

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

MINUTES

September 13, 2021

Online via BlueJeans Link

RECONVENE: 1:33 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Gabe Johnson, Chair
Councilmember Michael J. Molina, Vice-Chair
Councilmember Tasha Kama
Councilmember Kelly Takaya King
Councilmember Alice L. Lee (in 2:24 p.m.)
Councilmember Tamara Paltin
Councilmember Keani N.W. Rawlins-Fernandez
Councilmember Shane M. Sinenci
Councilmember Yuki Lei K. Sugimura (in 1:41 p.m.)

STAFF:

David Raatz, Supervising Legislative Attorney
James Forrest, Legislative Attorney
Shelly Espeleta, Supervising Legislative Analyst
Kasie Apo Takayama, Legislative Analyst
Alison Stewart, Legislative Analyst
Laksmi Abraham, Legislative Analyst
Rayna Yap, Committee Secretary
Kristeena Locke, OCS Assistant Clerk

Axel Beers, Executive Assistant for Councilmember Kelly Takaya King

Ellen McKinley, Executive Assistant for Councilmember Kelly Takaya King

Sarah Sexton, Executive Assistant for Councilmember Kelly Takaya King

Evan Dust, Executive Assistant for Councilmember Tasha Kama
Davideane Sickels, Executive Assistant for Councilmember Tasha Kama

Kate Griffiths, Executive Assistant for Councilmember Gabe Johnson

Lois Whitney, Executive Assistant for Councilmember Tasha Kama
Roxanne Morita, Lanai District Office

Jordan Helle, Executive Assistant for Councilmember Yuki Lei Sugimura

Stacey Moniz, Executive Assistant for Councilmember Gabe Johnson

Autumn Ness, Executive Assistant for Councilmember Gabe Johnson

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

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

ADMIN.: Linda Munsell, Deputy Director, Department of Housing and Human Concerns
Clyde (Buddy) Almeida, Housing Administrator, Department of Housing and Human Concerns
Jessica Crouse, Assistant Housing Administrator, Department of Housing and Human Concerns
Johann Lall, GIS Analyst V, Department of Planning
Mimi DesJardins, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Jeff Gilbreath, Executive Director, Hawaiian Community Assets, Inc.
Kenna Stormo Gipson, Hawaii Budget and Policy Center
Others (6)

PRESS: *Akakū Maui Community Television, Inc.*

CHAIR JOHNSON: . . .*(gavel)*. . . Aloha. Will the Affordable Housing Committee recessed meeting of September 2, 2021 please reconvene. Today is September 23rd [*sic*] and the time is 1:33 p.m. Thank you all for joining us today. I'm Gabe Johnson, the Committee Chair. Present with me is my Legislative Analyst [*sic*], Kate Griffiths. As required by the Governor's most recent emergency proclamation, Members at non-public locations should state who and if anyone is present with them. So Members, joining us today is Committee Vice-Chair Mike Molina.

VICE-CHAIR MOLINA: Buenos días, Mr. Chair, and to you, my colleagues, and everyone else. For the record, I am broadcasting live from my home in Makawao. Aloha.

CHAIR JOHNSON: Aloha. Okay. Next, we have Councilmember Kelly Takaya King.

COUNCILMEMBER KING: Buenos días. How's everyone doing? I'm coming to you from my home in South Maui in the spare bedroom with nobody else in the room with me.

CHAIR JOHNSON: Okay. Buenos días to both [*sic*] of you, and everyone. Next, we have Chair Lee. I don't...is my...is she not here yet? Okay.

COUNCILMEMBER KING: I don't see her.

CHAIR JOHNSON: Okay. So we'll come...she's excused for now. So next, we have Councilmember Tamara Paltin. Buenos días.

COUNCILMEMBER PALTIN: Buenos días, hermanos and hermanas.

CHAIR JOHNSON: Okay. Next, we have Council Vice-Chair Keani Rawlins-Fernandez. Buenos días.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER RAWLINS-FERNANDEZ: Buenas tardes, Chair and everyone. And I guess I am at a public location at the Moloka'i District Office. I'm here in...on this side by myself, but I guess I'll consult with our OCS attorneys to see if I would need to continue saying that since this is a public location.

CHAIR JOHNSON: Yeah. Makes sense to me.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

COUNCILMEMBER KING: That would be very helpful to those of us who are about to have district offices as well.

