowena and the people in Public Works, and the cost of it, they get astronomical...they go really high really fast. So 20 million was giving us maybe two projects a year, and then it's going to be spent. So if they're saying...Jeff Gilbreath guys are saying 5,000 homes in five years...I mean, this is almost...almost not enough. But I don't want to sticker shock with you, 20 million will get us started on that path, and especially with the idea of leveraging the funds, what Councilman Shane said.

COUNCILMEMBER MOLINA: Okay, thank you. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Anyone else wishing to speak to the motion? Chair Lee.

COUNCILMEMBER LEE: Mr. Johnson, did you speak with the Administration, like the Mayor? Since we don't build housing and we don't build infrastructure, we need to get a commitment that he would spend the monies, and that he has projects that he would apply it to. So have you had that conversation with him?

COUNCILMEMBER JOHNSON: Have I had a conversation with Mayor Victorino? I did have a conversation, and that was in January, and he said the same thing. The problem with Lāna'i Affordable Housing is the infrastructure. So we go in these circles where that's the problem. And so I'm trying to come up with the solutions, you know, it's a Catch-22 for us on Lāna'i. So of course, all of these Affordable Housing Projects, we hear from the developers, we're hearing it from the Mayor that the cost is...we just don't have enough money for the infrastructure. So I...that's why I...I've been pushing for infrastructure funds, but I understand that some people, you know, are less...aren't so excited about that. So Affordable Housing just in general needs a bigger fund.

COUNCILMEMBER LEE: You're talking about Maui County...Maui Island actually, right?

COUNCILMEMBER JOHNSON: Of course. Of course. Yes.

COUNCILMEMBER LEE: The 20 million, right?

COUNCILMEMBER JOHNSON: Yes.

COUNCILMEMBER LEE: Well, it's important that we get confirmation from the Mayor, yeah. I mean, if he doesn't spend it, why would we raise taxes?

COUNCILMEMBER JOHNSON: Thank you. Chair, if I may? Right now, the Departments are at capacity, we've heard that before. So this \$20 million fund would be for the developers to come. Give us a good project. Let's hear...come into the communities, bring your products to the Committees, and we'll have those funds. They'll apply for them, and

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then they go out and do all the legwork to get these projects. We want good projects to come before our Council, right? So the way we do that is we bring in that \$20 million, and they build the infrastructure.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Sugimura...oh, followed by Member Paltin.

COUNCILMEMBER SUGIMURA: So Mr. Johnson, was there a plan that you...you know, that you're following that, you know, to use these funds? Because that's a lot of money to tax people for maybe, you know, a good idea. But the Departments have a lot of projects already, you know, in the CIP, which you know, we approved. So I'm just wondering what...what is the plan that you're going to raise...that you want to raise...if it does happen to us, but that you're proposing to raise taxes for our residents?

COUNCILMEMBER JOHNSON: Chair, if I may?

CHAIR RAWLINS-FERNANDEZ: Member Johnson.

COUNCILMEMBER JOHNSON: So of course, we have...you know, Jeff Gilbreath's plan is coming down, and he's shouting at the top of his lungs, \$57 million is what they need to get started. So that's, you know, we can look at that as part of it. And then just...of course, the Departments...I've already mentioned this, I don't want to talk in circles, the Departments have told me they're at capacity, so we're leaning...that's where that's going to.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo for...mahalo, Member Sugimura. Member Paltin.

VICE-CHAIR PALTIN: Thank you. Before I say anything, can I get a point of information?

CHAIR RAWLINS-FERNANDEZ: Sure. Please proceed.

VICE-CHAIR PALTIN: Is this...I'm not clear if we're doing a priority proposal for Member Johnson's 20 million...and say that passes, are we going to do another priority proposal for Member Molina's amount? Or if Member Johnson's one doesn't pass, then we're doing a priority...like I mean, because they both proposed millions to the Affordable Housing Fund, so I guess is it like concurrent or consecutive? Like are we doing both of them, either/or, or one of them, like is my clarification question. I'm not sure.

CHAIR RAWLINS-FERNANDEZ: I'm guessing that your question will be for Member Molina. Member Molina, if this...I'm going to mute you, . . . *(inaudible)*. . . there's a weird feedback. Okay. Member Molina, if this \$20 million proposal passes, are you going to also propose your priority proposal to increase the Affordable Housing Fund an additional 1 percent, which would be approximately \$3,753,660?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Yes, I had planned to but, you

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know, upon listening to the discussion, I think maybe we can work something out like what me and Member Paltin did with the rental assistance, the proverbial share the love. If Mister...I'm getting a sense from hearing the Members that everybody is a little nervous about the 20 million, and the sticker shock in terms of raising the real property tax on whatever category that may be. So maybe we can work something out where Member Johnson lowers his request to near what I'm requesting and, you know, we can move forward. Of course, as the facilitator of the meeting, Madam Chair, I mean, however way you want to handle this, one by one or comingle this effort to increase the fund, I'm open to. So maybe we can get the best of both worlds, Mr. Johnson's offer...or Mr. Johnson's proposal and my proposal, and maybe bring that number down just a bit. Because I did say when I made my initial proposal for mine was maybe take baby steps...I mean, I appreciate what Mr. Gilbreath said about--sorry about the birds--about increasing the fund, but maybe we take baby steps here. And I'm sure Mr. Johnson certainly means well, I mean, he has certainly...he's taking the bull by the horns...as the Chair of the Affordable Housing Committee, he is just going full bore, which is great, which is great...I mean, he's definitely been a champion. But of course, you've got to get the support of everyone else. So if everyone else is amenable to still moving forward, but maybe with a lesser amount and tax the appropriate or increase...make the adjustments to the appropriate category for real property tax, I think we can get this done. And maybe something that's less of a sticker shock, and we still get an increase to the affordable housing amount. So at this point, I'm amenable to anything...however way the body wants to move, as long as we all feel that level of comfort.

CHAIR RAWLINS-FERNANDEZ: Member Molina, what is the number that you have in mind?

COUNCILMEMBER MOLINA: Well, just...I'll just throw it out there. Maybe instead of...well, if you added my proposal and Mr. Johnson's proposal, we're looking at 23.7, I would throw out a combined figure of 11 million if that's something for the Members, and then we tax the...whichever classification. And I can think of some classifications they have contributed to lack of inventory for homes for long-term rentals. We just heard in testimony today that off-shore buyers are purchasing homes, and they're kicking out their renters, so they've contributed to this problem. So I think 11 may be a healthy compromise...I put that number out there.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I'm amenable to \$11 million each.

CHAIR RAWLINS-FERNANDEZ: Member Molina.

COUNCILMEMBER MOLINA: Oh...I was proposing more a combined \$11 million like, you know, my \$3.7 and then your other...whatever the balance. So anyway...as far as baby steps go...to maybe make the rest of the Members feel a level of comfort with the amount of taxation we may be proposing to get these funds.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Johnson.



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COUNCILMEMBER JOHNSON: Thank you, Chair. So let me clarify a little bit...a question or two ago when Councilmember Sugimura asked about the infrastructure. Remember, when HCA is going to release their study, it's going to list the infrastructure...they're going to have a priority list, they're going to tell you which ones are the quote, unquote, low hanging fruit, they're going to already be telling us where this money goes. So if they come out with this plan, and it says 57 million, and we're coming with 11, I mean, then we're going to be...you know, we're going to be arguing over that. At the same time, these investors have been extracting our money and making our working folk...you know, all the things that the testifiers were saying. So I mean, let's put it on the investors and those big numbers, I know that it's a shock, but that's really what needs to be done.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Johnson. So what I'm hearing is Member Johnson is unwilling to go down from 20 million, and Member Molina would like to propose his amount, but is not supportive of 20 million. Okay. So...

VICE-CHAIR PALTIN: Thank you for the clarification.

CHAIR RAWLINS-FERNANDEZ: I guess we will take them up separately. Member Paltin.

VICE-CHAIR PALTIN: Okay. Whenever it's my turn again, I'm ready for comments. That was just my point of clarification because I didn't understand the question.

CHAIR RAWLINS-FERNANDEZ: Good question. If you would like to now share your comments, you're welcome to.

VICE-CHAIR PALTIN: So my comments would be, you know, it's difficult to put everybody in that class that we think of as foreign investors, because there is also local people in that class, and there is also, you know, generational landowners in that class. Like, you know, if...obviously if an investment class of landowners were all foreigners, yeah, let's do it. But, you know, there's unintended consequences, and it could hurt generational landowners of their family lands. But that being said, I think to all the testimony that we got in opposition of Bill 10...and the message there was wait for the plan, follow the plan. And the plan people are saying right now that they need \$57 million. So it would appear that all of those folks that gave testimony against Bill 10 are for increasing the Affordable Housing Fund. And all of those folks also spoke to jobs, which increasing the Affordable Housing Fund to fund infrastructure or projects would also create. And like Member Lee had said, you know, it's about economic development; infrastructure projects create economic development. And so, you know, I'm still listening to the conversations, but my...that would be my comment, you know, we got a lot of written testimony...it may have been format kind of testimony with everybody saying the same message, but the message that I heard loud and clear was don't pass Bill 10 because we have this Affordable Housing Plan. And if it was don't pass Bill 10 because we have this Affordable Housing Plan that we're not going to listen to or follow then, you know, I'm not sure what it is that our people want us to do. Because we know that housing is a crisis and either way, someone is going to be, you know, not liking what we do. But the message that I heard was wait for the fat plan, follow the plan. And with the Mayor

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vetoing Bill 10, to me it's kind of pushing us in the plan direction, you know what I mean? Like we need a plan, the plan calls for \$52 million . . . *(timer sounds)*. . . and that's a sticker shock. So that's my comment...my first comments for this time.

CHAIR RAWLINS-FERNANDEZ: Okay. I think everyone has spoken at least once. All right. My thoughts on increasing the Affordable Housing Plan by 20 million. So my first concern is that HCA did not discuss this with our Finance Department...not with our Finance Director, Deputy Director, our underwriters, our bond advisors, and I have a lot of concerns about that. This comprehensive Affordable Housing Plan is a draft, and has not been finalized or adopted by this Council, yeah. It was draft recommendations, and I am actually really disappointed that this plan really focuses on building more. I'm a firm believer of we are not going to build ourselves out of this crisis. O'ahu tried doing that, and that didn't work for them. We see how it's worked. Almost every, you know, possible piece of land that can be built on in Honolulu is built on. It looks like a virus spread all over the island. It's really disgusting, and really heartbreaking. I would hate for Maui to look like that. I...you know, this Council doesn't support, and our County's policies are not in favor of, banking money like this. This is a lot of money that we would be banking. As I showed you earlier, after the conditions from the Mayor, there is over \$24 million of funds in the Affordable Housing Fund that is not conditioned...there is no condition on them...it's just...it's open. I hear the talk of infrastructure. Permits take a long time, design takes a long time, community discussion takes a long time. We're not going to be doing \$20 million worth of infrastructure construction in the next fiscal year. It's not going to happen. It's not ready. There's no permits in place...there's...we don't have the entitlements, the design, and we still need to have community feedback. That's part of the transparency, that's part of our democracy. I cannot support 20 million, but I haven't yet decided on what I would be comfortable with supporting at this time. Okay. Anyone else wishing to speak a second time to the motion? Member Sinenci, followed by Chair Lee, and then Member Molina.

COUNCILMEMBER SINENCI: I can yield to Chair Lee. Go ahead, Chair.

CHAIR RAWLINS-FERNANDEZ: Chair Lee.

COUNCILMEMBER LEE: Oh, thank you. I just thought maybe we should refer this to Committee so that we could get clearer answers from the Administration because obviously, the Council is not going to be doing infrastructure. So we need to get a commitment from the Administration that there is going to be a certain level of collaboration and cooperation and moving infrastructure projects forward, you know, in an expedited way. Without that kind of commitment, it's really hard to accomplish what you want with regard to infrastructure improvements. So perhaps, you know, we should take a little time to send this to Committee and get the input from the Administration. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. I'm not clear what it is that you want sent to Committee? Would you mind clarifying?

COUNCILMEMBER LEE: The idea of increasing funding to \$20 million or a substantial amount

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for infrastructure improvements. Because it's not...we're not doing this in isolation. Part of it...the strategy of this, I believe, is to leverage whatever monies we have or can to get more Federal or State funds. So this requires coordination and collaboration. It's not something we can do. I mean, yeah, we can allocate \$20 million, but it can sit there for, you know, until the cows come home. We need to come up with some kind of plan with the Administration. Maybe they have something in the works already, maybe we can, you know, supplement that. Right now, we're doing this...we're having this discussion in a vacuum, in a sense, that we don't have all the players at the table. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee.

VICE-CHAIR PALTIN: Point of information...

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: Just to clarify my confusion, but we're setting the property tax rates now. So if we refer this to Committee, we won't be able to figure out what the tax rates are to support the amount that we're going to allocate, right? I mean, we can't...

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: Yes.

CHAIR RAWLINS-FERNANDEZ: Chair Lee was asking to have the policy of funding infrastructure sent to Committee, if I understood that correctly. Yeah. Funding infrastructure to the use of Affordable Housing Funds. Okay. All right. Let's see, I think Member Sinenci, and then Member Molina, and then Member Johnson.

COUNCILMEMBER SINENCI: Thank you, Chair. And mahalo, Members, for your input. I definitely hear everybody's comments and concerns. I just wanted to speak really briefly against the timeliness and how we need to, you know, quickly act on this, just knowing how government kind of rolls along. Just a few...an hour ago, we approved the Na Hale O Maui . . . *(inaudible)*. . . to quickly acquire as many of our housing inventory from, you know, the influx of outside investments. And we received the...from Mr. Williams that from 2016, it was almost 50/50 of investor-owners for our housing market to owner-occupied today, where last year it was 70 percent investor-owner and 30 percent owner-occupied. So we definitely see the inundation from outside investment coming into our County. We've heard time and time again from the industry, I believe Mr. U'u, about, you know, asking what is the developers' greatest challenge, and it's the infrastructure cost. Mr. Bigley comes with an advantage over our local developers because he can leverage outside Federal funding at a huge amount. So that's why his product is greatly sought after because he brings in that outside money. By us putting this in for our local developers like a lot of them wanted, you know, they have a chance to be competitive with their bids coming through here. The cost of government...as far as sticker shock, cost of government, and Mr. Williams did testify . . . *(timer sounds)*. . . to 30 million. Two years ago, we had a garage for 80 million. So as far as sticker shock, you know,

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this 20 million seems pretty...when the need is greater than that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Madam Chair. I'd like to just give my colleague, Mr. Johnson, a big shout out. If I could use a baseball analogy, you know, he swings for the fences. He doesn't just swing to just get on base; I mean, he's going to go for it. And I give you a lot of credit as a freshman Councilmember. But I do understand the level of discomfort some Members are having with the proposed amount, and for my proposal, I had mentioned as well, taking some baby steps. But whatever amount if we decide to, you know, enhance the Affordable Housing Fund, it is in the same direction as what the plan is telling us...the draft plan. We heard testimony today, by building up this fund, it could improve our bond rating. So I still see merit that whatever amount we choose, if we do so, that we can, you know, improve our bond rating and again, show a strong commitment towards addressing affordable housing. And by taxing the appropriate category that is contributed to a lack of inventory for short-term rentals, and a lack of affordable housing opportunities for our citizens, I think it's a fair trade off because we've had to now, over the last several years, shell out \$2 to \$3 million for rental assistance. And that's because of the unintended consequences of the proliferation of short-term rentals and Non-Owner-Occupied homes being bought up by offshore investors. So, you know, regrettably, I cannot support the 20 million, but again, I think we can hopefully arrive at a number that we can all work at. And again, you know, I have my proposal for consideration and...but I applaud Mr. Johnson for his efforts. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Before I call on Member Johnson...okay. I've been getting requests. Okay. So I'll share my screen again. Here's the Affordable Housing Fund. Here is the projected balance for FY'22, which is \$37,282,151. Of the conditions we just approved...the conditions we just approved add up to \$12,421,102. That leaves \$24,861,049 in the Affordable Housing Fund without us adding any more to it. Okay. If we add Member Johnson's proposed 20 million, Member Molina's proposed 3.7 million, and the unconditioned balance of the Affordable Housing Fund, it equals \$48,614,709. I just think that's...so I guess my question, Member Johnson, and your comments, how much in the Affordable Housing Fund are you looking to have? What is the balance that you are looking to have? Member Johnson, your comments, and just the number.

COUNCILMEMBER JOHNSON: Okay. Thank you, Chair. Let me clarify a couple of things. So the first thing, this is...well, let me start with this, okay. So in November, I was living in low-income housing, okay. I lived in Iwiolo. My rent was \$50 a month when I first moved in ten years ago, and it jumped up to \$1,000. That was my survival, so...I mean, I'm surprised that this body is surprised. I am coming from low-income housing, and it's...what I'm trying to do is help those folks. You know, we are in a crisis...70 percent of the homes bought in 2020 were from outside investors. This...coming from Iwiolo, I had...I witnessed the diseases of despair. The domestic abuse, the drug abuse, those kind of diseases come with poverty, and that gets...if you want to talk financials, that gets expensive, is taking care of those folks. So when we talk about the money...to

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answer your question, Councilmember Keani Rawlins-Fernandez, 48 million, yeah, that's just getting us started because we have been ignoring this problem for so long, and now we're behind the eight-ball. In fact, most of the people...let's be honest, most of our kids, they give up, they move to the mainland, right? I mean, that's what's happening. So that's why I'm going to fight for this, you know, and that's...I hope...I hope this body recognizes that I am one voice here, but I am coming from the working poor...so that's my two cents on that. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. And with the 30 seconds that you have left, how much in money do you think...how much construction do you think would happen in this fiscal year in millions.

COUNCILMEMBER JOHNSON: Well, I mean, as much as we can because people are leaving...so the...max out 48 million. I mean, we got...that has to be done because . . .(timer sounds). . .

CHAIR RAWLINS-FERNANDEZ: So the need for affordable housing is not disputed, we all agree on that. It's how much money do we need for this next fiscal year. How much will be spent, and that's what everyone is talking about. Because otherwise...

COUNCILMEMBER JOHNSON: Okay. Right. \$57 million...

CHAIR RAWLINS-FERNANDEZ: You think \$57 million worth of construction is going to happen in one year.

COUNCILMEMBER JOHNSON: Across the County if...I mean, are we motivated? I am. I'm going to speak for myself...I'm motivated...so that's where I'm coming from.

CHAIR RAWLINS-FERNANDEZ: We aren't the construction worker, and throwing money at a problem doesn't make it solve the problem.

COUNCILMEMBER JOHNSON: I appreciate that.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, and I think...Member King, you had your hand up, or were you just adjusting your camera. Okay.

COUNCILMEMBER KING: No, I'll go after Member Paltin.

CHAIR RAWLINS-FERNANDEZ: Oh, you didn't have your hand up. Oh, okay. Member King.

VICE-CHAIR PALTIN: Yeah, I think Member King was before me.

COUNCILMEMBER KING: Oh, okay. You know, I support this. I like the go big or go home attitude, and I think that's what the testifiers were saying today. But I also think that we need to use some of this money...I didn't want to see this all earmarked for infrastructure, but I think we need to use a lot of this money for infrastructure because I would like to...if we pass this, I would like to also override the Mayor's veto and go

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with, you know...so I think this will help us get to that 75 percent figure that's in that Bill 10 that we passed without the...I mean, that...I agree with Member Johnson that the biggest hurdle to affordable housing is infrastructure. We are very behind on infrastructure, and it's also one of the reasons why some of the affordable housing gets pushed back. Because residents are the ones that have to live with the traffic and the parking issues, and those are the probably the biggest complaints I have about overdevelopment in South Maui. But I...you know, I understand it's an issue of, you know, we don't know that it's all going to be spent in this fiscal year, it could be encumbered in this fiscal year if we get enough projects. But we're not going to get enough projects if we don't provide money for infrastructure. So, you know, I like the proposal. I think the majority of what I heard in testifiers like the proposal, and that's kind of where I stand right now.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. Member Paltin or Member Sugimura. Okay. Member Sugimura.

COUNCILMEMBER SUGIMURA: I think we're jumping with excitement for a problem and a good idea, and I feel the responsibility of raising taxes on our residents for something that we're...we don't really have a firm plan. And Jeff Gilbreath...I mean, for him to put together his plan, he's been working really hard on it, and we haven't even heard the final plan, right, and we're taking action...well, we're trying to take action from what we think it is. We heard the draft March 23rd, or whatever the date was, but he still has to come before us for the final. And I think, you know, we're trying to take action based upon a good idea, I think, but what are the numbers, what is the plan? I mean...we've got to get that...Alice is totally right. I wanted to hear what she had to say because she was a Director, right? Housing...Human Concerns...I mean, she was right there, so she knows what has to get done in order for something to happen. So I believe that, you know, that question, her opening question was very relevant, you know. Have you talked to the Mayor? Because I don't know if Jeff Gilbreath has talked to the Mayor, but is the Mayor involved, and the Departments, you know, to make it happen...because that's the partnership that's going to spend the money. I think in our existing budget, my Staff looked and there's like 48 million up to 2027 of CIP projects, so it's not...the Administration is thinking about, you know, building infrastructure, which is what this 20 million is for, and then what Keani put together, that was kind of interesting too, because you can see just the accumulation, you know. So it's hard to jump at this right now, and I believe that more discussion needs to happen with a plan so that . . . *(timer sounds)*. . .

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin.

VICE-CHAIR PALTIN: Thank you, Chair. I just wanted to say, you know, 20 million is more money than I'll ever see in my lifetime. I'll never make 20 million...it's a lot of money. Until you think that we just spent 2 million for Na Hale O Maui for six homes. Until you think that we spent 80 million to house cars in a parking garage. Until you think, like, what is the cost of a sewer system for an affordable housing project. You know, the State gave Ikaika Ohana 37 million for Keawe Street Apartments because they thought they had lost out on Front Street Apartments. So can we spend 20 million in

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one year? We can if somebody would pull the trigger on an infrastructure project. And so, you now, when we talk about housing for cars, so many people were for that 80 million. But when we're talking about housing for people, 20 million is sticker shock? You know, 20 million isn't going to develop all of Maui because it's...it's like one project infrastructure. And I'm not saying don't put the infrastructure in Launiupoko or Olowalu, that's for sure. But put it, you know, smart development near to existing jobs, existing schools, and existing infrastructure, you know. There's Kaanapali 2020, there's DHHL Hawaiian Home Lands, there's a 50-acre park in Nāpili...I mean, when we're talking about infrastructure costs, 20 million is not going to go as far as we wish it would go. And so, you know, we can keep going along the way that we've been going along--200 units here, 30 units here, 172 units here, but it hasn't been making the difference. And it hasn't been happening because things come up that . . . *(timer sounds)*. . . the cost.