CHAIR JOHNSON: Yeah. Yeah, I know, right. The...sometimes these new ones are kind of questionable. I question the logic, but okay, I get it. All right. Next, we got Councilmember Shane Sinenci from Hāna. Buenos días.

COUNCILMEMBER SINENCI: Buenos días, bom dia, Chair. Broadcasting from the Hāna Cultural Museum, and I'm here by myself. Aloha 'auinalā.

CHAIR JOHNSON: Okay. Buenos días. And I don't see Councilmember Yuki Lei Sugimura today, but we have Councilmember Tasha Kama. Buenos días, good to see you.

COUNCILMEMBER KAMA: Buenos días, Chair. It's good to see you. It's good to be here. And I am here in my home in the Kahului neighborhood, and I am at my desk in my spare room.

CHAIR JOHNSON: Okay. All right. So Members, scheduled to join us from the Administration today is Housing and Human Concerns Deputy Director Linda Munsell, Housing Administrator Buddy Almeida, Assistant Housing Administrator Jessica Crouse, Deputy Corporation Counsel Mimi DesJardins, and Managing Director...well, if there...if we get on to other things, he...they might show up as well. Our Committee Staff is Legislative Analyst Alison Stewart, Committee Secretary Rayna Yap, Legislative Attorney James Forrest, Legislative Analyst Laks Abraham, and Assistant Clerk Kristeena Locke. All right. So that's everyone. Members, we have a pretty heavy agenda, to say the least. I want...I know we have about, you know, three hours for our meetings. So I'm going to try to move along as fast as I can, respect everyone's time. So without further ado, I'll just jump right into it. All right. So AH-14(3), Effectively Promoting the Availability of Affordable Housing for Maui County Residents; Comprehensive Affordable Housing Plan...or AH-14(2), which is the Comprehensive Affordable Housing Plan: Right to Housing; and AH-14(1), Comprehensive Affordable Housing Plan: Right to Shelter. Okay. So oral testimony is closed. So we're not accepting oral testimony, but written testimony can still be sent and is continually received in the record. So without any objections, we'll allow the written testimony to come in.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: AL, YLS)

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: No objections to written testimony. Okay. Thank you so much.

AH-14(3) EFFECTIVELY PROMOTING THE AVAILABILITY OF AFFORDABLE HOUSING FOR MAUI COUNTY RESIDENTS (MISC)

CHAIR JOHNSON: We had many...we had...we had made some headway in our discussion for the proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING THE RESIDENTIAL WORKFORCE HOUSING POLICY RELATING TO SELECTION PRIORITY." Members, we now have in Granicus, listed as number 5, Proposed Bill 09/09/2021, signed by Corp. Counsel. So that will be the bill that we'll be working off today, signed by Corp. Counsel. I'm really excited about it. The Chair will entertain a motion to substitute the initial bill with this signed version.

VICE-CHAIR MOLINA: So moved.

COUNCILMEMBER KING: So moved.

CHAIR JOHNSON: We got a motion by Councilmember Molina, seconded by Councilmember Kelly King. Any discussion? Okay. All those in favor, raise your hand and say "aye."

COUNCILMEMBERS VOICED AYE.

CHAIR JOHNSON: Okay, it's unanimous. One, two, three, four, five, six, seven, with two excused.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmembers Lee and Sugimura.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: All right. So further amendments can be...can be made to this version on the proposed bill by motion. But first, let's do a quick recap, okay. Here's the bird's-eye vision of what's being proposed. And when I say Department, this could also be a

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

designee. If you're interested in renting or owning a workforce home, your first step is to sign up and get on the interest list. This is the entry point, the central database for all potential applicants. This is also the clearinghouse for education and information from the Department. This is when you can work with counseling agencies to improve your credit score, consolidate your credit cards, learn how to better save for a down payment, and get information on down payments, assistance, and find out what you can realistically qualify for, and what type of mortgage is best for you and your family. The interest list will also provide up-to-date listings of existing and proposed developments, and any available units. So along comes a project. Let's say...we'll just call it Hāna Villages. It...now, it's kind of like a dating app. So if your profile and interests match with Hāna Villages, you can swipe right and let the Department know that you're interested. This is the second step. You are now on the project waitlist for Hāna Villages. This project waitlist is used by the Department for a lottery. They also use it after the lottery to fill any remaining units. They continue to use it as homes become available when people eventually move out. Even after you get a unit, you can stay on other waiting lists and the interest list. Maybe you're in, for example, a rental unit, but you're saving up to buy a home. Or maybe you prefer just another location. Okay. It's up to you to keep your information current and on each list, and to be ready if you get selected for a unit. So that's an overview of what this proposed legislation envisions, and the proposal has more specifics on the process, including some mechanisms that could be handled by the Department guidelines, subject to Council approval. I just noticed that Councilmember Yuki Lei Sugimura come on. So I want to recognize her. Aloha...buongiorno, Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: Bonjour. Good afternoon, everybody.

CHAIR JOHNSON: Okay. Good afternoon. So do we have any questions so far of where we're going? I just...I...Councilmember Sugimura, I just did a recap from last meeting. So it's just going over what the list is. Okay. Seeing no questions, I want to go through each section. And after working with Housing...the Housing Administration and Corporation Counsel, and our own OCS Staff, I have some proposed changes I would like to share. So we'll just go to the first section, which is...Laks, can you put it up on the screen? It is Section 2.96.090(A)(1). It's called the waitlist procedure. So it's going to come up on your screen, Members. We'll give it a moment. Okay. So there it is. Now, you'll see at the top it says there's what we have in Granicus, and then there's a proposed change. So what I would...if you guys are amicable, we'll just go through this right now. So the Department or its designee must establish a County-wide affordable housing workforce housing list of interest...applicants for ownership units. The Department or its designee must work with HUD-certified housing counseling agency to educate people on the County-wide affordable housing interest list, and assist them in getting pre-qualified to purchase an affordable housing unit. People on the County-wide affordable housing interest list must select the residency areas in which the...which they want to be considered for housing. The Department or its designee must educate the public and promote the County-wide affordable workforce housing interest list using media outlets, including newspaper, radio, and social media platforms. The public must also be informed in a similar manner of any decision that would substantially affect the maintenance and use of the County-wide affordable housing list. So that's what we

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

have, and here's...would be a proposed change. Section 2.96.090(1)(a) [sic], the County-wide workforce housing list and project waitlist. The Department or its designee must establish a County-wide workforce interest list of interested residents for ownership units. The Department or its designee must work with HUD-certified housing counseling agencies, plural, to educate applicants about workforce housing requirements, eligibility, criteria, available opportunities, and methods for prequalification. The Department or its designee must inform the public and promote the interest list using media outlets, including newspaper, radio, and social media platforms. The public must also be informed in a similar manner of any decision that would substantially affect the maintenance and use of the County-wide affordable housing interest list. So the proposed changes clarifies the Department's roles, while being less prescriptive. The Department's guidelines can establish specific procedures for the interest list, including whether selecting a residency or community plan area is required. So for this part, I'd first like to call on Deputy Director Linda Munsell for any comments on these changes. Deputy Director Munsell. And you can stop sharing, Ms. Laks. Thank you.

MS. MUNSELL: Thank you, Chair. Really appreciate the opportunity to comment. Linda Munsell, I'm Deputy Director for the Department of Housing and Human Concerns. Really appreciate the changes that he's making in this section. What we would like is to make it clear that what we would be doing is trying to refer individuals on the waitlist, or on this interest list, to the agencies, and that they would be working with agents...the HUD counseling agencies to become more knowledgeable and be educated. Thank you. Really appreciate this change.

CHAIR JOHNSON: Okay. All right. So I guess...let's see. We can open up the floor for a motion and discussion. All right. Go ahead, Councilmember Keani Rawlins-Fernandez, entertain a motion?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Before we amend, I wanted to consult with our OCS attorneys regarding Robert's Rules in amending a substituted bill.

CHAIR JOHNSON: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: The general rule is that we don't...once we substitute, we don't amend, but I would like to have our attorneys explain for the record, procedurally, what we're doing.

CHAIR JOHNSON: Wonderful. Forrest...Mr. Forrest, are you on?