CHAIR RAWLINS-FERNANDEZ: All right. So now that we've had two rounds of sharing our thoughts on the motion, I think I will ask everyone, like I did with MVB, for where you think you are with how much you would want to use to leverage for infrastructure, if that's the goal. And we don't even know really because we still haven't had a final plan. So I'll just go to each Member, and I already told you we have \$24.8 million, so almost \$25 million of unconditioned funds in the Affordable Housing Fund. So we would like to raise it to how much? And then I guess I don't know if you want to also share if you think that we're going to be able to spend that in the next fiscal year. So I don't know if you want to think about that, or if you know where you're at right now, all the Members, or if you want to like take a quick recess and like think about it and come back. And I hate that you keep bringing up the Wailuku parking structure because I tried to defund that thing, and that's a real sore spot for me because that was sticker shock. And I tried to defund it, so it's salt in the wound, I'm sorry. Do you want to take a recess to think about what your number...I know Member Johnson is 20; Member King is 20; Member Sinenci is 20. Do you want to think about what your number is?

COUNCILMEMBER LEE: No. I think we know already.

CHAIR RAWLINS-FERNANDEZ: Okay. Chair Lee.

COUNCILMEMBER LEE: I think we all know already. I mean, it's like throwing darts at a wall. We have no plan, so it's a huge guess. So I'm saying that if you're going to use money for infrastructure, take it from the Affordable Housing Fund. There's money there already. I would be interested to know how much are we...at this point in time, by adding \$20 million to the Budget, what is the overall total at this point. Are we increasing the Mayor's Budget by 20 million, 30 million? I have no idea. So if you want to take a recess to find out where we are overall, then people can...you know, can make a decision based on that possibly. I don't know.

CHAIR RAWLINS-FERNANDEZ: We are about 650,000 above the Mayor's Budget without the 20 million and 3.7 million in Affordable Housing Fund.

COUNCILMEMBER LEE: Yeah, I personally wanted not to raise the Mayor's Budget, and now

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we're going to go 20.6 million. Okay. You already know my position. I'm done. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. Member Molina. Member Molina.

COUNCILMEMBER MOLINA: Sorry, Chair, did you call on me?

CHAIR RAWLINS-FERNANDEZ: Yeah. You're...

COUNCILMEMBER MOLINA: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: ...on my screen it's Chair Lee, Member Molina...so that's why I called on you next.

COUNCILMEMBER MOLINA: Oh, sorry, sorry about that I was writing something out. Well, you know, I had mentioned a number of 11 million, but I'm amenable to another figure lower if that's the will of the body. Because Madam Chair, I'm hoping that we can all agree on some number and still move in that direction of increasing the fund because I think it just shows a strong commitment. And if I recall, Department of Housing told us they have four pending projects already that haven't...have yet to be heard at one of our recent Affordable Housing meetings. So, you know, I'm not sure how much could potentially be expended from the fund but, you know, I think it doesn't hurt to add a little bit more on what we have. But I respect some of the Members have concerns about adding too much. So I'm just trying to find a happy medium for everybody. So again, it was 11 million that I had countered, but I'm open to going lower than that, but still adding something to the fund. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Paltin, I wasn't super clear. I don't know if you were 20 million.

VICE-CHAIR PALTIN: I can go with 11 million for the cause and for the plan. Community plans are supposed to drive the infrastructure, so we have some plans.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, and I heard about...I know that the investment is going to be way more than just 20 million, but I did hear you about what we can spend within the year's budget. So I'm going to go to my cultural and go with for to add 16 million to the present one for a total of...for cultural it's four, so 40 million. . . . *(timer sounds)*. . . Oh, sorry, I did want to go into RPT with a higher number as well too.

CHAIR RAWLINS-FERNANDEZ: I'm sorry. What was that last sentence?

COUNCILMEMBER SINENCI: I just felt that we should be going into RPT with that higher number too before we start, and then hearing from...next Wednesday from our public hearing. So I think with us presenting a larger number that we can work down from



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there. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. So your number is 16 million.

COUNCILMEMBER SINENCI: Yeah, adding to the 24 for a total of 40.

CHAIR RAWLINS-FERNANDEZ: Forty thousand ancestors...40 million ancestors.

COUNCILMEMBER SINENCI: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Member Sugimura.

COUNCILMEMBER SUGIMURA: Yeah. I said everything that I said earlier, so I don't believe that we have a firm plan to...

CHAIR RAWLINS-FERNANDEZ: Okay. Your number, like...so if Members...

COUNCILMEMBER SUGIMURA: No. I mean, oh, no, no.

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

COUNCILMEMBER SUGIMURA: We need a firm plan. That's why I said earlier, we need a firm plan before we take action, raise taxes. And like you said there's already 24 million in there, you know, and the County, according to the CIP, our Departments have 48.5 million that they're looking at, you know, in our CIP plans already, so it's not like it's not being thought of. I think we should kind of put the Gilbreath plan and the County together, the Departments, and see where we are before we raise taxes.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. Okay. So we are all over the place. All right. So we have two Members that are supporting 20 million, two Members that could go with 11 million, one Member at 16 million, and one Member...oh, sorry, two Members that are...whose preference is not to increase the Affordable Housing Fund at this time until we have not just vague plans, but actual blueprint plans ready to go. Okay. For me...I, you know, I would throw \$100 million at this if we had shovel-ready projects come July. There really is no amount that I wouldn't increase if we had everything ready to go in this next year. But we don't, and we are still in a pandemic. And so I guess I could support the 11 million that was discussed. That would be my compromise. Member Sinenci, are you raising your hand? Oh...Chair Lee.

COUNCILMEMBER LEE: I'll support that 11 million because we have to move this forward and it's better than 20 for me, you know. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your flexibility for the process, and for figuring out some kind of common ground. Okay. So we have four Members that are willing to support 11 million, one Member at 16 million, two Members at 20 million, and one . . .*(inaudible)*. . . Okay. So we still don't have five. The closest would be Member Sinenci, if Member Sinenci is willing to go down to 11 million. Member Molina.

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COUNCILMEMBER MOLINA: Madam Chair, if you like, I could throw out my proposal for the Members' consideration as well, if everybody is still kind of stuck in the mud on this, but I'll leave it to you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. If I were to vote for 11 million, I wouldn't vote for any more. So that would be where I would stand on that. Eleven million is the max that I would go for increasing the . . . *(audio interference)*. . . and I could divide it between you and Member Johnson if it . . . *(audio interference)*. . .

COUNCILMEMBER MOLINA: Understood.

CHAIR RAWLINS-FERNANDEZ: As you...pursuant to your idea earlier. Okay. Member Sinenci.

COUNCILMEMBER SINENCI: Yeah, I was just thinking, you know, at that 16 million, we would still have some to leverage. At that...adding 16 million, I was hoping that we could, you know, kind of jump start some of our local developers that may have some shovel-ready projects in the pipe. But that 16 million, you know, I think added to that that we could keep to our promise about Bill 10 and build more at 75 percent...I mean, at least for that...for this year. So...I mean, that's why that number, I think with that we could leverage and jump start...you know, we had Ms. Pamela Tumpap from the Chambers...all of those guys that came. And so I think this was kind of reaching across to the industry as well, and trying to...hey, we heard you too, you know, we want to help you guys, you know, we heard you guys all come and yeah, you spoke...you mainly spoke against Bill 10 because you didn't have that infrastructure funding. And so...and I think with this, they could...we could help them out and keep jobs here as well. So those were just my mana'o in reaching out to the industry. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member King.

COUNCILMEMBER KING: Thank you, Chair. Now, I think we can count and so, you know, I would be willing to support the maximum that the...that we can get the votes for. I also think, you know, how much...how much are we putting in for this year without the additional 11 million?

CHAIR RAWLINS-FERNANDEZ: It depends on how much final RPT is. So it depends on rates. It would be at the rates that the Mayor proposed without certification...I'm sorry. Okay, let's see. Yeah. It was about 15 million, and so if we increase rates, it'll be almost 16 million or 4 percent, so that's the 14 million...oh, sorry...yeah, almost 16 million. So the projected balance is 37 million, plus...

COUNCILMEMBER KING: I was just...the reason why I was asking about new money is because I think...I think what we heard is what we could leverage infrastructure funds against new monies that we're putting into affordable housing. So I believe that would be whatever...this 11 million plus whatever new money we're putting into Affordable Housing Fund this year. Because we have...you know, whatever the 3 percent or 4

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percent comes out to plus this 11 million...we're talking about leveraging Federal funds.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Member Molina, followed by Chair Lee.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Based on the conversation, I'm going to propose an amendment. Move to amend the proposal to 11 million.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Molina. Is there a second? Seconded by Chair Lee. Okay.

COUNCILMEMBER LEE: I'll speak after Mr. Molina.

CHAIR RAWLINS-FERNANDEZ: So the amendment...okay. So the motion to amend is to increase the Affordable Housing Fund by 11 million. And Member Molina, if you can clarify if that 11 million includes the amount...okay, this is going to be a little tricky to explain. All right. So in order to raise 11 million, we're going to have to increase property taxes in the property tax rates. In increasing the property tax rates, the 4 percent required will also increase to about 16 million. So by increasing it to 11 million, the real property tax rates will generate probably about between 6 to 800,000. So does the 11 million include the 6 to 800,000 that the required 4 percent would generate, or is the 11 percent in addition to that additional amount that the 4 percent would generate?

COUNCILMEMBER MOLINA: Are you talking about the Mayor's additional 1 percent...

CHAIR RAWLINS-FERNANDEZ: Do you understand?

COUNCILMEMBER MOLINA: Yeah, this would be in addition to that.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. When we do the property taxes, right...okay. So if it's 300 million, then 4 percent of the 300 million, right, is 12 million. And so if we increase it to 350 million, then it's now going to be, you know, like 12 million and, you know, 12.5 million. So is that .5 million in addition to the 11 million, or does it...is it included in the 11 million?

COUNCILMEMBER MOLINA: Well, you know, Madam Chair, my preference would be just to stay right at...well, let me ask you, so what would we be increasing then if you're talking property taxes? Because I was looking at a specific category at increasing to help make up...to generate the 20...

CHAIR RAWLINS-FERNANDEZ: Okay, so I'm not talking about the rates, we're talking about the...

COUNCILMEMBER LEE: You're talking about net 11 million.

COUNCILMEMBER MOLINA: Yeah, net...total net 11 million. Yeah. So if we factor in the 1 percent...

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CHAIR RAWLINS-FERNANDEZ: So that includes...

COUNCILMEMBER MOLINA: The 1 percent from the Mayor. Yeah.

CHAIR RAWLINS-FERNANDEZ: Yeah...well, the total 4 percent.

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: The 4 percent required...4 percent of RPT revenue to Affordable Housing Fund.

COUNCILMEMBER MOLINA: So...and just to add an additional 11 million to that. Yeah. That's what my proposal would be.

CHAIR RAWLINS-FERNANDEZ: So we would be increasing the Affordable Housing Fund by 11.6 million.

COUNCILMEMBER MOLINA: Yeah.

COUNCILMEMBER KING: Chair.

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: Chair Lee, followed by Member King.

COUNCILMEMBER LEE: Okay...and this is where...I seconded the motion, but I was wondering, is there a way...because the idea is to increase the funding for infrastructure by \$11 million, right? Not necessarily by increasing the Affordable Housing Fund in a sense.

COUNCILMEMBER MOLINA: Yeah.

COUNCILMEMBER LEE: I mean, can some of this be paid for with bond funds so that...so we're not actually paying cash? Because we don't have any real plan to, you know, right now. So that...is there a way to figure out how we can do this...I mean, maybe Michele can help us figure it out because --

COUNCILMEMBER MOLINA: I agree.

COUNCILMEMBER LEE: -- then we don't have to raise the real property taxes that much...we're getting \$11 million available for infrastructure, we don't have to use cash. So that's my question. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Okay. Member King.

COUNCILMEMBER KING: Okay. Yeah, I thought the point was to put it into Affordable

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Housing, and we could use some of it for infrastructure, but we don't designate it for infrastructure, so if we get a Federal match for infrastructure, that was one thing. But the other thing was the requirement for the Affordable Housing Fund, isn't it at 3 percent for RPT? That's the mandate in the Charter.

CHAIR RAWLINS-FERNANDEZ: The Charter requires 3, but the Mayor is 4.

COUNCILMEMBER KING: Right, but if we...but we're making the final decision so if we just took whatever the Mayor proposed and add \$11 million to it, we're still well over the 3 percent, so we're still legally...we don't have to necessarily add on the extra for his 4 percent because we're still legally got the same money, and got more money in there than the Charter requires that was my point.

CHAIR RAWLINS-FERNANDEZ: Yes. The 3 percent...

COUNCILMEMBER KING: Yeah.

CHAIR RAWLINS-FERNANDEZ: ...and the Mayor added about 3.7 million, so...and that's that 1 percent that Member Molina proposed, right. And so it's already 3.7 million above what the Charter requires...

COUNCILMEMBER KING: So that was my point because...

CHAIR RAWLINS-FERNANDEZ: So the 11 million...

COUNCILMEMBER KING: Yeah. So we could just take that figure add 11 million to it, and we're still good. We don't have to make sure that it pencils out to 4 percent because we're only required to do the 3 percent. So we're well over that. We're probably well over the 4 percent too, but we don't have to make it an exact number is my point...because we're well over the required...

CHAIR RAWLINS-FERNANDEZ: Okay. Sorry, I understand that I'm cutting off a lot so it's hard to understand. Okay. So we're going to increase the property taxes in order to generate \$11 million. When we increase it, it's not...1 percent, . . . *(timer sounds)*. . . is not going to equal 3.7 million anymore. It's going to...1 percent is going to equal more than 3.7 million.

COUNCILMEMBER KING: Correct.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, you want to take a stab at it since I'm breaking up a lot.

VICE-CHAIR PALTIN: Sure. I went to school to be a math teacher, so I'll try. Okay. So when you increase the real property taxes the number that's mandated by the Charter, the percentage changes.

COUNCILMEMBER KING: Right.

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VICE-CHAIR PALTIN: So like if we're generating 350 million in property taxes with the rate set by the Mayor, then you have to take 3 percent of 350 million. But if we're increasing that amount that we need to generate to, say, 340 million, now the 3 percent number is...of 340 million is going to be bigger than 3 percent of like, say, 350 million. So the Chair's question is, are we including the original 3 percent based on the Mayor's proposed rates, or are we going to include 3 percent based on the higher number? Is the amount inclusive of the original rates, or do we want to increase the percentage based on the new rates that we want to get? It's just a math question, it's not a...I mean, I guess it's policy, but it's a math question, and I hope that explained it.

COUNCILMEMBER KING: I think over...we're already over the 3 percent because he proposed 4 percent. So I'm just saying that we're already meeting the requirements of the Charter, even if we don't add that 600,000 back into that pot. So, you know, you don't have to worry about the requirements for the percent.

VICE-CHAIR PALTIN: But the Chair...what the Chair is trying to say is the 3 percent amount...the amount that equals 3 percent changes as we change the total amount of revenue we get. So are you wanting to go by the 3 percent that...of the proposed rates that the Mayor went by, or are you wanting to go by 3 percent of what the new total revenue would have to be for us to add in the 11 million. Because when we get to 11 million, we're going to be generating...or by adding 11 million, we're going to be generating that much more. So do you want to go by 3 percent of that new number, or do you want to go by 3 percent of the Mayor's proposed rates? There are two different numbers, because there's two different...

COUNCILMEMBER KING: Well, I was just...I was trying to make it easier by just saying the rate that...the where we're at now, with what he's proposed for the Affordable Housing Fund, that we just add the 11 million to that, you know, do whatever we need to get it up to the 11 million. We're going to be well over the 3 percent, that was my point. So we don't really have to worry about whether...about adding that other six hundred thousand if we use it where...anyway, that was...my point was that we're well over the requirement in the Charter. That was just my point.

VICE-CHAIR PALTIN: So my interpretation of what Member King is saying is inclusive.

COUNCILMEMBER KING: Yeah. Thank you, Math Teacher Paltin. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Mahalo, Member Paltin. Member Sinenci.

COUNCILMEMBER SINENCI: Oh, thank you, Chair. Just clarification for you. Your proposed tax rates, the ones that you showed us earlier, that included the 20 million and the 3.7 million from Member Molina and Member Johnson?

CHAIR RAWLINS-FERNANDEZ: Just 20 million.

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COUNCILMEMBER SINENCI: Oh, just....

CHAIR RAWLINS-FERNANDEZ: Plus...20 million plus the 647,000 that all the Members' priority proposals.

COUNCILMEMBER SINENCI: Okay, right. Because I mean, I get it that you raised...for short-term rentals it would come down, but I believe there's still...in some areas, it looks like there might be still some room, so...I mean, that's why I was thinking if we could go into RPT with a higher number and then work down from there. But you have a process...but I think if we look at it, there still might be some room. Yes, we are in a pandemic; however, some of these...a lot of people, you know, whether it be stocks, lower interest rates, corporations that invest here, a lot of them during this pandemic, you know, really banked and then received CARES Act funding. So I think when we look at some of the...you know, the larger investors that are looking into Maui County and the kinds of stocks that even throughout the pandemic they gained, I think we got to take that into consideration when we're looking at...as we go forward. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sinenci. All right. Member Johnson, do you want to speak to the motion to amend the main motion. You haven't spoken, everyone else has spoken. You don't have to, I'm just asking if you would like to.

COUNCILMEMBER JOHNSON: Yeah, thank you Chair, I appreciate that. You know, I love the dialogue here, you know. I get a little pit bull in me, but I'm going to stand on this hill, you know, I'm just going to stand on it. So that's my statement. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Member Johnson, you want to speak to the motion to amend the main motion? You...you haven't spoken. Everyone else has spoken. You don't have to, I'm just asking if you would like to.

COUNCILMEMBER JOHNSON: Yeah, thank you, Chair. I appreciate that. I...you know I love the dialog here. You know, I get a little pit bull in me, but I'm going to stand on this hill. You know, I'm just going to stand on it, so that's my...that's my statement. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Madam Chair. I'm just wondering, to try and reach this goal of 11 million, would it easier just to propose a 7 percent set aside? Because right now, with the...the 1 percent added by the Mayor, it's 4 percent. And if each percent is 3.7 million, times that by three, I think we could pretty much get to that 11 million if my math...and if Member Paltin can confirm my math. But I'll just throw it out there. Would it just be easier to propose a 7 percent set aside? And then we get the monies or...or increase certain classifications?

CHAIR RAWLINS-FERNANDEZ: Member Paltin, you want to answer that question?

VICE-CHAIR PALTIN: So we need to pass a balanced budget, and if we propose 7 percent of the Mayor's proposed rates to get to like, say, 20 million or whatever, then we're going

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to have to go back through all the departments and take the money away from them, if I'm understanding your proposal correctly. Is that how you understood [sic] it, Chair Rawlins-Fernandez?

CHAIR RAWLINS-FERNANDEZ: I think what I understood Member Molina's request was, instead of saying we're going to increase the Affordable Housing Fund by 11 million, I...I think what Member Molina is saying is...like, his proposal to increase the Mayor's 4 percent to Affordable Housing Fund to 5 percent, that we instead raise it an additional 3 percent, for a total of 7 percent of the Real Property Tax revenue. Is that correct --

VICE-CHAIR PALTIN: Then what --

CHAIR RAWLINS-FERNANDEZ: -- Member Molina?

VICE-CHAIR PALTIN: But to make that work to pass a balanced budget, we'd have to take the money from someplace else. We'd have to go back and make further cuts to the department. If we're just going off the Mayor's proposed rates, and increasing the percentage of the proposed rates to go to the Affordable Housing Fund, in order to pass a balanced budget, we need to find that money...that percentage that we're going to put in there from someplace that it's currently designated for something else.

CHAIR RAWLINS-FERNANDEZ: No, we'd...we would just...so like Member Molina's proposal to increase by 1 percent, for an additional 3.7 to the Affordable Housing Fund, it would be increasing the real property tax rates until it reaches 11 million over the Mayor's proposed amount, and then we would allocate that to Affordable Housing Fund. Chair Lee.

COUNCILMEMBER LEE: Which is very substantial. Another way is that...did...did we look at all the opportunities to move cash projects to bond? Did we look at that carefully? I mean, I didn't. You know, where we have \$48 million in CIP, surely some of that is cash. You want to take some time to look on it? You know, we can...everybody comb through the budget again?

CHAIR RAWLINS-FERNANDEZ: Oh, I...I would not like to do that.

COUNCILMEMBER LEE: Oh, okay. (laughing) All right.

VICE-CHAIR PALTIN: I mean, if the majority of the Members would like to, that's fine, but I...I was looking forward to having Saturday not be meeting.

COUNCILMEMBER LEE: Oh, just ask Member Paltin to do that. She can find it in, like, one hour or something, right? While we're having dinner? (laughing)

VICE-CHAIR PALTIN: Second dose. Second dose. I got my second dose today, go easy.

COUNCILMEMBER KING: And we have to fix everything after everyone comes and testifies --



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CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KING: -- on the . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: So Member Molina, 3 percent of the current certified RPT rates would generate \$11,260,979, so about 11 million. So if we wanted to add an additional 11 million, we would...we would add another 3 percent, so for a total of 6 percent.

COUNCILMEMBER MOLINA: Yeah. Okay. Sounds...so it's a little less than 7 percent, yeah? So 6 percent...because currently, it's 3 percent. Mayor wants to add 1 percent to make it 4, and I had a proposal to add another percent to make it 5. So if we go 6, we could reach that \$11 million goal as I...am I understanding it correct?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER MOLINA: Yeah. And like I said, Madam Chair, what...whatever the figure is, I...I think as long as we move in that direction for increasing, whether it be 11 million, 8 million, 7 million, what have you, but you know, that's...that'll be a decision all of us have to make. But I...I still feel we'd need to just move in that direction of adding a little bit more. Because we don't know, with the four proposed projects that's already on the burner from the Department, how much they could be tapping into the fund. So...but the motion on the floor is 11 million, so leave it at that, or if anybody wants to amend it. But you know, if your recommendations go on to 6 percent, I'll support.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Chair Lee.

COUNCILMEMBER LEE: Yeah. So is the only option to...if we vote on the...to support 11 million, is our only option to increase taxes by \$11 million? Is that it?

CHAIR RAWLINS-FERNANDEZ: Like you suggested, we could go through the CIPs and look at what we...just as we did last year, and look for all the cash-funded projects, and put them into bond funding. But remember how long that took, and...and we would...we would also need input from the Departments, potentially.

COUNCILMEMBER LEE: Because we would be essentially raising the budget from 828 million to 839 million, yeah?

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

COUNCILMEMBER LEE: And --

CHAIR RAWLINS-FERNANDEZ: Yeah, it...that's...that's inclusive of all, like, the rates and fees, and other funding. So for real property tax, it would be 375 --

COUNCILMEMBER LEE: Five.

CHAIR RAWLINS-FERNANDEZ: -- 375 million, and then it would go up to 386 million.