MR. FORREST: Thank you, Chair. So what we are doing now is we have a motion to substitute, and then we're going to be proposing changes to the substituted bill. And what Member Rawlins-Fernandez is bringing up is that we need to have some sort of a motion to over...to actually make amendments to the substituted version. That rule is also provided by in Robert's Rules for small boards. So you do have the authority to do that, but we need to make that clear for the record that that's what we're doing.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Okay. So it sounds like we need a motion. Councilmember Keani Rawlins-Fernandez, would you like to make that motion?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I think what Mr. Forrest is saying, and he can correct me if I'm...if I misunderstood, but basically, if you're operating under the Robert's Rules that govern small boards, then that just needs to be clarified for the record because it doesn't follow the same as Council Rules. So when we're at Council, we would not be able to amend a bill once it's substituted, but under small boards, if in Committee we want to be able to, you know, take procedural action using that...Robert's Rules, then we wouldn't need a motion. That would just need to be clarified for the record.

CHAIR JOHNSON: Okay. Clarification duly noted because you're right, it's a small board. The Committee is a small board. I got you. All right. So for the record, this is a small board, and we don't need to do that, it's just recognizing it, yeah? Thank you for that clarification. I'm glad I have my book of Robert's Rules. I got to read it more often. It's a big book. Okay. So that being said...so those were the proposed...oh, go ahead Councilmember Kelly King.

COUNCILMEMBER KING: Yeah. I'm just trying to find where...what we're looking at because it's not in front of us anymore. Is this the one...is this on Granicus, this new version?

CHAIR JOHNSON: Laks, can you bring it back up?

COUNCILMEMBER KING: Is that...is it anywhere where we can pull it up ourselves though, if we want to be referring to it?

CHAIR JOHNSON: Yeah. I think it's number 5 on Granicus.

COUNCILMEMBER KING: The proposed bill?

CHAIR JOHNSON: The one by...the one is on...that's got the approval by the Corporation Counsel is on Granicus, but this proposed change is not on Granicus.

COUNCILMEMBER KING: Oh, okay. Okay. So my...I guess my question is, the title of this section is County workforce housing interest list, but then at the end it refers to County-wide affordable housing interest list. So is that a conflict? I mean, are we still talking about just basically one general list for affordable and workforce housing?

CHAIR JOHNSON: No, there isn't just one list. That is the big one, and then, of course, the project-specific lists, right?

COUNCILMEMBER KING: Right.

CHAIR JOHNSON: So you want to...

COUNCILMEMBER KING: We're...are we addressing the big...the first list, the interest list, but

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

I'm just saying that this section refers to...the title of this section, 2.96.090(A)(1), County-wide workforce housing interest list and project waitlists. But the last sentence of that paragraph talks about the use of the County-wide affordable housing interest list.

CHAIR JOHNSON: So the bottom should be workforce is what you're saying?

COUNCILMEMBER KING: Well, I don't know. I'm wondering, because it says workforce throughout.

CHAIR JOHNSON: Well, that's...that makes sense, yeah. That definitely makes sense to me.

COUNCILMEMBER KING: If we're focusing on a workforce, then is like the affordable somewhere else? Or are we talking about affordable and workforce housing?

CHAIR JOHNSON: No, I think it should be the same in both of them, right? So I'd be okay to make...change that.

COUNCILMEMBER KING: Okay. But my bigger question is, are we...is...are we supposed to be talking about just workforce housing, which is at a higher AMI level, or are we talking about an interest list that's going to include affordable housing, like below 60 percent, as well?

CHAIR JOHNSON: Sorry. My mouse disappeared. Yeah. I think it...oh, go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. The...at our last meeting, I believe you explained that workforce would be inclusive of affordable. So from 140 and below...140 AMI and below, yeah?

CHAIR JOHNSON: Right. Thank you. So maybe it would just be better to clarify and we'll just have it workforce, yeah? That's more of a bigger...

COUNCILMEMBER KING: Can we just clarify that with Director Munsell?

CHAIR JOHNSON: Sure.

COUNCILMEMBER KING: Because I know we've always talked about workforce housing as being 80 percent and above, and then affordable being 80 percent and below.

CHAIR JOHNSON: Deputy Director Munsell.

MS. MUNSELL: Yeah. Thank you. Yeah. The folks that are 80 percent and below are still, you know, part of our workforce typically. So yeah, we think...I...we think that this would be inclusive of all of the...our residents, under 140 percent and below.

COUNCILMEMBER KING: Okay. And it's okay to use that term, workforce, even though...even

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

though it's had --

MS. MUNSELL: Yeah.

COUNCILMEMBER KING: -- it's had a different definition in the past?