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COUNCILMEMBER LEE: Right. But the overall...overall budget would go from 828 to another \$11 million. And hopefully what we added wasn't that much.

CHAIR RAWLINS-FERNANDEZ: It was 650,000.

COUNCILMEMBER LEE: Yeah.

CHAIR RAWLINS-FERNANDEZ: Or...well, minus the reductions...as a result of the reductions.

COUNCILMEMBER LEE: Okay.

VICE-CHAIR PALTIN: All right.

COUNCILMEMBER LEE: I'm having a hard time with this, okay? Because I...I hate to raise the property tax \$11 million.

COUNCILMEMBER KING: So Chair, is there any credit for the revenue...the...the...for the fees that we raise? Any additional credit to our budget for the revenue? Can we . . . *(inaudible)*. . . fees --

COUNCILMEMBER LEE: They don't count the fees, yeah. I asked --

COUNCILMEMBER KING: Well, I know --

COUNCILMEMBER LEE: -- . . . *(inaudible)*. . .

COUNCILMEMBER KING: -- she said they don't in some of the departments, but I didn't know if that was true for all of the departments.

CHAIR RAWLINS-FERNANDEZ: To answer your question, the amendments that we made, Member Paltin's proposal to change the rates in Planning and Public Works, we don't have the projected amounts.

COUNCILMEMBER KING: Checking, because that was another potential --

CHAIR RAWLINS-FERNANDEZ: Um-hum. Okay.

COUNCILMEMBER LEE: Anybody else have any other ideas? That's a lot of Moloka'i bread to sell.

CHAIR RAWLINS-FERNANDEZ: Okay. So to answer your question, Member Molina, I...I think it would be cleaner to just go 6 percent instead of 11 million.

COUNCILMEMBER MOLINA: I support.

CHAIR RAWLINS-FERNANDEZ: Okay. It...it...it's about the same. It's just...it's just cleaner.

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Do you want to amend your motion, or you want to leave it at 11 million?

COUNCILMEMBER MOLINA: No, then I'll change my motion to raise the...add 2 percent? So for the proposal...I guess that would come up to...would that be 7 million at an additional 2 percent? Go from the Mayor's 4? Because I know each percent is 3.7, yeah?

CHAIR RAWLINS-FERNANDEZ: Four plus two is six.

COUNCILMEMBER MOLINA: Madam Chair, maybe if...with...with your permission, could we just take a short recess to calculate numbers at the 6 percent? So that way, I can frame the motion more accurately?

CHAIR RAWLINS-FERNANDEZ: Okay. Sure. But I...I gave you...I gave you the numbers. So 3 percent is 11,260,000, right? So if we add 3 percent to what is...what...mandated by the Charter...so we're not paying attention to what the Mayor proposed. Three percent is what is legally required by Charter. And if we add 3 percent to that, that would be a little over a million...11,300,000.

COUNCILMEMBER MOLINA: Okay. Clear. Okay, so I'll --

CHAIR RAWLINS-FERNANDEZ: So I --

COUNCILMEMBER MOLINA: -- amend it to that then.

CHAIR RAWLINS-FERNANDEZ: Okay. You'll amend it to...your motion from 11 million to raising the -- hmm.

COUNCILMEMBER MOLINA: Real property tax set aside?

CHAIR RAWLINS-FERNANDEZ: Let...let's just do it this way, so that it's --

COUNCILMEMBER MOLINA: Six percent.

CHAIR RAWLINS-FERNANDEZ: -- cleaner. We'll withdraw your motion to amend the main motion. We'll take the vote on the 20 million, and then that motion will be dealt with. You'll make a new motion, instead of increasing the 1 percent, you'll increase 3 percent to the mandated 3 percent of the Charter, okay? All right. So if you will withdraw your motion to amend the main motion.

COUNCILMEMBER MOLINA: Okay. I withdraw my motion to amend the main motion.

CHAIR RAWLINS-FERNANDEZ: Then Chair Lee, your second?

COUNCILMEMBER LEE: I withdraw.

CHAIR RAWLINS-FERNANDEZ: Okay. Withdraw your second. And now we're on the main

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motion, which is to increase the Affordable Housing Fund by \$20 million. Okay. That's Member Johnson's motion. I'll call for the question. All those in favor of the motion, please raise your hands. Three ayes, Member King, Member Paltin, Member Johnson. On noes... anyone opposed, please raise your hand and say "no." Okay, Chair Lee, Member Molina, Member Sinenci, Member Sugimura, and myself. Okay, so it's three ayes, five noes, two excused. Member King, Member Paltin, Member Johnson.

COUNCILMEMBER SINENCI: Sorry, reconsider...sorry, I didn't hear that...that last one. I didn't vote on that one, Chair.

CHAIR RAWLINS-FERNANDEZ: All right. So okay, Members, if...if we would like to, you know, come to some kind of conclusion, we can't have a four-four vote. So for those that were amendable to the 11 million, we can either ask Member Johnson to withdraw his motion so that we can move forward; otherwise, we're going to be at an impasse. All right? So we can either ask Member Johnson to withdraw his motion, but I know he would prefer to vote on it. But if he would like to, to make it cleaner, because we know that the votes aren't there. So the 20 million is not going to pass. But if you're going to want to keep your motion on the floor, then we're just going to have to vote on it. But it can't be a four-four because...well, I guess it could, and then it just fails. All right. I'll call for the question. All those in favor of the motion for 20 million, please raise your hand and say "aye." Okay, Member King, Member Paltin, Member Johnson...okay, and Member Sinenci. All right. All those opposed, please raise your hand and say "no." All right, Member Molina, Chair Lee, Member Sugimura, and myself. Four-four, two excused Member...sorry. One excused, Pro Tem Kama. Motion fails.

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

**NOES:           Chair Rawlins-Fernandez, and Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:       None.**

**ABSENT:        None.**

**EXC.:           Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: All right. Member Molina, your motion?

COUNCILMEMBER MOLINA: Thank you very much Madam Chair and Members. I move to add an additional 3 percent of real property tax set aside for the Affordable Housing Fund.

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CHAIR RAWLINS-FERNANDEZ: Moved by Member Molina. Is there a second? Okay. Seconded by Member Johnson. Okay. Does anyone need to further discuss this motion?

COUNCILMEMBER MOLINA: Yeah...yeah, Chair. Just a quick, brief remark. So...yeah, so this would increase it to 6 percent and generate an additional \$11 million-plus for the Affordable Housing Fund. Thank you.

CHAIR RAWLINS-FERNANDEZ: Perfect. Mahalo, Member Molina. Member Paltin?

VICE-CHAIR PALTIN: Thank you, Chair. Can we check in with Director Yoshimura about the percentage versus the number?

CHAIR RAWLINS-FERNANDEZ: Sure. Budget Director?

MS. YOSHIMURA: Chair. So the question is, you want to set...you want to go by percentage and not just say 11 million? Is that what I'm hearing?

CHAIR RAWLINS-FERNANDEZ: Yes. So 3 percent above the Charter-mandated 3 percent, for approximately 11.3 million more into the Affordable Housing Fund.

MS. YOSHIMURA: So I guess \$3.7 million ...so, yeah, it would be about \$11.1 million if you did the 3 percent, right, on top of that. So --

CHAIR RAWLINS-FERNANDEZ: Member Paltin, what is your question for Budget Director?

MS. YOSHIMURA: So...so I'm not sure what the question is.

CHAIR RAWLINS-FERNANDEZ: We'll...we'll clarify. Member Paltin.

VICE-CHAIR PALTIN: So my question is, in passing a balanced budget, are we going off the Mayor's RPT rates and saying 6 percent...6 percent, then do we need to cut from the other departments? Or if we say 11 million more, then it's not a percentage of what the final RPT numbers are?

CHAIR RAWLINS-FERNANDEZ: Oh, I see what you're saying. Member Paltin...so Member Paltin, this is a revolving fund, the Affordable Housing Fund. And so it's not included in the total balanced budget. Is that what your...is that your question?

COUNCILMEMBER LEE: No.

VICE-CHAIR PALTIN: Well, if we're saying a percentage of the certified revenues, and then we're going off the Mayor's rates, what they are right now, and saying a percentage of the entire revenues, but then we need to raise the revenues to --

CHAIR RAWLINS-FERNANDEZ: What...but...Member Paltin. So we're going to have to raise

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the revenues...we're...we're going to have to raise the rates in order to achieve the additional 3 percent, right? So it...it is going to increase as we were discussing earlier. So we're going off of the mandated 3 percent by Charter, and we're adding another 3 percent. And so in order to generate that additional \$11 million, we're going to have to raise the rates to make that revenue. That doesn't affect the... the operating and the CIP budget.

VICE-CHAIR PALTIN: Yeah, I guess my question for Ms. Yoshimura was just in the wording of it. Like, if we should say the exact number, or if we should say a percentage of it. If... if she has a preference, I guess.

CHAIR RAWLINS-FERNANDEZ: Okay. Does it matter if we say an additional 11 million or an additional 3 percent?

MS. YOSHIMURA: If you do a percent, it won't become exactly 11 million, right? So if you want exactly \$11 million, then you would state the dollar amount. If you want a plus or minus from the 11 million, then you'd say a percentage.

CHAIR RAWLINS-FERNANDEZ: So it'll end up being more than 11 million. Okay. Chair Lee.

COUNCILMEMBER LEE: Okay. Michele, isn't the...the way to handle this, is to add 11 million to the 375,365,000 figure, right? And then work your way backwards in terms of how much you have to raise everybody's rates, their taxes. So that you know...you're starting with a number, and then that's the number we have to achieve in terms of...in terms of income, and the tax rates --

CHAIR RAWLINS-FERNANDEZ: Chair Lee --

COUNCILMEMBER LEE: -- that we have to raise?

CHAIR RAWLINS-FERNANDEZ: Chair Lee, that was the spreadsheet I was sharing earlier. So I...I have that number, and then we'll...we'll adjust the rates, and then figure out what the rates would need to be to achieve that amount. Member King.

COUNCILMEMBER KING: Okay, thank you. I just wanted to point out that the proposal was to add 11 million, and if we...if we do a percentage over...because we're...we're adding 11 million to the Mayor's budget. Member Molina, that's what...what the proposal was? The Mayor's budget was already at 4 percent, so if we only do 6 percent, we're not adding 11 million. We're only adding 2 percent, and if each percent is 3.5 million, then we're only adding 7 million. We're not actually...actually adding 11 million if we go to 6 percent. So if we...if the proposal is for --

CHAIR RAWLINS-FERNANDEZ: So . . .*(inaudible)*. . . that was the --

COUNCILMEMBER KING: -- then we have to figure out a way...you know, how to...how to make the percentage work so that there's actually 11 million over what the Mayor proposed. So anyway, I just think the cleanest way to do it is just to make the proposal

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for 11 million over what the Mayor proposed. That seems clean.

COUNCILMEMBER LEE: That's what Michele said.

CHAIR RAWLINS-FERNANDEZ: If you want exactly 11 million, then that's what you would do. But then we would have to calculate in the difference that would happen when we increase the real property tax revenue. Do you want me to share the spreadsheet? I can...I can share it, so you can see what happens. When you increase the...the Real Property Tax revenue, then the percentage increases that goes to the Affordable Housing Fund. So do we include that in the 11 million or not? So that's what we were talking about earlier. That's why I was saying that adding the percentage would just encompass all of that, so we don't have to discuss that part of it. But whatever. Whatever you guys want to do. I don't care. Okay, let's take a recess. It's 5:50. Let's take a ten-minute break and be back at 6:00. All right? It's 5:50 on April 23rd, and the Budget, Finance, and Economic Development Committee is now in recess.

RECESS: 5:50 p.m.

RECONVENE: 6:16 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Budget, Finance, and Economic Development Committee please return to order. It's 6:16 on April 23rd, and we have a motion on the floor from Member Molina to increase the Affordable Housing Fund by an additional 3 percent above the Charter's required percent. Member Molina, do you want to maintain that motion, or did you want to amend the motion?

COUNCILMEMBER MOLINA: Well, Madam Chair, if...I'll wait to see if there's any other comments from the Members on this. Because there seems to be a lot of...you know, seems to be we may...it appears that we're at an impasse. But you know, Madam Chair, I'll, you know, propose something when...after hearing upon other comments from the Members. I see Member Paltin had her hand up, so I'll yield the floor to her.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: I just wanted to disclose that I...I did speak with the Budget Director during the break, and if everyone wanted to change to page 6 of their Budget Bills, seems to be the easiest way to accomplish this, if you see number (8), transfer to the Affordable Housing Fund. The easiest way would probably be to put the final amount that you want to see there, and work backwards. Because when you say a percentage, it's a percentage of the revenues. And to get there...to get to that original percentage, it's...it's a changing number. You know what I mean? So if...if we can all agree on what we want the final number to be here on page 6, we can work backwards from there. But when you...when you say a percentage, it's a percentage of what? And the what would be changing in order to get us there. So if we want to know exactly how much is going to be here at the end, it's easier to say what that number is, and then work backwards from there. And...and that would be my suggestion, but I'm open to discussion. I think that's easier and cleaner, because maybe not everyone understands percentages or not everyone understands that the percentage would be a moving number that won't

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necessarily be what you think it's going to be. So that would just be my comments on the situation of how I think would be an easier way to do it, with less math that we all have to understand, and something easier that we all can understand.

CHAIR RAWLINS-FERNANDEZ: Sounds good. Mahalo, Budget Director. Mahalo, Member Paltin. Member Molina.

COUNCILMEMBER MOLINA: I...I'll leave it to the body, whatever is easiest. But I know traditionally, the Council has always used percentages as a way to increase the Affordable Housing, or make adjustments to the Affordable Housing Fund; but again, every Council's different, so I leave it to you and the body for whatever recommendation. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member King.

COUNCILMEMBER KING: Thank you. I...Member Molina, was your proposal to add 11 million onto the existing Mayor's proposal, or was it to go back to 3 percent, and then add 11 million on?

COUNCILMEMBER MOLINA: Yeah. Thank you, Member King. Thank you, Madam Chair. Yeah, based on...on Chairman Rawlins-Fernandez's recommendation, it was just to go back to the 3 percent, and then add the additional 3 percent, which --

COUNCILMEMBER KING: So you're not really adding --

COUNCILMEMBER MOLINA: -- would total . . . *(inaudible)*. . . \$11 million.

COUNCILMEMBER KING: -- 11 to the base proposal.

COUNCILMEMBER MOLINA: Yeah, it would just go...based on what's on the Charter now is 3 percent, and add an additional 3 percent.

COUNCILMEMBER KING: Okay. That...I...I thought that we had all agreed to add an additional 11 million on top of what the Mayor's proposal is currently.

COUNCILMEMBER MOLINA: Yeah. Yeah, it was, but then...then Budget Chair Rawlins-Fernandez made a recommendation to go to 6, which I had agreed to. So that...that...that is why I threw out that proposal, based on the starting point at 3 percent, then adding another 3 percent, which would total another 11 million or so.

COUNCILMEMBER KING: Well, I think...I think we got to...I'd rather talk about it in terms of what we're adding on top of the Mayor's budget, because that's what we've done with everything else, right, we looked at the Mayor's budget. So how much are you...then you're only adding 7 million? Or you know.

COUNCILMEMBER MOLINA: Yeah, if you look at it that way, it'd be more like 7 point whatever, 4 million and change.



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COUNCILMEMBER KING: Is that your motion? Did you make a motion?

COUNCILMEMBER MOLINA: Yeah, the motion on the floor is 6 percent...an additional 3 percent from the 3 percent as stated in the Charter.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. Yeah, so that was the recommendation that I made to Member Molina because that was what I was hearing from the body. But if I heard wrong, I know Member Molina said 11 million. It wasn't clear from the Members what that 11 million was. So if, Member Molina, your intention when you threw out the 11 million compromise with Member Johnson was to go above the 15 million, which is the 4 percent proposed by the Mayor, then that was my fault. If...if you want to amend your motion because my recommendation was based on a misunderstanding of what your intention was, then --

COUNCILMEMBER MOLINA: Well...well but, you know, you know what, Madam Chair? Because we're at an impasse, to make it cleaner, I'm just going to go ahead and drop my motion, and then listen to other considerations. Just so we can move...because I'm like you, I kind of want to get out of here, you know? And I think as long as we keep moving in the direction of adding to the Fund, you know, I'm hoping that we can at least, if not all of us, at least a good majority of...can...can agree to a number. So for the sake of just moving things along, I'll...I'll withdraw my motion and listen to other considerations.

CHAIR RAWLINS-FERNANDEZ: All right. Motion was withdrawn by Member Molina. Chair Lee, your second?

COUNCILMEMBER LEE: Withdraw.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. Member Paltin.

VICE-CHAIR PALTIN: So then if we're starting from scratch, my request would just be that we look at page 6, and --

CHAIR RAWLINS-FERNANDEZ: Member Paltin, are you making a motion?

VICE-CHAIR PALTIN: No. I'm just saying, like, how the process should...I would like to see, is we decide what the final number we want there on (8), and work backwards. Whether it's 20 million, if it would have been 6 percent of, like how he was saying it would have been \$22,284,138, that's my request. Because I think when we talk about percents and like that, we get confused, or 11 million to what. So any kind of proposal, my request is that it be the final amount that we want to see in row (8) on page 6, and then I think we'll all be on the same page.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. And just to keep in mind that that number currently on your page 6, row (8), is not the certification number. That's the number pre-certification. I understand what the intent would be, even if you don't

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use the correct numbers that's certified. Member King.

COUNCILMEMBER KING: Thank you, Chair. I move to add 11 million to the Affordable Housing Fund on top of whatever line (8) would be with the 4 percent, the corrected number.

CHAIR RAWLINS-FERNANDEZ: Okay, moved by Member King. Is there a second? Seconded by Member Johnson. Okay. All right, discussion? If not, I'll call for the question. Okay.

COUNCILMEMBER SINENCI: Just --

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Thank you. Clarification. Was it at 12 million, the actual number after was...is...it was closer to that? Or 24? Yeah? Was 24.

CHAIR RAWLINS-FERNANDEZ: I'm sorry. What...what is your question, Member Sinenci? Is it, what is 4 percent of the certified numbers?

COUNCILMEMBER SINENCI: No. What was the actual numbers...I know it's not 14 million as it shows in...on line 8.

CHAIR RAWLINS-FERNANDEZ: It's 15,014,639.

COUNCILMEMBER SINENCI: Okay. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. All those in favor of the motion, please raise your hand and say “aye.” Okay, all those opposed, please raise your hand and say “no.” Okay, six “ayes”, two “noes”, one excused. Yeah. Okay. six “ayes”, two “noes”, Member Molina, Member Sugimura, and one excused. All right.

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

**NOES: Councilmembers Molina and Sugimura.**

**ABSTAIN:**           **None.**

**ABSENT:           None.**

**EXC.: Councilmember Kama.**

**MOTION CARRIED.**

**ACTION: APPROVE**

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CHAIR RAWLINS-FERNANDEZ: I'll share my screen. Okay. So we have 11 million. Member Molina withdrew his motion. So the balance after the Mayor is 35...oh, it's not sharing? Ah. Hmm. Sorry. Let me try again. Is it sharing now? All right.

VICE-CHAIR PALTIN: I got \$26,014,638.

CHAIR RAWLINS-FERNANDEZ: What is that number, Member Paltin?

VICE-CHAIR PALTIN: The...the new Affordable Housing Fund amount.

CHAIR RAWLINS-FERNANDEZ: The unconditioned...so it's 35,861,049. I'm sorry, I...BlueJeans is not letting me share my screen. Okay. All right. One...one moment. I'm going to log off and log right back on. Okay? Member Molina, you had a question?

COUNCILMEMBER MOLINA: Well, yeah, I just wanted to mention for the record, I did have a...a proposal...formal proposal submitted for 3.7 million and a 1 percent, so I'll withdraw that so we can save some time.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Okay. All right. I'm going to try to share my screen again. Okay. I guess my network is not good. All right. So we'll take up the next...BlueJeans is not working with me. I'll try to send this to Staff so that Ms. Milner will be able to share it for us. Okay. So we have a proposal from Member Johnson, two proposals actually. One proposal is number 21 on your matrix, and I think I heard Member Johnson say that he was going to withdraw the proposal for...that's number 19 on your matrix. And that proposal is 20 million must be used for upfront infrastructure costs to support 100 percent affordable housing projects. Were...were you going to withdraw that or no?

COUNCILMEMBER JOHNSON: Yes, Chair. I'm going to withdraw.

CHAIR RAWLINS-FERNANDEZ: Okay. So the last is for...it's number 21. Number 21 on your matrix for 500,000 for the Healing Solutions Commission. Did you want to present your proposal, Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I move to proviso 500,000 of the Affordable Housing Fund to be used for shelter solutions, related and approved by the Healing Solutions for the Homeless Commission.

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Johnson, seconded by Member Molina. Member Johnson.

COUNCILMEMBER JOHNSON: Mahalo, Chair. Okay. So since my time in office, my team and I have been exploring solutions to our housing and homeless crisis. During the virtual conference endless...ending homelessness, there was a break-out session on managed encampments, sharing successful models in Oakland and Florida, that could

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easily be replicated. When discussing the possibility of a managed encampment project on Maui, the Director, Lori Tsuhako, explained to me that the idea would need...needed to be vetted by the Healing Solutions for the Homeless Commission. My office has also explored managed tentatowns as solution to transitional housing, and I know that Councilmember King has wanted to explore the idea of secured parking lot areas. The cost of a much-needed managed encampment with wraparound services might cost up to \$400,000 if done correctly. You must know that when the homeless are being moved by the Administration's Compassionate Disruption Plan, they have nowhere to go. Our shelters are bursting at the seams, and the inn is full. We need to create safe interim places; places where a woman isn't afraid she will be raped; places where your only...your only belongings don't get stolen; places away from predator behavior; places where access to drinking water, so our brothers and sisters don't have to walk miles to get it; places that have amenities, so you can live in dignity and not be forced to alleviate yourself in bags or on the floor; places where you can also receive wraparound services and wound care, and where, over time, you can transition into the shelter where spaces open up or ideal move in...or ideally, move into a permanent housing. All these models complement with what already exists, and can be part of a housing first overall vision. This proviso would...would specifically allow these types of encampment projects as use of the fund under 3.35.040, Use of Fund Delta, to provide housing for elderly, disabled and homeless residents lacking a permanent home. One last thing, the Comprehensive Housing Plan, when it comes out in June, will likely also identify parcels for managing encampment projects. Our Commission on Healing Solutions could feel motivated and supported to . . . *(timer sounds)*. . . hit the ground running, knowing a budget of 500,000 on these recommendations. If I may just finish up. There...the more Commissions begins to vet solutions, the more we need to be prepared to set them in action. People are dying and in dire straits. Our system is broken, and we are face...failing our 'ohana. Our community is crying out for help on both sides of the homeless issue, and I implore that we must not delay. I hope to see a fund for this Commission in the future that will fund all types of solutions, not just shelter, but for now and under these guidelines we were given during the Budget proposal, this is my proposal. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Chair Lee.

COUNCILMEMBER LEE: I think we need to check with Corp. Counsel if the appropriate fund is the Affordable Housing Fund or the Homeless Fund. I don't believe the Affordable --

CHAIR RAWLINS-FERNANDEZ: Ms. Toshikiyo?

COUNCILMEMBER LEE: -- Housing Fund is set up for encampments. Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Toshikiyo?

MS. TOSHIKIYO: Hi. Thank you. I do have a couple of things. If I could just say before I try and answer Chair Lee's question, just that the...of course you guys all know this because you passed the ordinance to start the Homeless Healing Commission...Healing...Commission on Healing Solutions for the Homeless. It's a mouthful. So their policy and duties is to make recommendations to the Council

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and...and to the Administration on issues dealing with homelessness. So that's the first part. It's...you know, they don't approve, of course, they just make the recommendation. And then the...to answer Chair Lee's question...uh-oh, sorry...any of those recommendations, if you're going to use the Affordable Housing Fund, would still need to, of course, follow with...fall within the parameters of the Fund. There might be other projects that they would recommend that don't qualify, so that's just something to keep in mind. Regarding the...I'm sorry, what was your...the tent? Tents? That what your question was, Chair Lee? Sorry.

CHAIR RAWLINS-FERNANDEZ: Encampments.

COUNCILMEMBER LEE: Encampments.

. . . *(phone ringing)*. . .

MS. TOSHIKIYO: Sorry. Sorry, that was my phone. That one, you know, without knowing all the...you know, everything that that project would involve, it could possibly fall under that section that Member Johnson pointed out, but I couldn't say for sure because we would really need more information. So I...I guess my answer would be, that all the recommendations would...we'd have to look at on a case-by-case basis to see whether or not it qualifies.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Johnson, you have a question for Corporation Counsel? . . . *(timer sounds)*. . . You're on mute.

COUNCILMEMBER JOHNSON: I'm sorry. Yeah, I could clarify that, if you'd like. So --

COUNCILMEMBER LEE: I'm just wondering if that's the proper Fund. That's all.

CHAIR RAWLINS-FERNANDEZ: Anyone else wishing to speak to the motion? Member King.

COUNCILMEMBER KING: Yeah, I support the...you know, the Commission on Healing Solutions making recommendations and having some funding to try to carry out those recommendations. And I was looking at your description on the newest matrix. It leaves it pretty open. It doesn't prescribe...pre-prescribe any solutions, so I think they could be looked at on a case-by-case basis. Because the word encampment is not even listed here. So I think you were just using those as examples, Member Johnson, and not, you know, basically just trying to find out what they come up with, because that's why they were created, was to think outside the box and come up with new solutions. So yeah, I support it, wherever it has to come from. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak to the motion? Member Paltin.

VICE-CHAIR PALTIN: Thank you, Chair. I'm not against the idea. I just feel like we need more details before we go ahead and proviso money. I'd like to see a concrete example. You know, we increased the Affordable Housing Fund by quite a bit, and...and there was

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some concern that it would all be spent in one year. So I'm not sure that we need to proviso the money. I'd...I'd like to see what comes out of it, have the full discussion in Committee, and then spend the money on it, would be my preference.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Okay, anyone else wishing to speak to the motion? All right. I'll share my thoughts. So my office and I created this Commission, so obviously it's something that I care passionately about: healing solutions for our entire County. I think this is putting the cart before the horse, and I don't support putting carts before horses, so I'm going to be voting against this motion, all right? I'll call for the question. All those in favor of the motion, please raise your hand and say "aye." All right. Member Johnson, Member King, Member Sinenci, Member Molina. All those opposed to the motion, please raise your hand and say "no". Chair Lee, Member Paltin, Member Sugimura, and myself; four-four. Motion fails.

**VOTE:**        **AYES:**        **Councilmembers Johnson, King, Molina, and Sinenci.**

**NOES:**        **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, and Sugimura.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. All right. Ms. Milner has the spreadsheet updated for us, and I'm hoping that BlueJeans will be able to...will let her share her screen. Ms. Milner? So if we can scroll up. Oh, okay. That's where the...okay. So we increased the Affordable Housing Fund by 11 million, Member Molina withdrew his motion for the 1 percent, so the 11 million, plus the balance after the Mayor's conditions leaves a balance of \$35,861,049 of unconditioned, nonearmarked funds in the Affordable Housing Fund. And then three proposals that did not pass. Okay. Mahalo, Ms. Milner.

COUNCILMEMBER KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Just a question. The figure that you said after the Mayor's budget, was that...did that include the ones that we took out?

CHAIR RAWLINS-FERNANDEZ: Yes.

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COUNCILMEMBER KING: Okay. So...so you actually put them back in there as potential ones that we would be funding after they come to us? Or did you take them out, and then you...you were using that figure?

CHAIR RAWLINS-FERNANDEZ: They are not conditioned in the Affordable Housing Fund right now.

COUNCILMEMBER KING: Okay. So they weren't under that line. So if they do go back in, that'd be another, I don't know, 7 million or something like that. Just checking. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Okay. It's 6:42. We need to discuss RPT to cover the 11 million, fuel tax, weight tax, and then we are pau. So would Members like a dinner break at this time? All right. An hour, so until 7:45? All right. Okay, so it's 6:43 on April 23rd. We'll take about an hour recess until 7:45. The Budget, Finance, and Economic Development Committee is now in recess. . . .*(gavel)*. . .

RECESS: 6:43 p.m.  
RECONVENE: 7:44 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . .Will the Budget, Finance, and Economic Development Committee please return to order. It's 7:44 on April 23rd, and we're now on our discussion of RPT. Before we start with the RPT discussion, we'll quickly see the direction that we need to go. Ms. Milner, will you please share the first spreadsheet that shows the Members' deficits and surplus from their priority proposals, including the departmental requests. The balance.

MS. MILNER: Chair, you're going to see me add the last couple surpluses while you review the deficits.

CHAIR RAWLINS-FERNANDEZ: All right. Sounds good. Thank you. Thank you for getting that filled in so quickly. Okay. All right. So we just added...okay, so Member Johnson has a deficit of \$6,114,000. Oh, I'm sorry, I guess I should ask first. Member Molina, was it your understanding that you and Member Johnson would split the 11 million?

COUNCILMEMBER MOLINA: No.

CHAIR RAWLINS-FERNANDEZ: I know it was discussed, but it wasn't decided. Okay.

COUNCILMEMBER MOLINA: Yeah. I...I...I wasn't the maker of the...remember, I withdrew my motion for the 6 percent, and then Member King made the motion for the 11 million.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, so we can make that adjustment. I don't know what Member Johnson would like to do. So. Okay, so in that case, if Member Johnson takes the 11 million, then it would be \$11,614,000 *[sic]*. Member King has 104,605 deficit; Member Molina, 294,504; Member Sinenci, 57,032 . . .*(audio interference)*. . . and myself, 384,543. And then the Members that have a surplus: Member Paltin,

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101,973; Chair Lee, a surplus of 216,806; and Member Sugimura, a surplus of 549,116. Okay. And then we...oh, Member Paltin, you have a question?

VICE-CHAIR PALTIN: Yeah, I just was wondering if that was taking in account...into account the additions that we made today, like the Harley Davidson and the OSO-IV position? Has that been updated?

MS. MILNER: Yes, Chair. Would you like me to share that spreadsheet briefly?

CHAIR RAWLINS-FERNANDEZ: No, it's okay.

MS. MILNER: Okay.

CHAIR RAWLINS-FERNANDEZ: I trust you. Member Paltin trusts you too. Okay. Mahalo. All right. Okay. So, that's a total of \$11,586,816 over the revenue that the Mayor's proposed RPT rates generate. And the revenue that we would need to get is \$386,952,756. Okay? All right. Member Johnson, now that you're here, I know we had discussed you and Member Molina splitting the Affordable Housing Fund increase, but that was never decided on. So I put the 11 million under you, Member Johnson, as your priority proposal, okay? Okay. And then the...okay. So when we move into doing the spreadsheet on RPT rates, we'll need to raise the 11,586,708 [sic]. Okay. So the first thing we need to set is the threshold. So we can stop sharing...yeah. Oh, I guess we'll...do you have the...oh, okay, Member Paltin, you have a question?

VICE-CHAIR PALTIN: In that new revenue that we need to raise, are we taking into consideration that...how much needs to be put into Open Space Fund is changing based on that amount? Because it needs to be 1 percent of that amount, right? And so it's going to be more than, like, 3.7. So it --

CHAIR RAWLINS-FERNANDEZ: Yeah. So we're going to --

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

CHAIR RAWLINS-FERNANDEZ: -- we're going to have to...

VICE-CHAIR PALTIN: Adjust it for that additional amount that we need for the Open Space Fund as well?

CHAIR RAWLINS-FERNANDEZ: So that would just be 3.87. So we would add that to the...so that would be 15,456,816. All right? So that's how much we would have to adjust the rates to. All right. Any other questions?

VICE-CHAIR PALTIN: Can...can you put up that other previous slide one...one more time real quick? Because I...I didn't write down all the numbers. Sorry.

CHAIR RAWLINS-FERNANDEZ: Okay. Ms. Milner? Is that the numbers? Oh, you need to go...



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VICE-CHAIR PALTIN: . . . *(audio interference)*. . .

CHAIR RAWLINS-FERNANDEZ: Ms. Milner. I'm going to mute you, Member Paltin. The feedback. Okay. So Ms. Milner, if...to the 11,586,000, will you add the 1 percent for Open Space, so that...I think it's going to come out 15 million-something.

MS. MILNER: Chair, I think we only need to account for the difference between your Open Space and the Mayor's Open Space, so it'll be less than the full 1 percent. So if you give me a minute, I can figure that out.

CHAIR RAWLINS-FERNANDEZ: All right. All right. Okay. So we'll adjust for that in a second. So Member Paltin, did you get the numbers that you need? Okay. So it's 115,867 plus the 11 million. And that's...so we'll need to raise 11,702,656. Okay? All right. Okay. We can...we'll stop sharing for now, and then we'll discussion on the tiers.

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**REAL PROPERTY TAXES**

CHAIR RAWLINS-FERNANDEZ: Okay. So Members, we received the Mayor's proposed tier thresholds at 800,000 for...for all owner-occupied, Non-Owner-Occupied, and STR. Tier 1 - less than 800,000; Tier 2 - 800,001 to 1.5 million; and Tier 3 - above 1.5 million. So in setting the thresholds, we would need to keep all the ranges, the tiers, the same because of the way the software in Finance Department works. So whatever's the tiers...the tier thresholds for owner-occupied, it will need to be the same for Non-Owner-Occupied and STR, and what...whatever we're going to tier. Okay. I had requested tiers...Tier 1 -starting at up to 600,000, and then 600,000 to 2 million, and then above 2 million. All right? So Miss... oh, okay. Ms. Milner has slightly revised numbers. The difference is \$27 different, with Open Space. So it would be 11,702,684. Okay. So those are the two that we would choose between. The Tier 1 - below 800,000, Tier 2 - 800 to 1.5, and Tier 3 - 1.5 above. That's option one. That's what we adopted last Budget, and that's what the Mayor has proposed this Budget. Option two, would be everything up to 600,000 for Tier 1, Tier 2 - 600,000 to 2 million, and Tier 3 - 2 million and above. Member Paltin, you have a question?

VICE-CHAIR PALTIN: I don't have a problem with that. Could you provide us what the new blue lines would be for those tiers? Like, in our page 1 of our book, it has, you know, Tier 1 - up to 800,000 certified value for tax rate purposes would be 10 million...or 10,182,900,395, but if it's up to 600,000, can we get what those numbers would be for each category? And then we can kind of play around with the numbers ourselves.

CHAIR RAWLINS-FERNANDEZ: Yeah. So yeah. So I have the net valuation at those tiers, which is the blue numbers that you're referring to. So I guess my question would be, do you want...so I guess we have to figure out as a body first what we want to set the tiers at. Because if the majority does not want to change the tiers and want to stick with the Mayor's thresholds, then...then I...I wouldn't need to send that information to

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you. If we do want to change it to...adjust it to 600,000 and the 2 million, then I...I can send that information to you. So yeah, we're having the discussion on tiers first, and then we can determine. Because you have the spreadsheet for the 8 and 1.5. Member Paltin, followed by Chair Lee.

VICE-CHAIR PALTIN: To make the decision, it would kind of help me to see it. And you don't need to send it. Maybe if you can flash on the screen what 0 to 600 looks like, and then I can compare it to my book, and then just by looking at that would help me make my decision. But I...I think, you know, for what we need to raise, I...I agree with the 600,000, but I just kind of would...it would help me to see...see what it kind of looks like in comparison to this.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Chair Lee?

COUNCILMEMBER LEE: I tend to want to stay with what is...what the Mayor presented and proposed. Because right now, the summary of taxable properties has complete data on class count and count change, and all these different things that are important to me. But maybe it doesn't matter to you guys, but it's hard to...to make all...all the adjustments along the way, when you change to...when you change the tier thresholds. So that's my concern.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Okay. Member King.

COUNCILMEMBER KING: Thank you, Chair. I'd...I'd like to stay with the tiers that already...that the Mayor proposed, mainly because I think 600,000 is too low, and especially with the feeding frenzy we seem to be having right now, with people buying houses sight unseen. It could be driving the values up for the rest of us who have been around. I mean, I've been in my house for almost 40 years, and I've seen houses being bought up around us, and so I...I don't think people...people's values are going to go up through no fault of their own. So I'd hate to be...I hate to see people who might have had a house that's valued at 600,000 or less, and it bumps up because of all of the...the sales going on, that now they're going to have to pay more taxes. So I'm comfortable with these tiers that are in the book right now.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. All right. Member Sinenci.

COUNCILMEMBER SINENCI: Just a general question about, you know, what kind of significant changes by changing the tiers; lowering it down to 600,000, and then of course Tier 3, I...I get above 2,000...2 million, excuse me, and above. So would this kind of raise some of the, you know, the... the revenues that we get if we did that?

CHAIR RAWLINS-FERNANDEZ: I can share screen in a bit if no one else wants to speak.

COUNCILMEMBER SINENCI: Thank you.

CHAIR RAWLINS-FERNANDEZ: Seeing...Member Molina, Member Johnson not raising their . . .(audio interference). . .okay, share screen. Okay. Ms. Milner? The spreadsheet

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with the 6 and 2 thresholds, and the Mayor's proposed rates. All right. So the purpose of having it start at 6 is to give relief to those who really need the relief. Everyone gets Tier 1, because they're progressive. And then there's a larger group that's in Tier 2. And then in Tier 3, those that can afford a little bit more in taxes, we could increase the rate a little bit more. Okay, do you want to scroll down? Do you have everything, Member Paltin? Okay. All right. We can stop the screen share. All right. Anyone else wishing to speak to which tiers we should use? Member Sugimura.

COUNCILMEMBER SUGIMURA: So the other choice would be the existing, right? So it'd be Tier 1, would be up to 8...800,000, Tier 2 is 800,001 to 1.5, and then one...more than 1.5. But the...you're...you're looking at changing and lowering it 600, and then going all the way up to 2 million? Is that the threshold you're --

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SUGIMURA: -- you're proposing by what you...by what you've showed? Okay. Yeah, I...I'm...I'm...we have all this information here, you know, that was presented to us, and with the way that the housing prices have been going, and what's happening in the community, yeah, I'm comfortable with leaving it the way that it is.

CHAIR RAWLINS-FERNANDEZ: All right. I can call for the vote or on...I'll just say 800 to 1.5 or...and then you can raise your hand. Member Paltin.

VICE-CHAIR PALTIN: I'm not sure if I copied it right, but did...I got 10...10,850,302,100 for Tier 1 up to 600,000. Shouldn't it be less? Or...did I copy it wrong? Sorry.

CHAIR RAWLINS-FERNANDEZ: Ms. Milner, did Member Paltin say it correctly? Say the number correctly?

MS. MILNER: Yeah. I have it on the spreadsheet. I will quadruple check the letter from Finance.

CHAIR RAWLINS-FERNANDEZ: So the...because there...because there would be less properties, because they would end up...there would be less properties that would stop at Tier 1, there would be the...the valuation would be less. And then the valuation in Tier 2 would be higher, because it's now lower at the 600,000 level, and higher at the 2 million. Okay? Chair Lee.

COUNCILMEMBER LEE: The way it is right now, the owner-occupied class, there's about 27,680, yeah, in this class count? In the first threshold, 0 to 800,000, that's where the bulk of the 27,000 are. There's 24,657 people in that...those are the people that we want to help. Those are the people that are your professionals, workforce people, blue collar people, you know? And then the next...you can tell the big difference. The next group down is only 2,300 people. And then the group after --

CHAIR RAWLINS-FERNANDEZ: Chair Lee?

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COUNCILMEMBER LEE: -- that, you know, the rich people, there's only like 689. You know --

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER LEE: -- so. The regular --

CHAIR RAWLINS-FERNANDEZ: Chair Lee?

COUNCILMEMBER LEE: -- folks are in the first category. What's your --

CHAIR RAWLINS-FERNANDEZ: Chair Lee. Chair Lee. Everyone is in Tier 1. And then only those with valuation above 800,000 are in Tier 2. And then only those that have valuation over 1.5 million are in Tier 3.

COUNCILMEMBER LEE: Yeah.

CHAIR RAWLINS-FERNANDEZ: But everyone is in Tier 1.

COUNCILMEMBER LEE: Okay. The... I should have said that. But it goes to show you how few, or much fewer people have a high...that higher valuation in the next two tiers.

CHAIR RAWLINS-FERNANDEZ: Right. And so for that purpose, we wouldn't be hurting those that wouldn't be able to afford it. So if it's a higher threshold, then those that have properties that values went up to no fault of their own, would not be taking...we would be able to increase Tier 3 without...with...without hurting people who can't afford that. So that's why I --

COUNCILMEMBER LEE: Yeah, Tier 3 is not a concern of mine, it's Tier 2.

CHAIR RAWLINS-FERNANDEZ: Right. And so at one --

COUNCILMEMBER LEE: People in Tier...the Tier 1 having to pay more --

CHAIR RAWLINS-FERNANDEZ: I'm not proposing to increase Tier 1.

COUNCILMEMBER LEE: Yeah, but the people in Tier 1 --

CHAIR RAWLINS-FERNANDEZ: I'm proposing --

COUNCILMEMBER LEE: -- have to pay more.

CHAIR RAWLINS-FERNANDEZ: Everyone is in Tier 1.

COUNCILMEMBER LEE: For the 200...for the additional 200,000, they no longer...they're going to have to pay an additional...additional rate for the 200,000.

CHAIR RAWLINS-FERNANDEZ: No. No. So if you don't...if you don't adjust Tier 1, it'll stay

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the same. And everyone will pay that amount. So only --

COUNCILMEMBER LEE: Up to 600...up to 600,000. That's what you're saying. But the 601 and above going to have to pay more than what they're paying now.

CHAIR RAWLINS-FERNANDEZ: From 600 to 800, yeah.

COUNCILMEMBER LEE: Yeah. Yeah.

CHAIR RAWLINS-FERNANDEZ: But if we don't...yeah. Okay. Member Paltin.

VICE-CHAIR PALTIN: Personally, I'd like to have it the way that you want it. I'm...I'm not sure if everyone understands that the first \$600,000 of value for everybody is going to be at this lowest rate. And say your house is worth \$1 million, and you get a homeowner exemption, which brings you down to 800,000, so the first 600,000, you're paying at 2.41. The surplus 200,000, you're paying at 2.51. So the bulk of your house price, your taxes are at 2.41. You just have, like, a little bit more, where you're paying 10 cents more per thousand. But you know, I can go with the majority on that. I think...and...and I can compromise and go to 800,000, but I think that if that's the way we do it, we should raise Tier 3 to 2 million, and then at that point, because it's 2 million, we can bump it up much higher there, because there's a lot less people at 2 million. And so they can more so handle the higher --

COUNCILMEMBER LEE: Yeah, I can see that. I can see that.

CHAIR RAWLINS-FERNANDEZ: So Member Paltin, it...it's...there's two options. Either 8 and 1.5 or 6 and 2.

VICE-CHAIR PALTIN: I vote --

COUNCILMEMBER LEE: And this is the easy class.

CHAIR RAWLINS-FERNANDEZ: And so like I said, the...the thresholds would be the same for every class because of the way the finance software is.

COUNCILMEMBER LEE: Yeah, but I bet the rates are going to be different.

CHAIR RAWLINS-FERNANDEZ: Right, but I'm...I'm just letting Members know that the threshold will have to be the same in...in...in any of the classes that we tier. So we...we can't go, you know, 8 and 1.5 for owner-occupied, and then you know, 6 and 2 for Non-Owner-Occupied. It...it'll have to be consistent. Right?

COUNCILMEMBER LEE: How about every...other people chiming in? Yeah? So we can get this show on the road.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

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COUNCILMEMBER SINENCI: Like going up 2 million and above on the Tier 3, I'm okay with that. My question is, can we still have the 600...up to 600 in Tier 1, and 2 million and up in Tier 3? Is that an option?

CHAIR RAWLINS-FERNANDEZ: That was the question that Member Paltin...or the compromise Member Paltin had suggested, and I said it...the options are 8...800 and 1.5, or 600 and 2.

COUNCILMEMBER SINENCI: Okay, I'll go the 600...600 and 2. And then adjust the...the rates in each tier. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Molina.

COUNCILMEMBER MOLINA: Yeah, I'm with the 600 and 2.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: So just as a reminder, if we...if we make...if we move it to 2, we're putting the ones between 1.5 and 200,000 [sic] are going to go into the lower rate, right? They're going to go into Tier...Tier 2, so we're actually losing money there. We're...we're gaining money, because we're pushing people who have a home that's over 600,000 up into the second tier, but we're losing on the high end. So moving it to 2 million doesn't put more people in the third tier, it puts less people in the third tier.

CHAIR RAWLINS-FERNANDEZ: So like I explained to Chair Lee, that means that if we were to adjust Tier 3, and less people...the people who are...have properties at valuations that are high to no fault of their own won't be as burdened. So it's...it's a policy decision on --

COUNCILMEMBER KING: Okay, but they would be burdened for the second tier because you're bumping that up to...down to...to 600. So it puts...it takes the people that have 600 to 800,000...or \$800,000 homes, bumps them up into the second tier.

CHAIR RAWLINS-FERNANDEZ: Everyone is in Tier 1, and only --

COUNCILMEMBER KING: I understand that --

CHAIR RAWLINS-FERNANDEZ: -- those that --

COUNCILMEMBER KING: -- but still, I'm saying, they're...they're going to have to pay more.

CHAIR RAWLINS-FERNANDEZ: Okay. So is everyone ready to make a decision? Member Sinenci.