MS. MUNSELL: Yeah. I...generally, when we talk about, you know, affordable units, we're typically talking about the lower AMIs. So typically, we use that language, but I think the workforce is just fine because it will include all of those AMIs. We...if you...if you want to define it, we can define it; or if you want to say workforce and affordable, it won't matter to us if it makes it more clear for you.

COUNCILMEMBER KING: It makes it more clear for me just because when we...when we've done workforce housing...and we've got projects in South Maui that are workforce that are different than the affordable housing projects. But the other question I had was...so then there's going to be like dual lists? There's going to be one like this for purchased homes, and one like this for rental homes? You're going to have two separate interest lists, no?

CHAIR JOHNSON: No, just one main interest list. I think maybe...

COUNCILMEMBER KING: So this will fit anybody who wants to rent or buy?

CHAIR JOHNSON: Right.

MS. MUNSELL: Yeah.

COUNCILMEMBER KING: Okay.

MS. MUNSELL: I see Mimi's got her...

CHAIR JOHNSON: Yeah. So go ahead, Mimi.

MS. DESJARDINS: Just real quick, the definition of residential workforce housing unit is in 2.96, and it defines it as anywhere from very low income all the way up to above moderate. So they're all...it's all residential. So I think you...it should be residential.

COUNCILMEMBER KING: It should say residential? Or Mimi, can you...

MS. DESJARDINS: Well, that's what you're amending it to, correct? Aren't you...or I mean workforce. Residential workforce housing is defined as very, very low to above moderate. So it's just the language. And 2.96 is called residential workforce housing policy.

COUNCILMEMBER KING: Okay.

MS. DESJARDINS: So I think it's within...

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: Okay. Do we need to have that word residential in there? Does that matter?

MS. DESJARDINS: I don't think it matters, no.

COUNCILMEMBER KING: Okay. And so this...so Chair, this would be for...anybody who's on this interest list would be possibly interested in buying or renting? Okay.

CHAIR JOHNSON: Yes, that's correct.

COUNCILMEMBER KING: Okay. All right.

CHAIR JOHNSON: Okay. Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I'm wondering if perhaps Member King is talking about what we would refer to as the gap group. And the gap group is the 120 to 140 or 100 to 140, and that...that's...that was where the distinction...is that what you were talking about, Member King, the gap group?

COUNCILMEMBER KING: No.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. Workforce is all of it, affordable is 80 and below, and then the gap group is like 80...100 to 140. Mahalo, Chair.

CHAIR JOHNSON: Okay. Any more discussion, Members? Okay. For this particular item, would anyone like to...would anyone like to entertain a motion?

COUNCILMEMBER KING: Can I ask one more question, Chair?

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

COUNCILMEMBER KING: I'm...again, I'm not...I'm looking...I'm not...I guess I'm not looking at the actual language. I'm just looking at the bill that's posted, but it says, assist them in getting prequalified to purchase an affordable housing unit. Does that need to say to purchase or rent?

CHAIR JOHNSON: So we have two...we have two bills, right? Ones to...one's for rentals, and one's for for-sale. And they're exactly the same, basically. So we're doing the for-sale one that will basically at the...when we're done with the for-sale one, we'll go up and bring the rental one. And it's almost word for word. There's like a few little, you know, things, of course, you got to change, but it's really just one and the same because we don't...we want to have the process be for both rental and for-sale.

COUNCILMEMBER KING: Okay. So we have two separate bills, but it's one list?

CHAIR JOHNSON: Yes.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: . . .*(inaudible)*. . . you're saying? Okay. It got it.

CHAIR JOHNSON: Okay. All right. Any other discussion? And...oh, go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So right now, we're focusing on 2.96.090, and then after, we'll look at 2.96.100, which is the rental units?

CHAIR JOHNSON: Yeah. We're going...we're going down the 2.9...that one, and then the next one will be Section (A)(2). We're going to go by sections.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And so for this first motion, you're looking at replacing applicants to residents, and then correcting the bottom of (A)(1) from County-wide affordable housing interest list to County-wide workforce housing interest list? Is that the first amendment?