COUNCILMEMBER SINENCI: Thank you. Yeah. Chair Lee had some numbers about how many people were in each tier. Is that part of the...or I'm not seeing that on my --

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COUNCILMEMBER LEE: It's the booklet. It's the booklet.

COUNCILMEMBER SINENCI: Oh, okay. Right. Thank you.

COUNCILMEMBER LEE: The one that says --

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Certification booklet that we got.

COUNCILMEMBER LEE: Certification of net taxable real property, yeah? And then what I'm talking about is on page 3. Page 3 of the...the section that's called Selected Real Property Statistics for Budget Consideration. When you get to that section, then turn to page 3.

COUNCILMEMBER SINENCI: Thank you.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay, Member Paltin. Ms. Milner is going to be your hero. She said that she can adjust the spreadsheet and do your compromise. Mahalo, Ms. Milner.

COUNCILMEMBER LEE: I would give her a free...give her a free surfing lesson or something. Something special.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Milner. Okay. So it's probably going to be a few minutes because she's going to have to adjust the spreadsheet. So we won't be able to look at the spreadsheets until...until that. So it sounds like Members were open to Member Paltin's compromise, and we'll be able to use that because Ms. Milner's our...going to be our hero tonight. Okay. So is there a consensus on Tier 1, 800...up to 800,000, and then Tier 2 would be 800 to 2 million, and then Tier 3 would be 2 million *(audio interference)?*

COUNCILMEMBER LEE: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Mahalo, Ms. Milner. Okay. In the meantime, there are a few classes that the Mayor kept the same as Fiscal Year...as...as the current Fiscal Year. So Apartment last year was \$5.55 and the Mayor kept that flat. Was there any proposed adjustments to Apartment? If not, I'm going to ask for consensus.

COUNCILMEMBER SUGIMURA: Consensus.

CHAIR RAWLINS-FERNANDEZ: All right. The Mayor's proposal leaves Time Share flat at 14.40. Consensus? Okay. The Mayor proposed --

VICE-CHAIR PALTIN: I didn't have consensus for Time Share.

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CHAIR RAWLINS-FERNANDEZ: Yeah, yeah, I saw your head.

VICE-CHAIR PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: I didn't say consensus. Yeah. The Agricultural rate, he kept flat at \$5.94. Was there any proposals to adjust that, or consensus? Okay, consensus. Okay, Conservation at 6.43, again remained flat. Consensus? Okay, all right, consensus. Commercial remained flat at 6.29. Was there any adjustments or consensus? Okay, Industrial at 7.20. Consensus? Okay, consensus. Commercialized Residential at 4.40. Consensus?

. . .*(connectivity issue)*. . .

COUNCILMEMBER KING: Every... did everybody get dropped?

MS MILNER: Yes, it appears we had a glitch with BlueJeans.

COUNCILMEMBER KING: Okay. Not just me.

VICE-CHAIR PALTIN: I lost connection for a little while. Were you guys still on? Everybody was on? Everybody was off?

COUNCILMEMBER LEE: Off. But we don't... I don't see Keani. And I don't...I don't see...

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

COUNCILMEMBER LEE: You see her?

COUNCILMEMBER KING: No, I don't. I just see you, Member Paltin, I did...Shane is back. I did see Gabe, but I don't know what happened to him.

VICE-CHAIR PALTIN: I see Gabe's computer.

COUNCILMEMBER LEE: And Mike...Mike's back. Everybody's back.

COUNCILMEMBER KING: I see Yuki. I see Yuki.

COUNCILMEMBER LEE: Except for Keani.

COUNCILMEMBER KING: I don't see Keani.

VICE-CHAIR PALTIN: Yeah. I switched to my phone Wi-Fi, I don't know what --

COUNCILMEMBER KING: Oh, there she is.

VICE-CHAIR PALTIN: Oh, there --



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COUNCILMEMBER LEE: Okay. There she is.

COUNCILMEMBER SUGIMURA: No, wasn't you, Tamara, it was...it happened to all of us, so it wasn't your...

CHAIR RAWLINS-FERNANDEZ: We're good. Everyone's on the TV. Okay. All right. I'll look at that. Ms. Milner, she's so speedy. She's got it done. All right. Will you please share your screen, Ms. Milner? Okay. So we're going to look at the Apartment at 5.55, and that generates --

COUNCILMEMBER KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Yes?

COUNCILMEMBER KING: It looks like she's got the second tier as 600,000 to 2 million, so I think that needs to be changed back to 800,000.

CHAIR RAWLINS-FERNANDEZ: Okay. She's making that change. Okay. So for Apartment at 5.55 generates 1,972,182. Okay. And then we can hide that row. Agricultural at 5.94 generates \$7,375,951. Okay. And we can hide that row. Conservation at 6.43 generates \$1,393,652. Okay. Row. Commercial at 6.29 generates \$16,566,434. All right. Hide that row. Industrial at \$7.20 generates \$14,884,084. And we can hide that row. Then Commercialized Residential at \$4.40 generates \$1,048,388. And we can hide that row. Okay. So what we're left with are five classes: Owner-Occupied, Non-Owner-Occupied, Hotel/Resort, Timeshare, and Short-Term Rental. Okay. All right. We can stop the screenshare. You good, Member Paltin? Did you get all the numbers? Okay. All right. So we'll start with the largest deficit. Member Johnson, do you have a proposal for the rates, starting with STR?

COUNCILMEMBER JOHNSON: Okay, sure, I do. Would...would you like me to start with STR then? All right. How would you like me to do it? One at a time, or the whole three...three categories?

CHAIR RAWLINS-FERNANDEZ: Okay. We can start with Tier 1.

COUNCILMEMBER JOHNSON: Okay. I move to make the Tier 1 Short-Term Rental \$12.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay. Okay. Let's share screen, Ms. Milner. And then you can give the three rates, Member Johnson, so \$12.

COUNCILMEMBER JOHNSON: That's correct, Chair.

COUNCILMEMBER LEE: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Tier 2.

COUNCILMEMBER JOHNSON: Tier 2, I move to make \$13 for Short-Term Rentals.

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CHAIR RAWLINS-FERNANDEZ: Tier 3.

COUNCILMEMBER JOHNSON: I move to make Tier 3 of Short-Term Rentals \$14, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Ms. Milner, does it show how much revenue that's above the Mayor's...the 21,805,855? Okay. I think that's more than we needed to generate. What was the amount that we needed, Ms. Milner?

MS. MILNER: It was 11,702,684.

CHAIR RAWLINS-FERNANDEZ: Yeah. So that...your rates generates 21 million, so it generates 10 million more than we need. Okay, so you would need to bring it down by 10 million. Member Paltin.

VICE-CHAIR PALTIN: I was wondering if we could have a short policy discussion on the tiering of Short-Term Rentals. Last year I stated that, you know --

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

VICE-CHAIR PALTIN: -- the Short-Term...

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: What?

CHAIR RAWLINS-FERNANDEZ: One moment. Ms. Milner, you can stop screen sharing right now, and then we'll come back. Okay. Go ahead, Member Paltin.

VICE-CHAIR PALTIN: I just wanted to throw this out for consideration. It's the same argument I made last year that the Short-Term Rental condos or . . . *(audio interference)* . . .

CHAIR RAWLINS-FERNANDEZ: Member Paltin. Member Paltin, the...I think your service might not be really strong right now. Will you turn your video off and then we can see if your audio is better after. Okay. Okay, try?

VICE-CHAIR PALTIN: Can you hear me better now?

CHAIR RAWLINS-FERNANDEZ: Yeah, a lot better.

VICE-CHAIR PALTIN: Can you hear me better now?

CHAIR RAWLINS-FERNANDEZ: Okay, go ahead.

VICE-CHAIR PALTIN: Okay. So, you know, policy-wise, our cheapest Short-Term Rentals, those below 800,000...and 800,000 is what some folks are calling affordable now. And by giving cheapest Short-Term Rental a tax break opposed to the most expensive Short-

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Term Rental, it's kind of . . . *(inaudible)*. . . with properties to do Short-Term Rental. Last year we made all the tiers have the same rate, and part of the argument was our most expensive Short-Term Rentals will never be somebody's house because they're \$20 million up or whatever, you know, over \$2 million. There's no way those folks would ever sell it as an affordable home. Whereas we're considering \$800,000 . . . *(audio interference)* . . . taking rental dwelling or take their affordable and . . . *(audio interference)* . . .

COUNCILMEMBER KING: You're breaking up.

VICE-CHAIR PALTIN: . . . *(audio interference)* . . . Oh. So I think we should be giving those guys a . . . *(audio interference)* . . . rate is my item for discussion.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. I know that some of the Members had trouble hearing some portions of your discussion...oh, there you are. Okay. I don't...maybe restarting your device, going on your phone while you restart your device? Because I think the points that you were making were important.

VICE-CHAIR PALTIN: I just would probably need Staff to let me in.

CHAIR RAWLINS-FERNANDEZ: Okay, the meeting is unlocked. Okay. Anyone else wishing to speak to the proposal or the policy decision of STR? Chair Lee, followed by Member Molina.

COUNCILMEMBER LEE: Okay, I thought I heard her say that she's proposing one rate? Did she say that?

CHAIR RAWLINS-FERNANDEZ: No, she was saying that last year we decided on one rate, and explained why.

COUNCILMEMBER LEE: So this year she's proposing...

CHAIR RAWLINS-FERNANDEZ: Member Paltin, the one rate again?

VICE-CHAIR PALTIN: . . . *(audio interference)* . . . Can you hear me? . . . *(audio interference)* . . . No?

CHAIR RAWLINS-FERNANDEZ: Try now.

VICE-CHAIR PALTIN: . . . *(audio interference)* . . . now?

CHAIR RAWLINS-FERNANDEZ: No.

COUNCILMEMBER LEE: Not really.

CHAIR RAWLINS-FERNANDEZ: It's still not working.

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VICE-CHAIR PALTIN: I'm going to...I'm going to shut down and then come back.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Okay, so if you want to explain your position without referring to Member Paltin, since --

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: -- we're not super sure what she said?

COUNCILMEMBER LEE: Yeah, I think this class carries about 30 percent of the overall revenues, so I think we have to be careful with this because I think we're pushing the envelope, honestly. They generate 137 million out of the 375 million so, you know, raising their rates by a dollar and \$2 might be a little much, is what I'm saying.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Molina.

COUNCILMEMBER LEE: That's pretty much what I have to say.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Molina.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I'm wondering if maybe Member Johnson would consider also, I guess, the so-called sharing the love if you will, maybe, since there's been concern regarding Non-Owner-Occupied rates being low, if adjustments could be made to that category, and then less impact on the Short-Term Rental rates. Like say, if we were to leave it at the Fiscal Year 11.08. I know the Mayor's proposing reducing those, but if we left Short-Term alone at 11.08 or just a slight bump, and maybe make adjustments to Non-Owner-Occupied, if that's something Member Johnson had considered. Since we're well above your...with your proposals, we're well above the 11 million by 10 million. So if we could explore that, I think we can crunch some numbers and, you know, not only touch the Short-Term, but also touch the Non-Owner-Occupied, sort of balance it out in terms of rate increases so it's not all put on one classification.

CHAIR RAWLINS-FERNANDEZ: Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I...an interesting debate here because I was planning to raise the Non-Owner-Occupied's as well, but if you're talking about share love, that was my intent, but I went over because I was, you know, going big. So it's...I would be amicable to having it spread across, but, you know, those were my numbers and that was my proposal. But I'm amicable to what the body recommends.

VICE-CHAIR PALTIN: Mic check, mic check.

CHAIR RAWLINS-FERNANDEZ: Oh, sounds good. Perfect. Okay, Member Paltin.

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VICE-CHAIR PALTIN: I just was saying maybe we want to have a discussion of having the lowest tier of Short-Term Rental get a discount in taxes compared to the highest tier because theoretically, we're calling 800,000 affordable, and the folks with the highest Short-Term Rentals will never sell their dwellings for affordable. But the folks at the lowest end, if the taxes are so high that they're not making a profit, there's a chance that they sell their property for affordable or make the switch over to rent them out long-term. But by giving the lowest valuations of Short-Term Rental a tax break in comparison to the other tiers, it's like we're incentivizing for lower valued properties to be Short-Term Rentals by giving them a lower tax rate. And I'm just putting it out there for discussion as to what the other Members think about that.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Member King.

COUNCILMEMBER KING: Yeah, I just wanted to ask Member Paltin, is that why we did the one rate last time? Because of that reason? Because I know there were a lot of people that came out and said there shouldn't be different rates, you know, that there should be just one rate, and then it ended up going up for the ones in the lower end so. But I don't, you know, I doubt if any of those sold. I still think it's...I still think it's more profitable for them to rent short-term so, you know, I get what you're saying, is what I'm trying to say. So what was it last time?

CHAIR RAWLINS-FERNANDEZ: 11.08.

COUNCILMEMBER KING: 11.08 for all of them?

CHAIR RAWLINS-FERNANDEZ: All three.

COUNCILMEMBER KING: So he's basically dropped the rates way below what they were even last year? All of them?

CHAIR RAWLINS-FERNANDEZ: Yes. The Mayor's proposed rates is Tier 1, 10.70; Tier 2, 10.85; and Tier 3, \$11.

COUNCILMEMBER KING: Yeah. Yeah, I would support going to one...going back to the rate that we had last time, making one rate, if that's what you're proposing.

COUNCILMEMBER LEE: I thought you were proposing a lower rate for the lowest valued units? No? Okay.

VICE-CHAIR PALTIN: Not on Short-Term Rentals.

CHAIR RAWLINS-FERNANDEZ: Okay. Miss...oh, okay. Member Molina.

COUNCILMEMBER MOLINA: Yeah, just wanted to share with my initial Affordable Housing Fund proposal, I was looking at the Non-Owner-Occupied rate and the Mayor for Tier 1 left it at 5.45, we were looking at changing that to 5.65, and that would generate \$2,036,580; Tier 2 we'd move that up to \$6.15 from 6.05, that would generate \$199,268;

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and Tier 3 from the Mayor's 7.50, bump it up to \$8, that would be \$1,869,364; and just on that alone was \$4,105,212...105,212 So if we wanted to play a little bit more with those numbers we could, and kind of spread out the increase between the Short-Term Rentals and the Non-Owner-Occupied.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: My compromise to that would be I wouldn't like to change the lowest tier of Non-Owner-Occupied because the Long-Term Rental tax credit, I don't believe goes into effect yet, and that's where a lot...I mean, so many of our residents don't own their own home and so they need to rent from Non-Owner-Occupied people. And usually, generally speaking, that's the lowest valuation, the zero to 800,000, so I'd...I wouldn't want to raise that, I mean, I would even, like, maybe lower it a little bit because of that whole moratorium on evictions and that whole thing. But, you know, the highest category, maybe we can make up the difference there.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay, so if we left STR flat, 11.08 for all three tiers, that would generate \$3,824,478 above what the Mayor proposed. All right. Member Paltin, did you have a recommendation for Non-Owner-Occupied?

VICE-CHAIR PALTIN: So, you know, like I said when we were increasing the Affordable Housing Fund, one of my concerns is some people's generational properties that they own are classified as Non-Owner-Occupied because they don't live on them, and they choose not to. So that's the main thing holding me back from going really crazy. But Member Molina, what did you say, \$8 for the highest tier?

COUNCILMEMBER MOLINA: Correct, for Tier 3, \$8 on Non-Owner-Occupied up from the 7.50 that the Mayor's proposed. Of course, maybe, bump it up to say, 9, see what kind of totals we'd get going from \$8 to \$9.

CHAIR RAWLINS-FERNANDEZ: Okay --

COUNCILMEMBER MOLINA: Want to do that math for me?

CHAIR RAWLINS-FERNANDEZ: -- from 7.50 to \$8 is an increase of \$454,150; and from \$8 to \$9, it's 3,479,025. Okay, and if we...so if we kept STR flat at 11.08 for \$3,824,000 and Non-Owner-Occupied Tier 3 at \$9, it's...it would be about 7.2 million. So we would just need to adjust to raise about 3 million more. No, 4...4 million more. Member Molina.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I'm sure if Member Paltin had a concern about adjusting Tier 2 for Non-Homeowner-Occupied [sic], but for Non-Owner-Occupied, I'd mentioned that a 10 cent increase, that would generate 199,000 and change. So if we were to bump it up to 6.50, how much could that generate on Tier 2, Non-Owner-Occupied? Just trying to gauge how much it could generate to.

CHAIR RAWLINS-FERNANDEZ: Six five zero.

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COUNCILMEMBER MOLINA: Six five zero, yeah.

CHAIR RAWLINS-FERNANDEZ: That would bring it up to 4.7 million more than what the Mayor proposed.

COUNCILMEMBER MOLINA: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Sorry, I'm at home, I don't have my...if we raised Hotel to 11, how much would that be generating?

CHAIR RAWLINS-FERNANDEZ: Seven hundred and forty-seven thousand. Member King.

COUNCILMEMBER KING: So I calculated that if we raised Hotel-Resort up to 11.50, that would generate another...that would generate an extra 2 million if that's --

CHAIR RAWLINS-FERNANDEZ: Yeah --

COUNCILMEMBER KING: -- around --

CHAIR RAWLINS-FERNANDEZ: -- just a little short of 2 million.

COUNCILMEMBER KING: -- a little under 2 million. And we'd still have the lowest Hotel Rate in the State.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: So, you know, the concern about the generational non-owner, the highest category for non-owner at 9 is a little bit much for me. I don't, you know...I was wondering if we could spread out the love a little bit more. The interesting thing to me was, you know, with the no changes in Time Share and bringing it down from when it was 16, there's still quite a bit of appeals on Time Share. And so I don't mind raising that one 20 cents and see where we go...where we get to. Because, I mean, it's not like they're stopping their appeals or stopping their thing, and it seems as though we've proven that we have a right to create that class. And during the pandemic, those folks, you know, were not patient with us, and our health, and our abilities to, you know, quarantine upon arrival, and whatnot. The feedback from them was not for our health and safety.

CHAIR RAWLINS-FERNANDEZ: So what is your proposal, Member Paltin?

VICE-CHAIR PALTIN: I'd like to try and go 14.60 for Time Share and see where that brings us to.

CHAIR RAWLINS-FERNANDEZ: Okay, that's an additional 515,000.

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VICE-CHAIR PALTIN: I'll take it if you guys will.

COUNCILMEMBER SINENCI: Consensus.

CHAIR RAWLINS-FERNANDEZ: All right, we are about 600,000 short. Chair King...Chair Lee.

COUNCILMEMBER LEE: Thank you. I just want to say that I'm feeling kind of, well, a lot uncomfortable right now, so I'm sure there's enough of you to vote for to pass something like this, but I find it difficult to be raising taxes in order to put 10 million, \$11 million in the bank. I have a hard time with that. I...if we had something right before us, some kind of opportunity to pay for this wonderful road system, or this sewer plant, or this water conveyance system or something, that's one thing. But we don't really have anything in front of us. We have a hope to pay for infrastructure at some point down the line. But these people--and I don't take it personally--these people, whether we know them or not, or whether they're from Maui or not, most of them have struggled through the pandemic just like the rest of us. So I feel very uncomfortable raising that kind of...this kind of taxes on anybody at this point in time, only because we don't really have a concrete plan for infrastructure at this point. We have a wish and a hope and a...you know, a desire, but we have nothing tangible in front of us. So I'll just sit back and watch what unfolds.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Sinenci.

COUNCILMEMBER SINENCI: Chair, earlier tonight when you shared your screen, you added 2.81 to the Tier 3 for Owner-Occupied? Or adding 20 cents to the Mayor's, how much would that generate?

CHAIR RAWLINS-FERNANDEZ: So you're proposing to raise Tier 3 from 2.61 to 2.81?

COUNCILMEMBER SINENCI: Correct.

CHAIR RAWLINS-FERNANDEZ: 91,772.

COUNCILMEMBER SINENCI: A bit closer.

CHAIR RAWLINS-FERNANDEZ: Still about 500,000. Member Johnson, are you going to...

COUNCILMEMBER JOHNSON: I'm sorry you have a question?

CHAIR RAWLINS-FERNANDEZ: So your priority proposal was the 11 million, and...

COUNCILMEMBER JOHNSON: Right. So did...can we raise the Short-Term Rental rates? I mean, did...that's where I want to go to to get the rest of the money, the 500,000, in Short-Term Rentals.

CHAIR RAWLINS-FERNANDEZ: Okay. So that was your only proposal, was to put it in Short-Term Rental?



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COUNCILMEMBER JOHNSON: No I...the Members...the...so far, you know, I'm in full agreement. Have we talked about Short-Term Rentals? Did we get an agreement with that? Did we agree on a number?

CHAIR RAWLINS-FERNANDEZ: Okay, the proposal was to keep it flat at 11.08 for all three tiers. Member Paltin.

VICE-CHAIR PALTIN: So the highest tier of Non-Owner-Occupied, I would...I think \$8 is my max. I think 9 is a bit much. I was wondering if possibly Ms. Milner or someone with a calculator could let us know what the rate for Hotel would have to be to generate the same revenue as last year.

CHAIR RAWLINS-FERNANDEZ: Okay. So the 26 million...oh, Ms. Milner. Okay, she's going to pull up last year's numbers. Okay, so with Non-Owner-Occupied Tier 3 down to \$8, it brings the total to 8.5 million...oh, sorry, 8.1 million.

COUNCILMEMBER KING: Chair.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: What were the other proposed rates for the Non-Owner-Occupied?

COUNCILMEMBER SINENCI: Five.

CHAIR RAWLINS-FERNANDEZ: Five...Tier 1 at 5.45, Tier 2 at 6.50, and Tier 3 at \$8.

COUNCILMEMBER KING: Six-five-oh?

CHAIR RAWLINS-FERNANDEZ: Six-five-oh.

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay, I will...no. Any other proposals? So I guess I can take a vote on STRs and Time Shares. I haven't heard any other proposals. Member King.

COUNCILMEMBER KING: My proposal would be to increase the Hotel Resort to 11.50.

CHAIR RAWLINS-FERNANDEZ: Yeah, I did that.

COUNCILMEMBER KING: Oh, okay. I didn't know . . . *(inaudible)* . . . thank you. Want my rationale? They keep increasing, so they've got some money, I guess. Hanging on.

CHAIR RAWLINS-FERNANDEZ: Okay. So I think we should make a decision on the three...yeah, at least the two classes right now. I'll share my screen, and then that way we can move forward . . . *(screen sharing)* . . . So Time Share, the proposal is 14.60, and that would generate 515,000. For STR, the proposal is 11.08 flat for all three tiers for

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an increase of 3.8 million. Okay, so I will...we can take a vote on Time Share. Okay, Member Paltin, will you make the motion for the 14.60?

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Is there a second? Seconded by Member Sinenci, moved by Member Paltin. All right. All those in favor of the proposed rate, raise your hand and say "aye." Okay, all those opposed, please raise your hand and say "no." Six ayes; two noes, Member Sugimura, Chair Lee.

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

**NOES:           Councilmembers Lee and Sugimura.**

**ABSTAIN:       None.**

**ABSENT:        None.**

**EXC.:           Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay. Now for STRs, Member Paltin, will you please make the motion for the STRs, or did you need information from Ms. Milner before making that decision?

VICE-CHAIR PALTIN: Can we see how much \$11.10 would generate? I'd like to move to make the Short-Term Rental one rate across all the tiers, and for that rate to be 11.10.

CHAIR RAWLINS-FERNANDEZ: Motion from Member Paltin, is there a second? Seconded by Member Sinenci. Okay. Members, discussion? All right, I'll call for the question. All those in favor of increasing by two cents the STR rate from the current rate and having the same rate for all three tiers, please raise your hand and say "aye." Okay, I see Member King, Member Sinenci, Member Paltin, and myself. Okay. All those opposed please raise your hand and say aye...say "no." Okay, Member Johnson, Member Molina, Member Sugimura, and Chair Lee. Okay, motion fails.

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

**NOES:**        **Councilmembers Johnson, Lee, Molina, and Sugimura.**

**ABSTAIN:**       **None.**

**ABSENT:**       **None.**

**EXC.:**         **Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Okay. All right.

VICE-CHAIR PALTIN: Can we try 11.15 and see how much would that generate?

CHAIR RAWLINS-FERNANDEZ: Okay, 4.7.

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin. Is there a second? Seconded by Member Sinenci. Okay, I'll call for the question. All those in favor of 11.15 for all three tiers, please raise your hand and say "aye." Okay, same four. Any opposed? Okay, same five [sic]. Motion fails. All right, anyone from the...Member Sinenci, what's your hand sign?

COUNCILMEMBER SINENCI: Just opposed is four, yeah?

CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry, opposed is four.

COUNCILMEMBER SINENCI: Yeah.

CHAIR RAWLINS-FERNANDEZ: Four and four. Mahalo, Member Sinenci, for checking my math.

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

**NOES:**        **Councilmembers Johnson, Lee, Molina, and Sugimura.**

**ABSTAIN:**       **None.**

**ABSENT:**       **None.**

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**EXC.: Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Okay. All right, anyone from opposition want to...I guess we have to figure out for STRs, where is our middle ground. Okay, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I move to make all three categories 11.30, \$11.30.

CHAIR RAWLINS-FERNANDEZ: Motion by Member Johnson. Is there a second?

COUNCILMEMBER SINENCI: Just how much would that generate, Chair?

CHAIR RAWLINS-FERNANDEZ: Okay, one moment. 6.6.

COUNCILMEMBER SINENCI: Okay, I'll second to take it to vote.

CHAIR RAWLINS-FERNANDEZ: Okay. Seconded by Member Sinenci. Discussion, Members? Member Paltin.

VICE-CHAIR PALTIN: I just wanted to mention that not all Short-Term Rental owners are non-residents.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. Seeing no other hands for discussion, I'll call for the question. All those in favor of the motion, please raise your hand and say "aye." I see Member Johnson, Member Sinenci. All those opposed, please raise your hand and say "no." Member King, Chair Lee, Member Molina, Member Sugimura, Member Paltin, and myself. Okay, motion fails.

**VOTE: AYES: Councilmembers Johnson and Sinenci.**

**NOES: Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers King, Lee, Molina, and Sugimura.**

**ABSTAIN: None.**

**ABSENT: None.**

**EXC.: Councilmember Kama.**

**MOTION FAILED.**

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CHAIR RAWLINS-FERNANDEZ: Okay. So it...all right. Let's see if we can do the Owner-Occupied. Oh, Member Molina.

COUNCILMEMBER MOLINA: No, Madam Chair, something came to mind. I noticed the Mayor bumped up Tier 3, and I know that was probably Member Paltin's rationale. So I'll just say I'm open to another number for Tier 3 for Short-Term Rentals if it's the will of the body, but if you prefer to go on to Owner-Occupied first and see what happens there. But I'll just say I'm open now to Tier 3 adjustment on Short-Term Rental.

CHAIR RAWLINS-FERNANDEZ: Member King, are you raising your hand?

COUNCILMEMBER KING: Yeah...no, I just wanted to ask Member Molina if...does that mean you're not open to...because what we're trying to do here is put them all in one rate.

COUNCILMEMBER MOLINA: Yeah, I...

COUNCILMEMBER KING: Does that mean you...the one rate.

COUNCILMEMBER MOLINA: Yeah, I'd like to leave Tier 1 and 2 flat, but make an adjustment to Tier 3.

COUNCILMEMBER KING: Okay, flat as in 11.08?

COUNCILMEMBER MOLINA: Yeah.

COUNCILMEMBER KING: They were 11.08 last year.

COUNCILMEMBER MOLINA: Yeah. They were both 11.08 last year, yeah. The same as last year's, but an adjustment to Tier 3, something higher than 11.08.

COUNCILMEMBER KING: Okay, I'll make a motion. If the...

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Thank you. Chair, so if we leave Tier 1, Tier 2 at 11.08, and we propose 11.30 for Tier 3.

CHAIR RAWLINS-FERNANDEZ: Okay, moved by Member King, seconded by Member Johnson. Discussion, Members? I'll share my screen. . . (*screen sharing*) . . . Member Sinenci.

COUNCILMEMBER SINENCI: Yeah, how much would that generate, Chair?

CHAIR RAWLINS-FERNANDEZ: Okay, 4.2 million. Okay, any other discussion? Member Molina.

COUNCILMEMBER MOLINA: No, yeah. I'll just say, I think 11.30's still a bit high for me on Tier 3, but I kind of...now, Member Paltin's original proposal at, you know, I can live

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with 11.15, 16. Sorry. How much do we need at this point, Madam Chair?

CHAIR RAWLINS-FERNANDEZ: Well, if we would like to raise 11 million for Affordable Housing Fund, then...Ms. Milner, will you give the Members that amount?

MS. MILNER: Chair, what is the Hotel Rate you're working with right now, 11.50?

CHAIR RAWLINS-FERNANDEZ: Oh, no. What is the amount we need to raise?

MS. MILNER: Oh, sorry, the total amount. I apologize. A little over 11.5 million.

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: We'd need to raise 11.5 million.

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: So...

COUNCILMEMBER MOLINA: I know we made adjustments to the...

CHAIR RAWLINS-FERNANDEZ: We're at 8.5.

COUNCILMEMBER MOLINA: We're at 8.5? Okay.

CHAIR RAWLINS-FERNANDEZ: Well, we're at 8 (*audio interference*), but I've made adjustments to...that's with Hotel being at 11.50 --

COUNCILMEMBER MOLINA: Oh.

CHAIR RAWLINS-FERNANDEZ: -- and Tier 3...so the...it includes some adjustments that we have not voted on yet.

COUNCILMEMBER MOLINA: Okay. I know we still have a motion on the floor for 11.30, yeah? So --

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER MOLINA: -- after we deal with this motion, then I'll ask for a different number. Thank you...for Tier 3 Short-Term.

CHAIR RAWLINS-FERNANDEZ: Okay, any other discussion? Member Sinenci.

COUNCILMEMBER SINENCI: Oh yes, I was just checking with Member Molina if he was amenable to 11.15 flat for all three tiers.

COUNCILMEMBER MOLINA: Oh. I'd be amenable with 11.15 for Tier 3 and leave flat Tier 1

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and 2.

COUNCILMEMBER SINENCI: So move.

COUNCILMEMBER KING: No, I've already got a motion on the floor.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci --

COUNCILMEMBER SINENCI: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: -- motion on the floor for Tier 3 for 11.30, Tier 1 and 2 at 11.08. Member Johnson, followed by Member Paltin.

COUNCILMEMBER JOHNSON: Thank you, Chair. You know, this is a category that we are...this is...they're making money off of this category. So I'm...I'm not shy to making them pay a little bit more in taxes because that's financial, they're trying to make money off of it. They're renting to, you know, Owner-Occupied, of course they deserve a different rate. But when you're in Short-Term Rental, when our community plans are talking about Short-Term Rentals, when our community members are talking about Short-Term Rentals, we have Short-Term moratoriums going on all over. I mean, this is...I think this is where you would want to do something like this. So I'm going to support this 11.30 for that Tier 3. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Johnson. Member Paltin, followed by Member Sinenci.

VICE-CHAIR PALTIN: My question is for Member Molina, would you be amenable to Tier 1 and 2, 11.10 and Tier 3, 11.15?

COUNCILMEMBER MOLINA: I still like hold onto keeping it flat for Tier 1 and 2, but I'll go with 11.15. Or if you want to do a slight bump, you know, 11.16, 11.17 on Tier 3. Whatever that would generate.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci.

COUNCILMEMBER SINENCI: We're still on Member King's 11.30, yeah?

CHAIR RAWLINS-FERNANDEZ: Yeah, Member King's...

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: Yeah, 11.08, 11.08, and 11.30.

COUNCILMEMBER SINENCI: Yeah, you know, I kind of feel the same way as Councilmember Johnson, you know, when we received that graphic that last year, we had 70 percent of the housing market owned by outside investors and now...and local residents 30 percent. The scales has definitely tipped. And so I think we need to kind of curb that

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number and kind of shift it back up to 50/50 percent again. Right now, we've got an outside investor market on top of our housing market. So, I mean, the scales are way off balance right now. So I'll support Member King's...thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Paltin.

VICE-CHAIR PALTIN: I just wanted to mention that I don't believe that the entirety of the 70 percent was in Short-Term Rental, I think Non-Owner-Occupied did have a lot of those. And so my quandary with the Non-Owner-Occupied is the folks that have generational lands in that category, and that's what's keeping me from raising it super high or...not super high, but higher. But if it's a mixture of our residents and then, like, I'd say the Non-Owner-Occupied highest category has, like, maybe a handful of generational owners, and then the rest is majority non-residents. And so...so that's my problem in that category.

COUNCILMEMBER KING: Yeah, are you speaking to the motion? The motion is for Short-Term Rentals.

VICE-CHAIR PALTIN: Yeah, because of Member Sinenci's comment about the 70 percent. I was mentioning I don't think the entirety of the 70 percent of out-of-state owners fall in the Short-Term Rental. I think they're a little bit split between Short-Term Rental and Non-Owner-Occupied, and that's what led me down that road.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Paltin. All right. So I...again, the proposal, or the motion on the floor is 11.08, 11.08, and 11.30, which would generate 4.2 million more. Okay, I'll call for the question. All those in favor of the motion, please raise your hand and say "aye." I see three ayes, Member Johnson, Member King, Member Sinenci. All those opposed, please raise your hand and say "no." Chair Lee, Member Molina, Member Sugimura, Member Paltin and myself.

<b>VOTE:</b>	<b>AYES:</b>	<b>Councilmembers Johnson, King, and Sinenci.</b>
	<b>NOES:</b>	<b>Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Molina, and Sugimura.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Councilmember Kama.</b>

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: How about we try to lock in at least one of the tiers? You want to try Tier 1? STR Tier 1? It looks like there may be enough votes for 11.08 at



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Tier 1.

VICE-CHAIR PALTIN: I move for 11.10 at Tier 1.

CHAIR RAWLINS-FERNANDEZ: Okay, motion by Member Paltin, second by Member Sinenci. Okay, I'll call for the question. All right, all those in favor, please raise your hand and say "aye." Okay, Member Sinenci, Member Paltin, and myself. Those opposed, raise your hand and say "no." Okay, Member Johnson, Member King, Chair Lee, Member Molina, and Member Sugimura. Tough crowd. Okay.

**VOTE:        AYES:        Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmember Sinenci.**

**NOES:        Councilmembers Johnson, King, Lee, Molina, and Sugimura.**

**ABSTAIN:     None.**

**ABSENT:      None.**

**EXC.:        Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Member Johnson.

COUNCILMEMBER JOHNSON: All right, I think I can make a proposal for Tier 1. How about lucky 11.11. I propose Tier 1 to be \$11.11.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Johnson, seconded by Member Paltin. Discussion? If not, I'll call for the question. All those in favor of Tier 1 STR, 11.11, raise your hand and say "aye." I think I can go for it. All right. Okay, okay, we can do this one. All right. Okay, so for STR Tier 1, 11.11. All right, we made some forward movement. Good job, Members.

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

**NOES:        Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:     None.**

**ABSENT:      None.**

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**EXC.:           Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:       APPROVE**

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Okay, I move that we put Tier 2 at 11.15.

CHAIR RAWLINS-FERNANDEZ: Moved by Member King, seconded by Member Sinenci. Okay, I'll call for the question. All those in favor of STR Tier 2 at 11.15, raise your hand and say "aye." Okay, Member Johnson, Member King, Member Sinenci, Member Paltin, and myself. Those opposed raise your hand and say "no." Chair Lee, Member Molina, and Member Sugimura. Okay, motion passes.

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

**NOES:           Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:       None.**

**ABSENT:        None.**

**EXC.:           Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

CHAIR RAWLINS-FERNANDEZ: Member Molina.

COUNCILMEMBER MOLINA: I move that Tier 3, \$11.20.

COUNCILMEMBER LEE: Who's Tier 2 now?

VICE-CHAIR PALTIN: Eleven fifteen.

COUNCILMEMBER LEE: Fifteen?

COUNCILMEMBER KING: Chair.

CHAIR RAWLINS-FERNANDEZ: Motion by Member Molina, second by Member Sinenci.

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Member King.

COUNCILMEMBER KING: Can you calculate what that would be after the changes in Tier 1 and Tier 2?

CHAIR RAWLINS-FERNANDEZ: Four point four seven. All right, I'll call for the question. All those in favor, please raise your hand and say "aye." Oh, for your motion, Member Molina. Okay. Okay, Member King, Member Molina, Member Sinenci, Member Paltin, and myself. All those opposed, please raise your hand and say "no." Chair Lee, Member Johnson, Member Sugimura. Motion carries.

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

**NOES:       Councilmembers Johnson, Lee, and Sugimura.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay, so we are now at 5.13 million, and we need to get to 11.5. And now we have three classes left: Owner-Occupied, Non-Owner-Occupied, and Hotel and Resort. Member Sinenci. Oh, you're muted Member Sinenci.

COUNCILMEMBER SINENCI: Oh, thank you, Chair. Non-Owner-Occupied Tier 3, \$8.

CHAIR RAWLINS-FERNANDEZ: Non-Owner-Occupied Tier 3, \$8, motion by Member Sinenci, seconded by Member Johnson.

COUNCILMEMBER SINENCI: Will that create 3 million?

CHAIR RAWLINS-FERNANDEZ: One point six...oh, 1.7 million. Okay, any discussion? Oh, Member Paltin.

VICE-CHAIR PALTIN: Yeah, I said that was my max, so I guess I got to put my money where my mouth is.

CHAIR RAWLINS-FERNANDEZ: Sorry, let me correct that, that was with 6.50 as Tier 2 so...okay. So \$8 Tier 3 Non-Owner-Occupied actually raises it by 454,000, that

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amendment alone. So that would be Tier 1, 5.45; Tier 2, 6.05; and Tier 3, \$8. Okay, and so raising Tier 3 to \$8 would raise 454,000, bringing us to 5.4 million. Okay, I'll call for the question. All those in favor, please raise your hand...in favor of the motion, please raise your hand. Okay, I see Member Molina, Member Sinenci, Member Paltin, and myself. All those opposed, raise your hand and say "no." Member Sugimura, Chair Lee, Member Johnson. Member Molina, how did you vote? Oh, you said yeah. Oh, Member King, how did you vote?

COUNCILMEMBER KING: Chair, I'm actually voting against it because I think we're not raising enough money in this...I mean, until we see what we can raise the other categories. I'm just a little worried.

CHAIR RAWLINS-FERNANDEZ: All right. So four-four, motion fails. No was Member Johnson, Member King, Chair Lee, and Member Sugimura.

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

**NOES:           Councilmembers Johnson, King, Lee, and Sugimura.**

**ABSTAIN:       None.**

**ABSENT:        None.**

**EXC.:           Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Okay, Member Paltin.

VICE-CHAIR PALTIN: Can we see what the three tiers of Non-Owner-Occupied would bring in at 5.45, 7, and 8?

CHAIR RAWLINS-FERNANDEZ: Seven dollars in Tier 2 is 3 million. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Clarification, was that for all three tiers, or just Tier 2?

CHAIR RAWLINS-FERNANDEZ: No, that's for all three at Tier 1 at 5.45, Tier 2 at 7, and Tier 3 at 8 would raise 3 million.

COUNCILMEMBER SINENCI: And that would bring us up to around 8 million, should it pass?

CHAIR RAWLINS-FERNANDEZ: If that were to pass, it would bring us up to 8 million.

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COUNCILMEMBER SINENCI: Thank you.

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay, moved by Member Paltin, seconded by Member Sinenci. Any discussion? Member King, followed by Member Molina.

COUNCILMEMBER KING: Chair, can you...what would it...what would it increase...how much would it increase to raise Tier 1 by 10 cents to 5.55?

CHAIR RAWLINS-FERNANDEZ: Another million. So it would be 4 million.

COUNCILMEMBER KING: Okay, I'd like to move to amend the motion to raise Tier 1 to 5.55, and then Tier 2 would be 7, Tier 3 would be 8.

CHAIR RAWLINS-FERNANDEZ: Motion by Member King. Is there a second? Second by Member Johnson. So the current motion on the floor to amend the main motion is to set Tier 1 at 5.55; Tier 2 at \$7.00; Tier 3 at \$8. Okay, and that would bring it up to 4 million above the Mayor's proposal. Okay, I'll call for the question on the motion to amend the main motion. All those in favor of the motion, please raise your hand and say "aye." Okay, I see Member Johnson, Member King, Member Sinenci, Member Paltin. Okay. All those opposed, raise your hand and say "no." Okay, Member Molina, Chair Lee, Member Sugimura, and myself.

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

**NOES:       Chair Rawlins-Fernandez, and Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:   None.**

**ABSENT:    None.**

**EXC.:       Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: We're back to the main motion unamended at 5.45 Tier 1; 7, and 8, Tier 2 and 3. Member Paltin.

VICE-CHAIR PALTIN: I'd like to amend my main motion to let Tier 1 be 5.50, Tier 2, 7, and Tier 3, 8.

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CHAIR RAWLINS-FERNANDEZ: Member Sinenci, as the seconder do you support that? Okay. So the main motion is 5.50, \$7, and \$8 for 3.55. Member Sinenci.

COUNCILMEMBER SINENCI: Yeah, again, I just wanted to say, the term, “priced out of paradise” is something that’s real for us in this day and age. Tourism...when I was growing up, tourism, there was seasons where tourism would come during, you know, at the winter or summers. There’s no such thing as that anymore. It’s just we’re pretty much booked 12 months out of the year. And again, investments...Maui is where a lot of investments is coming, so I speak in support. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. I think...Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Just real quick, trying to follow along, so a clarifying question. Right now, we’re at 9.4 million, is that correct?

CHAIR RAWLINS-FERNANDEZ: Eight point five.

COUNCILMEMBER JOHNSON: Eight point five, beg your pardon. So would it be easier to go in for say, where do we come up with 2 million? Or are we just doing one at a time? I’m just trying to, you know, I mean, I’m just...is there...what’s left, I guess, is really where it’s...you know, what’s left?

CHAIR RAWLINS-FERNANDEZ: Yeah, you can make a motion, and then the body can consider it.

COUNCILMEMBER JOHNSON: Okay. I just had a question, I don’t have a motion at this time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. All right, so I think...oh, Member Sugimura.

COUNCILMEMBER SUGIMURA: So I have a question. So your Short-Term Rental, the Tier 3, was that finalized? I have 1 and 2. What is the number, please?

COUNCILMEMBER MOLINA: Tier 3 was 11.20, I think.

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

CHAIR RAWLINS-FERNANDEZ: Eleven twenty.

VICE-CHAIR PALTIN: Eleven fifteen and then 11.20.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: All right. So I think...I think this would be a four-four without my vote. So as Member Paltin stated earlier, the Long-Term Rental classification doesn’t go into effect until next fiscal year, so this would affect...you know, Non-Owner-

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Occupied is not only, you know, absentee owner, offshore investment property owners. These are our long-term renters right now too, because the Owner-Occupied is not on the property, and so we would be potentially affecting...adversely affecting our renters. These are not just investment properties just because they're Non-Owner-Occupied. So I can't support the...I cannot support the increase to 1 and 2. Member King, followed by Member Molina.

COUNCILMEMBER KING: Yeah, I...thank you, Chair. I heard the argument before but, you know, we have a lot of money in rental assistance. We have...from what I heard, we have like 40 million coming in from the Feds for COVID-related, and then we added an additional one million to our own non-COVID rental assistance. So I think this is, you know, a small increase, and I'm willing to support it to get this category a little more even than just raising the top tier. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. Member Molina, followed by Member Johnson.

COUNCILMEMBER MOLINA: Madam Chair, I have an off the wall suggestion. I know it's been a little bit of a struggle determining the rates, but...so we've already...we got 8 million of this 11, yeah? How about we stop here at 8 million. I don't know if that'll fly good with everybody, but it's still an additional 8 million to the fund, plus we freed up 6-1/2 million, if I recall, of what's existing in the fund. So...

CHAIR RAWLINS-FERNANDEZ: It would only...Member Molina, it would only be 8 million with the proposed rates. So you would have to support 5.50, \$7, and \$8 for Non-Owner-Occupied in order for it to be 8.

COUNCILMEMBER MOLINA: Oh, okay. So we're at...right now, prior to this vote is...

CHAIR RAWLINS-FERNANDEZ: Do you want me to go back to the Mayor's proposal?

COUNCILMEMBER MOLINA: Oh.

CHAIR RAWLINS-FERNANDEZ: It would be 3.9 million.

COUNCILMEMBER MOLINA: Oh, okay. All right, thank you.

CHAIR RAWLINS-FERNANDEZ: I mean, not a bad idea, Member Molina, okay. Because now we're feeling how difficult it is to raise property tax rates. It's not that easy, you know, I mean, these are people's lives that we're affecting.

COUNCILMEMBER MOLINA: Yeah. And Madam Chair, you made a point that kind of, you know, I'd never really thought about because we're still in the recovery stages. It's...we're still in a pandemic so, you know, maybe lower our expectations a little bit from the 11 number less than that. Yeah, it is a struggle. Yeah. So anyway, thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. All right, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. You know, I'll speak to the...to something that I hear the narrative that we're having about Non-Owner-Occupieds, and let's all remember that that homeownership is the gate...the portal to the middle class, right? Welcome aboard, you're living the American dream, you have a home, but understand that where this taxes is going to is to help our brothers and sisters who don't have a home. So what are we doing? We're climbing the economic ladder and kicking out from underneath us? I can't agree to that. We all should come together as a community and take a little bit of the burden and help our brothers and sisters who need it. This is not to build a fancy doodad or...this is here, this extra money, this level of money, \$11 million, is here to build affordable housing for our family members, our friends, our classmates, our community members. So that's why I'm...you know, I'm more going to try to push for that 11 million, you know. That's my two cents on it. I don't want to think that we're going to leave those folks behind because we're too scared people who already own a home. And I know many of my neighbors who would say yeah, tax me so I can help my widow...the widow down the street, you know, that's part of being community members. So that's my two cents on it. Mahalo. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Anyone else wishing to speak? Okay, Member Paltin.