CHAIR JOHNSON: Let's have Laks pull it up one more time for the Members can look at exactly word for word. Okay. So the Department or its designee must establish a County-wide workforce housing interest list of interested residents for ownership units. The Department or its designee must work with HUD-certified housing counseling agencies to educate applicants about workforce housing requirements, eligibility and criteria, available opportunities, and methods for prequalification. The Department or its designee must inform the public and promote the interest list using media outlets, including newspaper, radio, and social media platforms. The public must also be informed in a similar manner of any decision that would be...substantially affect the maintenance and use of the County-wide workforce housing interest list. So I think the blue is where she just changed. Yeah. You see, she changed from affordable to workforce, and then I forgot what the rest of you were saying, there, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, it's the red, Chair, residents. Is there a reason that only the residents is red and everything else is just black and bold?

CHAIR JOHNSON: No reason. They're just the...the underlines is what we are changing. And now, I guess, it's all different colors for some reason. But that's...the underlines are the changes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Got it. Okay. So moved, Chair.

CHAIR JOHNSON: Okay. Moved by Councilmember Keani Rawlins-Fernandez. We have a second by --

VICE-CHAIR MOLINA: Second.

CHAIR JOHNSON: -- Councilmember Mike Molina. Okay. Discussion. You can...you can clear that, Laks. Thank you. Members, any discussion? We have one from Councilmember Shane Sinenci. Go ahead, Shane.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah. Just a question for...clarifying question for Deputy Director Munsell. So this list is just for all 2.96 projects, yeah? It will be...

CHAIR JOHNSON: Deputy Director Linda Munsell.

MS. MUNSELL: Thank you...thank you for the question. I think that the way that the Chair envisions this is that this would be for all projects; so 201H projects, 2.97 projects, any project that has an affordable or workforce component in it.

COUNCILMEMBER SINENCI: Then does the list...I see from some testimony that some of...some developers, nonprofits, might have their own qualifying lists. Is this going to be working in conjunction with those nonprofits?

MS. MUNSELL: Yeah. Thank you for that...for that question too. I think that, you know, we're talking about two kinds of actions. I mean, one is the actual interest list, where we're helping folks become qualified and become educated and disseminate information about projects. And I think that the Administration thinks that that...a lot of those components are good ideas. And then the second issue is the issue of where a project gets their waitlist. And I think that the way the Chair envisions it is that the...that the project waitlist would come through this interest list. The Administration feel . . . *(inaudible)*. . . to do that, but again, this is part of what you're discussing today, to decide how that might be done.

COUNCILMEMBER SINENCI: Okay. Thank you.

MS. MUNSELL: And they...certain projects...you know, certainly, the projects that receive funding from other sources, they're going to have some issues that are going to have to be worked through, and they've got specific waitlist processes that they have to follow. So I know that they're trying to address those things in the legislation as well.

COUNCILMEMBER SINENCI: Okay, great. Thank you, Deputy Munsell. Thank you, Chair.

CHAIR JOHNSON: Okay. Any...I thought I saw Member Sugimura's hand up. Go ahead, Councilmember.

COUNCILMEMBER SUGIMURA: Thank you. Thank you, Chair. So could you, Chair, submit the proposed amendment so that it's...we have it in Granicus?

CHAIR JOHNSON: Sure. We can have Staff work on that right now.

COUNCILMEMBER SUGIMURA: Okay. Thank you. Then I can look at it. And then the other thing is for the Department. What would be involved for you to administer this? Would you have enough Staff? Would you have--that's going to be my question throughout the process--but would you have enough capabilities to implement this, and what would the impact be to the residents, as well as the developer side?

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

MS. MUNSELL: Thank you for that question. We're still working through that. We've looked at other waitlists that exist in the...in the County. So Section 8 has got a waitlist, for instance. Their waitlist is different. So they only open like once every year, or once every couple of years. And so the workload is different. And then it also depends on how you want the interest list to be used, right? So if we're only maintaining a interest list, there is the process of actually trying to develop the software that would support that activity. And we think that there's going to...certainly take some...a length of time in order for us to do that; identify software, work with a consultant, and get that together. Once that's up and running, obviously, we're going to have to have folks that are...that are handling and maintaining the interest list. And right now, I think it's a little premature to say if it's...if it turns out to be like the Section 8 waiting list, which they're doing a little...they're doing less than we're doing. They've got three-quarters of a person right now who works 100 percent of the time on that...or works three-quarters of the time on their waiting list. And then a bunch of the material gets disseminated to other Staff. So maybe that's one whole person, but it's, again, different. We'll have to wait until we actually define this before we'll know.

COUNCILMEMBER SUGIMURA: Sorry. I believe at the last meeting, I think it was Jessica Crouse was saying that it's like herself or one person and a half, but it...have you guys sat down and really costed this out to see what the impact is?

MS. MUNSELL: No.

COUNCILMEMBER SUGIMURA: Just existing, what you do right now is...that's what is shared. So can you get that criteria together with what you think the impact would be in terms of, you know, the whole job, before we make a decision?

MS. MUNSELL: Thank you. We actually did get a question from the Committee asking us to look into that farther, and of course, it's going to take a little while to gather the data. What Jessica was talking about was the first-time home buyers. And what they're doing with the first-time home buyers is the qualification and the gathering of the data and the...you know, how do you actually end up eligible to get a grant? And we see that as kind of a different activity than managing the interest list. So the interest list is going to be one activity that is relatively straightforward once you get all of the elements in place. The...and it's time-consuming, but it's not...it's not horribly time-consuming. So we see one, one and a half persons, maybe, depending on the software, on that end of it. But if you go to the project-specific waitlists, and we're having to oversee that process, that is going to be very time-consuming because you really are...you're gathering data from everyone who's applying for that project, and you're trying to determine whether they're eligible for that project. And that...that's a lot of follow up, that's a lot of time. Now, we keep...we talk about whether it's a designee or the County itself, and there's a question whether we can RFP that work out to someone else rather than keep it...have to keep it in-house because of the union situation, but that process we see as very time-consuming. And you could have a lot of people involved in that. One of the things we have to gather is the data for how many units we're looking at.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Deputy Director. We're getting...in the interest of time...we're doing it section by section. A lot of the things you're mentioning, we'll be...get into as we go along. So I figure if we just stick to this particular section, which is what we're...we have the motion on the floor for, okay? So is there any more discussion in regards to that? Okay. Seeing none, let's vote on this. All those in favor of the proposed changes, please raise your hand and say "aye." One, two, three, four...we have seven ayes. Any noes? We have a no from...oh, go ahead, Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: I kind of want my question answered. So I'm going to vote no, but I'll wait.

CHAIR JOHNSON: Okay.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR JOHNSON: Seven ayes, one no, one excused, Chair Lee. Proposed change passes.

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

NOES: Councilmember Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Okay. Next section, which is A(2). Laks, can you bring that up on the screen for us? Thank you so much. Okay. So the Department or its designee must establish project waitlist of interest applicants by development. The Department or its designee must contact the people on the County-wide affordable housing interest list that selected the residency area where the development is located. The person must inform the Department or its designee if they want to be placed on the project waitlist for the development. So there's the proposed change. And it says the Department or its designee must establish project waitlist of interested applicants by development project. For each project, the Department or its designee must notify those on the County-wide workforce housing interest list, and invite applicants to declare their interest in being placed on the project waitlist. The proposed changes remove the reference to residency area, okay. Guidelines can establish the methods of notification

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

and how the applicants declare their interest, including residency area or community planned area. Proposed changes also refocus the emphasis from the applicant to the Department. So that's really the intent of it, and I want to bring up Deputy Director Linda Munsell to speak to it. So Laks, can you remove that as we speak? Deputy Director Linda Munsell.

MS. MUNSELL: Thank you. So for this one, this is where you start to move into our role in terms of where the...where we become involved with the project waitlist. Right now, when we talk about the interest list, we talk about disseminating information about projects. And what we would...under the current system would do would be, say, all right, this project now is taking applications, and we would like to invite you to apply with the developer, not apply with the Department. So that would be the Administration's position on this. I think that the intent is not for...in this legislation is for...not for that to happen, but rather for the Department to be more involved. And that's where it's going to get challenging.

CHAIR JOHNSON: Okay. Thank you for that clarification. Members, do you have any...go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. For Section (A)(2) amendment...so it's not Ramseyered. So what...you can't see what was...what was struck out, right, so what was deleted. Yeah. That's all. I think it would have been a little more helpful if I could see like what words...

CHAIR JOHNSON: Of course.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. Mahalo, Chair.

CHAIR JOHNSON: I think Alison...I think Alison was working on that. Alison, did you bring that up, the Ramseys?