VICE-CHAIR PALTIN: I don't know if this'll help anyone, but just some food for thought that Apartment is mostly long-term rentals, and that rate is at 5.55 as well. Throwing that out there.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. All right, so the motion right now is 5.45...oh, shucks. Sorry, 5.50, \$7, \$8. All right, I'll call for the...Member Molina.

COUNCILMEMBER MOLINA: Sorry, Madam Chair, I can support Tier 1 at 5.50, but I have some concerns about Tier 2 at 7. I don't know if you want to separate...do a separate vote on that. I'm willing to support Tier 1.

CHAIR RAWLINS-FERNANDEZ: Okay, Member Paltin.

VICE-CHAIR PALTIN: Do you mean up or down for Tier 2? Just...that's my question.

CHAIR RAWLINS-FERNANDEZ: Member Molina.

COUNCILMEMBER MOLINA: Oh, no, I mean, we just kind of break up...I know the motion is to...for both Tier 1 and 2. If you're willing to just do a separate vote just for Tier 1. I don't know what we'd have to do...redo them. I guess would that be an amendment or just take a vote separately on Tier 1, separation?

CHAIR RAWLINS-FERNANDEZ: I think...Member Paltin was the movant. Would you like to separate them?



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VICE-CHAIR PALTIN: Not particularly.

CHAIR RAWLINS-FERNANDEZ: Okay, all right, so I'll call for the question. All those in favor of the motion--the motion once again is to set Non-Owner-Occupied Tier 1 at 5.50; 2 - \$7; and 3 - \$8. All right. All those in favor of the motion please raise your hand and say "aye." Member King, Member Sinenci, Member Paltin. All those opposed raise your hand and say "no." Member Johnson, Chair Lee, Member Molina, Member Sugimura.

**VOTE:        AYES:        Vice-Chair Paltin, and Councilmembers King, and Sinenci.**

**NOES:        Chair Rawlins-Fernandez, and Councilmembers Johnson, Lee, Molina, and Sugimura.**

**ABSTAIN:     None.**

**ABSENT:      None.**

**EXC.:        Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Member Molina, you want to make that motion for Tier 1?

COUNCILMEMBER MOLINA: Move to change...amend Tier 1 to \$5.50.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Molina, seconded by Member Sinenci.

VICE-CHAIR PALTIN: I'm sorry, can you repeat the motion? I had some issues over here.

COUNCILMEMBER MOLINA: . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: Tier 1 at 5.50, Non-Owner-Occupied. Right? Okay, I'll call for the question. All those in favor, please raise your hand and say "aye." Okay, I see Member Molina, Member Sinenci. All those opposed, raise your hand and say "no." Okay, Member Johnson, Member King, Chair Lee, Member Sugimura . . . *(audio interference)* . . .

**VOTE:        AYES:        Councilmembers Molina and Sinenci.**

**NOES:        Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Lee, and Sugimura.**

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**ABSTAIN:**            **None.**

**ABSENT:**       **None.**

**EXC.: Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: All right. Do Members want to take a quick recess? Stretch, bathroom break, and then come back and finish this? We have the three classes and right now we're at 3.9 million. And we have Owner-Occupied, Non-Owner-Occupied, and Hotel and Resort. Okay? All right, we'll take a...until 9:45, is that long enough? Okay. It's 9:36 on April 23rd and we'll return at 9:45. Budget, Finance, and Economic Development Committee is now . . . *(audio interference)* . . .  
*... (gavel) . . .*

RECESS: 9:36 p.m.  
RECONVENE: 10:16 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . .Will the Budget, Finance, and Economic Development Committee please return to order. We will continue with our deliberations on setting RPT. Okay, let's see...I think for some forward movement, I'm going to see if we can get Owner-Occupied Tier 1 and Tier 2 out of the way at 2.41 and 2.51. That's...it's not...it's...that's what the Mayor proposed. Consensus? All right. So...see, look at that. Off to a great start. So we just have Owner-Occupied Tier 3, Non-Owner-Occupied 3, and Hotel and Resort. Okay, Member Paltin.

VICE-CHAIR PALTIN: Thanks. I'd like to revisit Time Share please, to amend it to 14.80.

CHAIR RAWLINS-FERNANDEZ: Okay. You're going to move for reconsideration of Time Share?

VICE-CHAIR PALTIN: I'll move for a reconsideration of Time Share.

CHAIR RAWLINS-FERNANDEZ: Okay. Second by Member Sinenci. I'll call for the question. All those in favor of the reconsideration for Time Share, please raise your hand and say "aye." Okay, I see Member Paltin, Member Sinenci, Member Johnson. All those opposed, raise your hand and say "no." Member King, Chair Lee, Member Sugimura, Member Molina, and myself.

**VOTE:**           **AYES:**           **Vice-Chair Paltin, and Councilmembers Johnson, and Sinenci.**

**NOES:** Chair Rawlins-Fernandez, and Councilmembers King, Lee, Molina, and Sugimura.

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**ABSTAIN:       None.**

**ABSENT:       None.**

**EXC.:       Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Okay, Member Paltin.

VICE-CHAIR PALTIN: I move to set the Hotel rate at \$12.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, second by Member King.  
Discussion? Member Paltin, followed by Member Sinenci.

VICE-CHAIR PALTIN: I believe the number that I got for...to pay the same amount as last year would've been 13.27 because the net taxable value decreased from 3,091,738,195 to 2,492,609,825. So by raising the rate to 12, they're still paying less taxes than they did last year.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Just curious, how much would that generate at \$12 for Hotels?

VICE-CHAIR PALTIN: Three...

CHAIR RAWLINS-FERNANDEZ: Three point two four.

COUNCILMEMBER SINENCI: Okay. And just for comparison, Honolulu is at 13.90, Big Island is at 11.55, and Kauai is at 10.85.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member King.

COUNCILMEMBER KING: Okay, I support this motion, but I just wanted to correct the record because earlier I said we have the cheapest rates in the State still, and we don't. Kauai is cheaper. But I still support...I still support the motion.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak to the motion? Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I support the motion. It reminds me of the Hawai'i Tourism Authority newsletter I just got recently that said we're ranked third in the World for destination resorts. So I think that they can...you know, they're making hand over fist and they're only going up from here, so I'm going to rise in full support. Mahalo.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Anyone else wishing to speak to the motion? Member King again.

COUNCILMEMBER KING: Just wanted to ask you if you could give us an accounting of what that would add.

CHAIR RAWLINS-FERNANDEZ: Okay. Seven point one.

COUNCILMEMBER KING: Seven point one million?

CHAIR RAWLINS-FERNANDEZ: Oh, just for that class.

COUNCILMEMBER KING: Right.

CHAIR RAWLINS-FERNANDEZ: Oh, okay, 3.2.

COUNCILMEMBER KING: Three point two, okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Anyone else wishing to speak to the motion? Okay, if not, I'll call for the question. All those in favor of raising Hotel and Resort to \$12, please raise your hand and say "aye." Okay, Member King, Member Johnson, Member Sinenci, and Member Paltin. All those opposed, please raise your hand and say "no." Chair Lee, Member Sugimura, and Member Molina, and myself.

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

**NOES:        Chair Rawlins-Fernandez, and Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:     None.**

**ABSENT:      None.**

**EXC.:        Member Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin, for coming back with some proposals. Okay, Member King.

COUNCILMEMBER KING: Right, I'm going to propose to raise the Hotel and Resort tax to 11.75.

CHAIR RAWLINS-FERNANDEZ: Moved by Member King, second by Member Johnson, and

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that would generate 2.6. Any discussion? Okay. All right, Member Sinenci.

COUNCILMEMBER SINENCI: Yeah, I'll just speak in support. I think, you know, over the pandemic, even though we had a lot of people out of work, I think...you know, when we looked at some of the water rates from some of the highest users of the hotels, none of their water rates went down. They kept using, and was able to pay those water rates to the County, despite having...being shut down. So just a fact that, you know, I think they're able to handle the increase. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Paltin, followed by Member King.

VICE-CHAIR PALTIN: I'd also like to mention that, you know...and I think it was a good idea on their part, but a lot of them also did renovations during this shut down period. And I think that's a good thing because, I mean, when no one's there, that's when you want to fix things up. But at the same time, they paid more total last year when things were shut down with renovations than this proposal here. And, you know, as soon as the flights start again, as soon as the quarantine is lifted, people are just coming straight back without hesitation.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Thank you for my second...

CHAIR RAWLINS-FERNANDEZ: Wait, Member King.

COUNCILMEMBER SINENCI: Oh.

CHAIR RAWLINS-FERNANDEZ: Oh, sorry. Member King, and then Member Sinenci.

COUNCILMEMBER KING: Okay. One second, I just wanted to reiterate what was said earlier about the rates, you know, not just that we have...we have low rates for...compared to our sister counties, but also that the valuations have gone down. And we heard from our Finance Department, our RPT Department that they did lower valuations because of our economic circumstances, which really surprised me because I thought the property rates were the property rates, and not based on how people are doing, how business is doing. I mean, we don't base our homeowner rates on how people...if people lose their jobs, but somehow we're adjusting the valuations for the hotels based on the economic circumstances. So there has been a pretty big break in the valuations, and so they have paid less taxes because of that. So now, with all the tourists coming back, you know, whether we want them to or not, I think it's a fair rate, it's still not as high as Honolulu, but I think it's doable and it's fair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair, for my second. You know, economic forecast said that we were going to be in a recession for...until 2024 with the visitor industry.

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And just, you know, a year out of this pandemic, and we're seeing the numbers...some of these numbers coming back at pre-COVID times, and it's just taken a year. So for all those professionals that forecasted that we were going to go into this recession to 2024, that hasn't happened. I mean, it's has bounced back seems like even stronger. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Anyone else wishing to speak to the motion? Okay, I'll call for the question. All those in favor of the motion to raise the Hotel rate to 11.75, and that would generate 2.6 million, raise your hand say "aye." Okay, Member King, Member Sinenci, Member Paltin, Member Johnson, and myself. Those opposed, raise your hand and say "no." Chair Lee, Member Sugimura, and Member Molina.

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

**NOES:        Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:     None.**

**ABSENT:      None.**

**EXC.:        Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:     APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay, we're at 6.5. Member Paltin.

VICE-CHAIR PALTIN: I move to amend Tier 2 of Non-Owner-Occupied to 6.25.

CHAIR RAWLINS-FERNANDEZ: Okay. Non-Owner-Occupied to 6.25. Moved by Member Paltin, seconded by Member Sinenci. And that would...okay, so at Tier 1, 5.45; Tier 2 at 6.25; and Tier 3 at 7.50, with the new threshold, it went up by negative 513. So it was negative 1 million, and now it's negative 513. Member King.

COUNCILMEMBER KING: Okay. So just to clarify, it went negative because of the tier being 2 million, the middle tier going up to 2 million. So all those properties between 1.5 million and 2 million went down to Tier 2, so that's what put us in the negative 1 million?

CHAIR RAWLINS-FERNANDEZ: Yes. Okay, I'll call for the question. All those in favor of the motion to amend Tier 2 to 6.25, raise your hand and say "aye." Okay, I see Member Paltin, Member Molina. All those opposed, raise your hand and say "no." Member King, Chair Lee, Member Johnson, Member Sugimura, Member Sinenci, and

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myself.

<b>VOTE:</b>	<b>AYES:</b>	<b>Vice-Chair Paltin and Councilmember Molina.</b>
	<b>NOES:</b>	<b>Chair Rawlins-Fernandez, and Councilmembers Johnson, King, Lee, Sinenci, and Sugimura.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Councilmember Kama.</b>

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Wow. Really hard one to crack. Everyone's kind of all over the place. No real pattern. . . . *(laughing)* . . .

COUNCILMEMBER LEE: What's the subtotal?

CHAIR RAWLINS-FERNANDEZ: Okay, 6.5 million. Member Paltin.

VICE-CHAIR PALTIN: I just had a question.

CHAIR RAWLINS-FERNANDEZ: Go ahead.

VICE-CHAIR PALTIN: If there is a veto, does five overrule it, or does six?

CHAIR RAWLINS-FERNANDEZ: Six.

COUNCILMEMBER LEE: Six, you need six.

VICE-CHAIR PALTIN: And in the timeline, if we propose rates and decide to change them after the Public Hearing, that throws us all off. We can't even do that, right, because of the time frame? And then the Mayor's Budget will supersede?

COUNCILMEMBER LEE: No.

CHAIR RAWLINS-FERNANDEZ: Miss...

COUNCILMEMBER LEE: We have the whole month of May.

CHAIR RAWLINS-FERNANDEZ: Yeah, just...oh, okay. There's a timeline that I haven't fully memorized, but basically you have to do a public notice three weeks before the Public Hearing. And so in order to do all these things and have a Council meeting, so we would

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have to have like special Council meetings in order to have the two readings, first and second reading. So it's possible, it would just require a lot of...more meetings.

VICE-CHAIR PALTIN: But --

CHAIR RAWLINS-FERNANDEZ: Oh.

VICE-CHAIR PALTIN: -- in theory...in theory, we could change the rate after the Public Hearing?

CHAIR RAWLINS-FERNANDEZ: Right. Ms. Milner, would you mind explaining the window of time we have to amend after the Public Hearing?

MS. MILNER: Yes, Chair. The Public Hearing is on Wednesday evening at 6:00 p.m. the 28th, and we currently anticipate having a meeting on Thursday the 29th. The 29th, if we are going to have the Public Hearing when we currently anticipate having it, which is May 14th, we would like to have the rates you would like posted for that Public Hearing finalized on Thursday by 4:00 p.m. So you could make changes the Thursday following the Public Hearing.

VICE-CHAIR PALTIN: And if the Mayor vetoes the Budget and we don't come up with six votes to overcome it, then his version of the Budget is what passes?

MS. MILNER: Let me double check on that, but I believe so. Yes.

COUNCILMEMBER LEE: Yeah, it is true.

COUNCILMEMBER KING: He usually vetoes line items, not the whole budget. . . .(inaudible).  
..

COUNCILMEMBER LEE: He can.

COUNCILMEMBER KING: Something like nine, ten line items. Doesn't veto the whole budget, so...

COUNCILMEMBER LEE: He can.

VICE-CHAIR PALTIN: I don't know if we've ever added 11 mil into the Affordable Housing Fund without projects though.

CHAIR RAWLINS-FERNANDEZ: Member Molina.

COUNCILMEMBER MOLINA: Yeah, Madam Chair. Just thinking ahead, if the rest of the way we get a bunch of stalemates on tax rate increases, and I guess our running total currently is 6-1/2 million, you know, short of the...at this point, short of the 11 million. If we cannot reach consensus on the tax rates, then would we have to go back for a reconsideration for the 11 million that was previously approved? Or...how would...what



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would...how would that work as far as the process.

CHAIR RAWLINS-FERNANDEZ: Yeah. So we'll follow that same process --

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: -- as you outlined.

COUNCILMEMBER MOLINA: Yeah, okay. So yeah, basically if we just...we cannot reach that 11 then we go with what we have, yeah? Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Johnson.

COUNCILMEMBER JOHNSON: Okay, Chair. Thank you. I'm looking at Non-Owner-Occupied, I'm going to try to find that sweet spot that Councilmember Molina is talking about. So for the Non-Owner-Occupied for the Tier 1, there was one point when somebody came out with \$5.55, but that didn't pass. So I would go down to 5.50, and then maybe tackle Tier 2. You want me to come up with a Tier 2 as well as part of that, or you want me to do one at a time?

CHAIR RAWLINS-FERNANDEZ: We can...I think it was better to do them tier by tier.

COUNCILMEMBER JOHNSON: Okay.

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

COUNCILMEMBER JOHNSON: So my proposal for Tier 1, Non-Owner-Occupied, would be at 5.50, \$5.50.

CHAIR RAWLINS-FERNANDEZ: I think we did 5.50, and it failed. Yeah, Member Paltin did 5.50, and it failed.

COUNCILMEMBER JOHNSON: Okay. I'm...I stand corrected, 5.45 then.

CHAIR RAWLINS-FERNANDEZ: It...that's what the Mayor proposed.

COUNCILMEMBER JOHNSON: Oh, never mind then. So there is no sweet spot I'm trying to find.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Yeah, I just wanted to point out that the reason I voted against the 5.50 is because I wanted to see all...this one I wanted to see all three tiers. I wanted to see how they...because they just, to me it wasn't worth it just to vote on that one tier, it's too small of an amount to make an impact. So that's the main reason that I voted against it because I wanted to see what it looks like in relation to the other raises.

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CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry, Member King. Are you saying you would like a...you would like to vote on that again?

COUNCILMEMBER KING: No, I'm just saying that that's why I voted against it. So if he wants to propose all three tiers and start with 5.50, I would consider it. But if...

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay, go ahead, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Okay, so I shall propose for all three tiers then is my understanding. I move to make Non-Owner-Occupied Tier 1 at 5.50, \$5.50; Tier 2 at \$6.50; and Tier 3 at \$7.50.

CHAIR RAWLINS-FERNANDEZ: Okay, that would generate \$676,000. Okay, moved by Member Johnson, seconded by Member King. Oh, okay. Sorry, I thought that was your hand. Okay, I'll...any discussion? If not, I'll call for the question. Member Paltin.

VICE-CHAIR PALTIN: I move to amend Tier 3 to 8.15.

COUNCILMEMBER KING: Second.

CHAIR RAWLINS-FERNANDEZ: Okay, motion on the floor to amend the main motion to 5.50, 6.50, and 8.15 for 2.6 million. Okay. I'll call for the question. All those in favor, please raise your hand and say "aye." Okay, Member King, Member Johnson, Member Sinenci, Member Paltin. All those opposed, raise your hand and say "no." Chair Lee, Member Sugimura, Member Molina, and myself.

<b>VOTE:</b>	<b>AYES:</b>	<b>Vice-Chair Paltin, and Councilmembers Johnson, King, and Sinenci.</b>
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	<b>NOES:</b>	<b>Chair Rawlins-Fernandez, and Councilmembers Lee, Molina, and Sugimura.</b>
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	<b>ABSTAIN:</b>	<b>None.</b>
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	<b>ABSENT:</b>	<b>None.</b>
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	<b>EXC.:</b>	<b>Councilmember Kama.</b>
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**MOTION FAILED.**

COUNCILMEMBER JOHNSON: Boy, that sweet spot is illusive.

COUNCILMEMBER MOLINA: Welcome to the Council, Councilmember Johnson. . . . *(laughing)*  
. . .

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CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: I move to amend the Tier 3 for Non-Owner-Occupied to 8.15.

COUNCILMEMBER KING: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, second by Member King for 907,000.

COUNCILMEMBER SINENCI: That's...oh.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Is that just for Tier 3, Member Paltin?

CHAIR RAWLINS-FERNANDEZ: Yes. Okay, any discussion? All right, I think I'm kind of where your previous cap was, Member Paltin, at 8. I wouldn't...all those in favor of the motion, raise your hand and say "aye." Member King, Member Johnson, Member Sinenci, and Member Paltin. All those opposed, raise your hand. Chair Lee, Member Sugimura, Member Molina . . . *(audio interference)* . . .

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

**NOES:        Chair Rawlins-Fernandez, and Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:     None.**

**ABSENT:      None.**

**EXC.:        Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Okay, I'm going to propose this Tier 3, we can start there for 8.

CHAIR RAWLINS-FERNANDEZ: All right, moved by Member King. Is there a second?

COUNCILMEMBER MOLINA: Oh, what was the proposal again, \$8 for Tier 3?

CHAIR RAWLINS-FERNANDEZ: Member King.

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COUNCILMEMBER KING: Non-Owner-Occupied Tier 3 for \$8.

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay, moved by Member King, second by Member Paltin.  
Okay, any discussion? Member Sinenci.

COUNCILMEMBER SINENCI: Oh, as I mentioned before when we passed...this Council passed Bill 10, we raised up Affordable Housing to 75 percent of the 201H process. I don't think...and again, to reiterate...to hear from developers, we're not going to do it without the extra money to supplement the infrastructure cost to those projects. So I'm only supporting this because I voted for Bill 10 to bring it up to 75 percent. And if...I don't know why...you know, if we didn't...I'm voting so that we can get those projects done, not so that we can just kind of more talk or fluff during those proceedings. I think we went through how many readings of Bill 10, and heard hours of testimony. So I think for us to get to that point, we need to invest here and ask those people who are not from here investing in here and using up our housing inventory to make money off of them...I mean, if they rented for a year at, well, cost of 2, \$3,000, they'll make \$36,000...Short-Term Rentals will probably make over \$100,000 a year. So either we continue on this path, or we try to make some...like Member Johnson said, some bold moves so that we can get to that number. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, I...I'll vote to support the \$8 because I said that that was my cap. But, you know, as we talked about, we have to set up safeguards. We can't just make bold, reckless moves. We have to be careful in the moves that we make so that we're not unintentionally hurting the people who we're trying to help. Non-Owner-Occupied are also our renters who don't own homes, they're renting. And we did pass a Long-Term Rental classification, an exemption, but that doesn't go into effect until next fiscal year. And so that's why I...I'm so reluctant to raise rates on Non-Owner-Occupied because those are our working class, those are our renters. All right. I'll call for the question. All those in favor of the motion, please raise your hand and say "aye." Okay, Member King, Member Johnson, Member Sinenci, Member Paltin, and myself, and Member Molina. Those opposed, raise your hand and say "no." Chair Lee, Member Sugimura. Okay. Motion passes.

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

**NOES:       Councilmembers Lee and Sugimura.**

**ABSTAIN:   None.**

**ABSENT:   None.**

**EXC.:       Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:    APPROVE**

CHAIR RAWLINS-FERNANDEZ: So if I wasn't clear in my last comments, I'm not going to support any increase to Tier 1 or Tier 2 of Non-Owner-Occupied.

COUNCILMEMBER SINENCI: So our running total, Chair?

COUNCILMEMBER MOLINA: Yeah, that was my question.

CHAIR RAWLINS-FERNANDEZ: Eight million. Member Sinenci.

COUNCILMEMBER SINENCI: Chair, I move to raise Owner-Occupied to 2.81, Tier 3.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sinenci, seconded by Member King. 2.81, which would generate about 110,000. But because it was a negative number, it would bring it only up to 91,000 for a running total of one point...sorry, 8.15. Okay. All right. The motion on the floor is to raise Owner-Occupied Tier 3 from 2.61 to 2.81. All those in favor of the motion, please raise your hand and say "aye." Member King, Member Sinenci, Member Paltin, Member Johnson. All those opposed, raise your hand and say "no." Chair Lee, Member Sugimura, member Molina, and myself.

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<b>VOTE:</b>	<b>AYES:</b>	<b>Vice-Chair Paltin, and Councilmembers Johnson, King, and Sinenci.</b>
	<b>NOES:</b>	<b>Chair Rawlins-Fernandez, and Councilmembers Lee, Molina, and Sugimura.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Councilmember Kama.</b>

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: I move to make Tier 3 for Owner-Occupied 2.75.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin and seconded by Member Sinenci. Tier 3 to 2.75, which would bring it 56,000 above the Mayor's proposal. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair, for the opportunity. Yeah, just to inform our Members that, you know, this is a record. We spent \$300,000 to get a Housing Study that's in draft form, and will be coming back to us in the summer. The rates, interest rates are at record lows, so we need to look at investing and trying to get...and act now on trying to get some of these lower numbers in our investments. And more money we have, even though we don't have a few projects in the pipe, anticipating a lot of the American Rescue Fund and the Infrastructure Bill, you know, for us to leverage more funds and doubling actually...whatever we have on hand, we could actually double. So those are the reasons why I'm supporting it. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. I'll call for the question. All those in favor of setting Tier 3 of Owner-Occupied to 2.75, please raise your hand and say "aye." Okay, I see Member King, Member Johnson, Member Sinenci, and Member Paltin. All those opposed, raise your hand and say "no." Chair Lee, Member Sugimura, Member Molina and myself . . . *(audio interference)* . . .

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<b>VOTE:</b>	<b>AYES:</b>	<b>Vice-Chair Paltin, and Councilmembers Johnson, King, and Sinenci.</b>
	<b>NOES:</b>	<b>Chair Rawlins-Fernandez, Councilmembers Lee, Molina, and Sugimura.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>Councilmember Kama.</b>

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Move to Owner-Occupied Tier 3, 2.71.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sinenci. Second by Member King. Okay, 2.71, which would bring the rate, the revenue up to 33,000 above the Mayor's proposed for 8.1 million running total. Member King.

COUNCILMEMBER KING: Yeah, I just wanted to speak to the motion because I thought when we decided we were going to change the tiers to expand Tier 2 to 2 million, we were talking about raising the rates a little bit because we knew that was going to lose money. I don't know why we did that if we weren't going to raise the rates a little bit on those tiers because we kind of cut our own throats that way if we're going to refuse to now increase those fees because now we've got all the people up to 2 million in that second tier. So, you know, I think it's important to try to at least make that up.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak to the motion? Okay. All right, I'll call for the question. All those in favor of setting Tier 3 of Owner-Occupied to 2.71, raise your hand and say "aye." Member King, Member Johnson, Member Sinenci, Member Paltin, and myself. All those opposed? Chair Lee, Member Sugimura, and Member Molina. Motion passes.

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

**NOES:**        **Councilmembers Lee, Molina, and Sugimura.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay, I think that's...as far as it's going to go. Member King.

COUNCILMEMBER KING: Okay, I'm going to try this one more time because I know there were...there was at least one more Member who was wanting to go to 5.50 on the Non-Owner-Occupied Tier 1. I'm going to propose 5.50 on Tier 1, and 6.30 on Tier 2 --

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KING: -- and hopefully that would make up the losses in the -- in changing the tier levels.

CHAIR RAWLINS-FERNANDEZ: Moved by Member King, seconded by Member Sinenci to set Tier 1 of Non-Owner-Occupied to 5.50. Okay, all those in favor of the motion, raise your hand and say "aye."

COUNCILMEMBER KING: Oh, and the . . . *(audio interference)* . . .

CHAIR RAWLINS-FERNANDEZ: I'm sorry.

COUNCILMEMBER KING: And the second Tier at 6.30, that was part of my proposal, motion.

CHAIR RAWLINS-FERNANDEZ: Oh. Oh, okay, okay.

COUNCILMEMBER KING: That's the one we're losing the most money on because we extended it.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Okay, so...sorry. I'll restate the motion. The motion is to set Tier 1 at 5.50 and Tier 2 at 6.30 of Non-Owner-Occupied for 1.6 million above the Mayor's proposed rates. All those in favor of the motion, please raise your hand and say "aye." Okay, Member King, Member Johnson, Member Sinenci, and Member Molina. All those opposed, raise your hand and say "no." Okay, Chair Lee,



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Member Sugimura, Member Paltin, and myself.

**VOTE:**        **AYES:**        **Councilmembers Johnson, King, Molina, and Sinenci.**

**NOES:**        **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, and Sugimura.**

**ABSTAIN:**       **None.**

**ABSENT:**       **None.**

**EXC.:**        **Councilmember Kama.**

**MOTION FAILED.**

CHAIR RAWLINS-FERNANDEZ: Chair Lee.

COUNCILMEMBER LEE: I thought you folks voted on it before at 6.50. Did...no? You didn't vote on it before?

CHAIR RAWLINS-FERNANDEZ: We did. We voted, but it didn't pass.

COUNCILMEMBER LEE: Oh, I see. Okay. So what is it now, then? So, 5?

CHAIR RAWLINS-FERNANDEZ: 5.45, 6.05, and \$8. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Okay. So, I'm...I understand when we look at the size of the pool of people we'll be taxing, but I also come from the member of a working...a member of the working poor, and I don't want to put a heavy burden on anybody who's in Tier 1. However, in a time of crisis, I would like...I propose for Owner-Occupied Tier 1 to be raised one penny \$2.41...\$2.42, and I'd like to see if you could give me those numbers, Councilmember Keani Rawlins-Fernandez. I think because it's a big...a big pool maybe that one penny makes a big splash.

CHAIR RAWLINS-FERNANDEZ: Okay, Tier 1 of Owner-Occupied from 2.41 to 2.42 is a difference of 120,000.

COUNCILMEMBER JOHNSON: I withdraw my motion.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Johnson. All right, would you like to see the spreadsheet and see where we're at? Owner-Occupied Tier 1 - 2.41, which is the same as the Mayor's; Tier 2 - 2.51, the same; and Tier 3 - 2.71, 10 cents above, which generates 33,000 more than the Mayor's proposal. Non-Owner-Occupied Tier 1 - 5.45; Tier 2 - 6.05, same as the Mayor's proposal; Tier 3 - 50 cents above the Mayor's

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proposal for \$8, generating 454,000 above the Mayor's proposal. Okay. Hotel...Hotel and Resort - 11.75, \$1.05 above the Mayor's proposal for \$2,617,240 above the Mayor's proposal. Time Share, 20 cents above the Mayor's proposal for 14.60, generating \$515,692. Short-Term Rental 11.11, Tier 1; Tier 2 - 11.15; Tier 3 - 11.20, generating \$4,474,813 more than the Mayor's proposal, for a total of \$8,095,124, and that doesn't include the 1 percent that goes to Open Space. Okay, so I think that's 80,000. Any questions? Okay, Members...Member Molina.

COUNCILMEMBER MOLINA: Yeah, Madam Chair. 8 million's a respectable number. I know it wasn't the number that...I mean, depending on which side of the spectrum you're looking at, I say 8 million's a happy medium. It's not the 20 million that Mr. Johnson wanted, and I proposed just 3.7, so kind of somewhat in between. And of course, we decided at 11 million earlier. And now I think we're pretty much done, I guess, unless Members still want to keep doing this on and on and on, but I think 8 million's a happy medium. And plus we freed up 6-1/2 million earlier, that's already existing in the pot for the Affordable Housing Fund. So if you consider that, it's almost like 14 million in some way, shape, or form. But I'll leave it at that, Madam Chair. Eight million's still a respectable figure. So anyway...and Member Paltin said, yeah, maybe there isn't quite a plan yet and we're not sure how much we're going to expend, so I'm fine with 8 million, but that's just me. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Molina. All right. Anyone else wishing to share comments or make any motion? Okay, Member King.

COUNCILMEMBER KING: I had a question, Chair. Does this cover...did we already cover the...all the Members' outstanding priority needs?

CHAIR RAWLINS-FERNANDEZ: Okay. So your question is would 8 million go into the Affordable Housing Fund? The answer is we need \$586,816 to cover the Members' priority proposals.

COUNCILMEMBER KING: Okay, and that's above the...that's above the amount that was left over from the Members who didn't have a request. Over and above that, there's still another 500,000?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER KING: Okay. So that would come out of this pot, I'm assuming.

CHAIR RAWLINS-FERNANDEZ: Yeah, so it would be 8,095,000, subtracted by 586,000...do my math on the calculator. Eight...586,816, and 80,951 for Open Space, which would be \$7,427,357 that would go into the Affordable Housing Fund in addition to the 15 million that would already be going there. What does that mean, Member Sinenci?

COUNCILMEMBER SINENCI: I mean, that's still, what, 24 million that'll be going...remaining in there? 24 million?

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CHAIR RAWLINS-FERNANDEZ: Yeah, about there.

COUNCILMEMBER SINENCI: Enough to leverage...I don't know about the Mayor's veto if we're...I mean, I was just looking forward. So we still have...after Wednesday's, next week Wednesday's Public Hearing, we still have time to revisit as well?

CHAIR RAWLINS-FERNANDEZ: Yeah. Ms. Milner, what time do we have until? Noon?

MS. MILNER: 4:00 p.m., but we have to have the paperwork finalized by 4:00 p.m., so earlier is preferable.

COUNCILMEMBER SINENCI: On Thursday.

MS. MILNER: So let's say 1:00 at the latest.

CHAIR RAWLINS-FERNANDEZ: Yeah. Okay, all right. And I think, Members, we would have to also, you know, be prepared for a lot of testimony. So that's going to be the hearing at 6:00 p.m. on the 28th. And then the 29th we would reconvene at 9:00, and we could go right into it. Yeah. So we'll be reconvening, so we wouldn't be taking testimony at 9:00. I think we could get it done. I also thought we were going to be pau at 5:00 today, six hours ago.

COUNCILMEMBER LEE: Yes, Virginia, there is a Santa Claus. . . . *(laughing)* . . .

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: Do we still got to do the Fuel Tax tonight?

CHAIR RAWLINS-FERNANDEZ: No, no. Yeah, let's save that for Thursday. We got to do that by 1:00 as well, Ms. Milner?

MS. MILNER: Yes, if you'll be making any changes to the Fuel Tax.

CHAIR RAWLINS-FERNANDEZ: Okay --

VICE-CHAIR PALTIN: Well . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: -- Fuel Tax . . . *(inaudible)* . . .

VICE-CHAIR PALTIN: -- Public Hearing numbers be on if we don't discuss it tonight? Just what it is currently?

MS. MILNER: So for the Fuel Tax, if you're not making changes, we don't need to have a Public Hearing. For Weight Tax, whether or not you're making changes, we do need to have a Public Hearing. So we're going to prep the paperwork for Weight Tax so that we can update it on Thursday as you decide what you're going to do. And we'll probably have Fuel Tax standing by in case you all decide to make any changes there as well.

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VICE-CHAIR PALTIN: I don't want to make any changes to the Weight Tax. And I guess point of information.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: Is the Highway Fund money that is in the Budget now based on the existing Fuel Tax? And if we wanted more Highway Funds, we would raise the Fuel Tax, but if we are okay with where the Highway Funds are right now, we can keep the Fuel Tax where they are right now?

CHAIR RAWLINS-FERNANDEZ: Ms. Milner.

MS. MILNER: Yes, that's my understanding. If you raise the Fuel Tax, that would be more money into the Highway Fund. But if you leave it where it is, the Highway Fund stays where it is, around 79 million. I don't know if Director Yoshimura has more details for you.

VICE-CHAIR PALTIN: I want to know if Chair Lee has more details for me. What do you think, Chair Lee?

COUNCILMEMBER LEE: No. I...you know, do you mean do they have extra funds in there? No, they don't.

VICE-CHAIR PALTIN: I mean, are you --

COUNCILMEMBER LEE: They don't.

VICE-CHAIR PALTIN: -- are you good with the Highway Funds where they are, or you looking to raise Fuel Tax to get more Highway Funds to get all those...

COUNCILMEMBER LEE: No. You know, you got to remember, we have a --

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

COUNCILMEMBER LEE: -- capacity in terms of what we...what the departments can do. And I think they're at capacity. So if you want to add more projects, we'll have to add more people. And I don't think that's going to happen, really.

VICE-CHAIR PALTIN: So we're good on Fuel Tax and Weight Tax? We're good. We did that. We're done?

COUNCILMEMBER LEE: Yeah.

VICE-CHAIR PALTIN: Consensus?

COUNCILMEMBER LEE: I would think. I would think.

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COUNCILMEMBER KING: Was there not an opportunity for people to testify on that then? On my schedule, I have May 13th as the Fuel Tax Public Hearing.

CHAIR RAWLINS-FERNANDEZ: Yeah. So Member King, if we're not going to amend the Fuel Tax, then we wouldn't need to have a Public Hearing on it. But the Weight Tax requires a Public Hearing regardless, right?

COUNCILMEMBER KING: . . .*(inaudible)*. . . who want to testify on it cannot?

CHAIR RAWLINS-FERNANDEZ: So we wouldn't be required to post the...oh, did I mix it up? Oh, okay. All right. Thanks, Ms. Milner. So we wouldn't be required to post the Fuel Tax, but we could. We just wouldn't...if we're not making any amendments to it, then we wouldn't need to post it.

COUNCILMEMBER KING: Right. But my question is if people want to come and testify on the Fuel Tax, then there's no opportunity for that?

CHAIR RAWLINS-FERNANDEZ: Well, that's what I'm saying. If you...if we want to give the public an opportunity to testify on the Fuel Tax rates, then we would have to post the reso so that there would be a hearing for it.

COUNCILMEMBER KING: Okay. Otherwise you just don't give people an opportunity to testify on the Fuel Taxes?

CHAIR RAWLINS-FERNANDEZ: It's not me don't give them, it's us deciding. We are going to decide whether we post the reso or not, and if we choose not to, then there wouldn't be an opportunity to testify on it.

COUNCILMEMBER LEE: Oh, post it. God. Post everything, you know.

CHAIR RAWLINS-FERNANDEZ: They could testify at any of the Budget meetings. Member Paltin.

VICE-CHAIR PALTIN: That's what I was going to say, because isn't the Fuel Tax part of the Budget? So if we're...item is BFED-1, then they can testify on the Fuel Tax as part of BFED-1 because the Fuel Tax is part of BFED-1, right?

CHAIR RAWLINS-FERNANDEZ: That's correct.

VICE-CHAIR PALTIN: Oh, okay. No need post.

COUNCILMEMBER LEE: . . .*(laughing)*. . .

CHAIR RAWLINS-FERNANDEZ: Okay, Members. It's 11:10. What would you like to do?

COUNCILMEMBER LEE: Sleep.

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VICE-CHAIR PALTIN: Party all night long.

COUNCILMEMBER KING: Well, you drank coffee, that's why.

VICE-CHAIR PALTIN: I don't want to leave you guys ever, let's spend all our time together.

COUNCILMEMBER KING: I want to sleep.

COUNCILMEMBER LEE: I'm so glad that you're feeling good, I mean, because you had your second shot today, yeah?

VICE-CHAIR PALTIN: I think it gave me a boost. I'm ready to...

COUNCILMEMBER LEE: Yeah.

VICE-CHAIR PALTIN: My arm's not even sore, that was great advice about moving your arm.

COUNCILMEMBER LEE: Which one did you get?

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

COUNCILMEMBER LEE: Moderna?

VICE-CHAIR PALTIN: Moderna.

COUNCILMEMBER LEE: Moderna. Very good.

CHAIR RAWLINS-FERNANDEZ: All right. So should I ask the Members for consensus on the proposed rates, or...well, I guess it wouldn't be consensus because there are objections. But for the sake of going to sleep tonight, we're going to have to make a decision. Okay. So is there a motion to temporarily set these rates for today?

VICE-CHAIR PALTIN: I move to revisit the Affordable Housing Fund to what we have right now. And we did a good effort, we tried real hard, and we came up short, but it is what it is. And you know, I'm sure the public will tell us if they want us to raise the rates some more and get to 11...20 mil. So that's where I'm at.

CHAIR RAWLINS-FERNANDEZ: Okay, motion by Member Paltin to revisit the...oh, sorry, for reconsideration, Member Paltin? Is that what you mean by revisit? Okay. For reconsideration of the Affordable Housing Fund. Is there a second?

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Okay, second by Member Molina. Okay, all those in favor of the motion to reconsider the Affordable Housing Fund, raise your hand and say "aye." Okay, I see Member Paltin, Member Molina, Chair Lee, Member Sugimura, and myself.

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All those opposed, raise your hand and say “no.” Member Johnson, Member King, and Member Sinenci. Okay, motion passes.

**VOTE:**        **AYES:**        **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Molina, and Sugimura.**

**NOES:**        **Councilmembers Johnson, King, and Sinenci.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR PALTIN: I move to decrease the amount to the Affordable Housing Fund to the amount that we’re at right now. Which, you know, Ms. Milner is stellar, so I’m sure she knows.

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, second by Member Molina to amend the...page 6 of the Budget Bill from 11 million to 7,427,357 or whereabout. Okay. Member...Ms. Milner has a different number, 750,000...oh, sorry, \$7,508,308. Okay, so that’s, that’s...so instead of the 11 million, it would be that number I just read. All right. Discussion, Members? Okay, all those in favor of the motion, raise your hand and say “aye.” Okay, Chair Lee, Member Sugimura, Member Paltin, Member Molina, and myself. All those opposed, raise your hand and say “no.” Member King, Member Johnson, and Member Sinenci. Motion passes.

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**VOTE:**        **AYES:**        **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Molina, and Sugimura.**

**NOES:**        **Councilmembers Johnson, King, and Sinenci.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:        APPROVE**

CHAIR RAWLINS-FERNANDEZ: Okay. Consensus on Affordable Housing Fund. Okay, consensus. Okay, I'm not hearing any objections, so...okay, that's what it...all right you rather...

COUNCILMEMBER JOHNSON: I'm objecting.

CHAIR RAWLINS-FERNANDEZ: Okay. Affordable Housing Fund as it's...oh, let's see if Member...let's see if Ms. Milner has something. Oh, Ms. Milner, do we have to amend that too, the Open Space?

MS. MILNER: No, sorry. My apologies, Committee Members. I forgot to subtract the amount for Open Space from that number I gave you earlier, so --

CHAIR RAWLINS-FERNANDEZ: Okay, thank you.

MS. MILNER: -- slightly revised number, my apologies.

CHAIR RAWLINS-FERNANDEZ: It's okay, that was the number I first read.

MS. MILNER: I know.

CHAIR RAWLINS-FERNANDEZ: . . . *(laughing)* . . . It's okay. It's 11:16. and we're trying to --

MS. MILNER: That's why you're the Budget Chair. . . . *(laughing)* . . .

CHAIR RAWLINS-FERNANDEZ: . . . *(laughing)* . . . Very good, very good. All right, we're all checking each other's math, and that's what's important. All right. So all those in favor of setting the Affordable Housing Fund as it is, raise your hand and say "aye."

CHAIR RAWLINS-FERNANDEZ: Okay, Chair Lee, Member Molina, Member Paltin...Member Sugimura, so that we can recess the meeting. What else are you going



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to do? Okay, Member Sugimura. Okay. All those opposed, raise your hand and say “no.” Member Johnson, Member King, Member Sinenci. Motion passes. Okay.

**VOTE:**        **AYES:**        **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Molina, and Sugimura.**

**NOES:**        **Councilmembers Johnson, King, and Sinenci.**

**ABSTAIN:**        **None.**

**ABSENT:**        **None.**

**EXC.:**        **Councilmember Kama.**

**MOTION CARRIED.**

**ACTION:**        **APPROVE**

CHAIR RAWLINS-FERNANDEZ: So the rates are set as is it temporarily is. If you want me to share my screen, I can do it one more time. And then we’ve adjusted the 11 million down to 7,427,356. Okay. All right, I’m going to share my screen for y’all one more time. Okay, Owner-Occupied - 2.41, 2.51, and 2.71; Non-Owner-Occupied - 5.45, 6.05, \$8.00; Apartment - 5.55; Hotel and Resort - 11.75; Time Share - 14.60; Short-Term Rental - 11.11, 11.15, 11.20; Ag - 5.94; Conservation - 6.43; Commercial - 6.29; Industrial - 7.20; Commercial Residential - 4.40, for 8,095,124 above the Mayor’s proposed rates.

VICE-CHAIR PALTIN: Can you scroll back up to the top real quick?

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR PALTIN: Got it, thanks.

CHAIR RAWLINS-FERNANDEZ: You’re welcome. Okay. All right, Members, we’re going to recess tonight. We don’t have to meet on Monday and Tuesday because we got everything that we needed to get done tonight for the most part. And then we can discuss the Weight Tax and Fuel Tax on Thursday, and we have a last opportunity to adjust RPT if...if we need to after the Public Hearing next week, Wednesday night at 6:00 p.m. Okay, are there any questions? Okay, beautiful. All right. So we’re going to adjourn...recess, we’re going to recess...recess this meeting to Thursday, April 29, 2021 at 9:00 a.m. Okay, it’s 11:19...oh, and I guess I should also say at the same BlueJeans meeting link and phone number. Okay. Staff, before I gavel out, did I miss anything? I think I got it.

MS. MILNER: You got it.

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VICE-CHAIR PALTIN: Just recess, right? Not adjourn. Recess.

CHAIR RAWLINS-FERNANDEZ: Recess. We're going to recess to next week, Thursday at 9:00 a.m., April 29th. Okay, it's 11:20 on April 23rd, and the Budget, Finance, and Economic Development Committee is now in recess. . . .*(gavel)*. . .

**RECESS:** 11:20 p.m.

APPROVED:



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KEANI N.W. RAWLINS-FERNANDEZ, Chair  
Budget, Finance, and Economic Development Committee

bfed:min:210423:r

Transcribed by: Daniel Schoenbeck,  
Terianne Arreola, Kaliko Reed &  
Crystal Sakai

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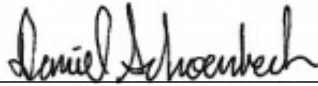
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CERTIFICATIONS

I, Daniel Schoenbeck, hereby certify that pages 1 through 78 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 1st day of June 2021, in Kula, Hawai'i



Daniel Schoenbeck

I, Terianne Arreola, hereby certify that pages 79 through 114 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 1st day of June 2021, in Makawao, Hawai'i.



Terianne Arreola

I, Kaliko Reed, hereby certify that pages 114 through 141 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 1st day of June 2021, in Wailuku, Hawai'i



Kaliko Reed

I, Crystal Sakai, hereby certify that pages 141 through 190 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 1st day of June 2021, in Wailuku, Hawai'i



Crystal Sakai