MS. STEWART: No, Chair. We didn't Ramseyer the proposed changes, but the original proposed bill has Ramseyered of what the initial proposal was.

CHAIR JOHNSON: Okay. So it sounds to me like in order to really show, then we got to do share screen. Would that help you, Councilmember Keani Rawlins-Fernandez, that we have the share screen that we can...

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, I think what --

CHAIR JOHNSON: I can keep it up as long as you want.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- what would help the most is, as Member Sugimura requested, just having it. Because I just noticed that there...so in (A)(1), because it was a long...larger section, it was harder to see what was deleted. But because it's not shown, you know, in brackets, what's deleted, it's harder to see what was deleted, and then you just see the new words that are in. And then whatever is

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

deleted is just not there.

CHAIR JOHNSON: Well, what we could do to make it easier, we could just take a five-minute recess and see...well, they can pull that up there. Is that...is that amenable to the...yeah, sure. Let's...we want to make it easy on everybody on the up and up. So --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR JOHNSON: -- we'll just do a five-minute recess. Yep, you betcha. It's 2:11, and the Affordable Housing Committee is in recess until 2:16 on 9/13/21. . . .*(gavel)*. . .

RECESS: 2:11 p.m.

RECONVENE: 2:23 p.m.

CHAIR JOHNSON: . . .*(gavel)*. . . Will the Affordable Housing Committee of 9/13/2021 come back from our short little five-minute recess? Okay. So we have up on Granicus some of the proposed changes, and then we're also going to be doing share screen. So we'll kind of be doing it live, as they say. But I think the...for the Members' eyes, you can check it out on Granicus to some of the changes that we have listed already. Okay. Let me figure out where we're at. I think we're in the proposed change. Laks, you want to share screen and show us exactly what we're doing? Okay. Deputy Director Linda Munsell, did you want to add any more to this? Did you have anything to add?

MS. MUNSELL: Nothing additional. Thank you.

CHAIR JOHNSON: Okay, Members. So that is the proposed change.

COUNCILMEMBER KAMA: Chair?

CHAIR JOHNSON: It's a...yeah?

COUNCILMEMBER KAMA: I have a question.

CHAIR JOHNSON: Go ahead, Councilmember Tasha Kama.

COUNCILMEMBER KAMA: Thank you very much, Chair. Did we want to put some kind of a timeline that tells us how long the Department will take to do this, especially if the projects may be...are not going to be going on for a long length of time?

CHAIR JOHNSON: Not in this section. So as we move on, and we'll get to that, we can have the Department address those timelines if that's our...if that's what your concern is, Councilmember Kama.

COUNCILMEMBER KAMA: Thank you, Chair.

CHAIR JOHNSON: Okay. Oh, perfect timing. I want to recognize Chair Lee. Aloha and

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

bonjour. Right? Isn't that what the...

COUNCILMEMBER LEE: Buenos días, Mr. Chair.

CHAIR JOHNSON: Buenos días. That's what it was.

COUNCILMEMBER LEE: Sorry I'm late. I had some unexpected things come up.

CHAIR JOHNSON: Totally understandable. Welcome back. Okay.

COUNCILMEMBER LEE: Thank you.

CHAIR JOHNSON: So Members, that's the proposed change. The Chair will...any more...I think the Chair would like to entertain the motion. We have a motion by Kelly King. Do we have a second? Any seconder? Seconded by Councilmember Shane Sinenci. Members, discussion? Councilmember Kelly King.

COUNCILMEMBER KING: I just wanted to clarify--thank you, Chair--just clarify with Linda, if you're still here, Linda, that we're able to put out a project waitlist for...I mean, you sounded like you had some potential issue with what the private developer was doing as far as their waitlist? Or would we still be able to put out lists for all developers, or just the ones that are under 2.96, 2.97, and that we've given money to the affordable housing...from the Affordable Housing Fund?

MS. MUNSELL: Yeah.

COUNCILMEMBER KING: This covers everything that's affordable, in other words, anything that's under...140 and under would be covered under this. So...

MS. MUNSELL: I believe that's the intent of the legislation; that's correct.

COUNCILMEMBER KING: Okay. So we don't have...the way it's written, we don't have any conflict with any private developer telling us, hey, we...I have my own list and I don't need yours?

MS. MUNSELL: Yeah, actually, thank you for the question. The...right now the way that it's run is they're supposed to advertise the projects, and they get a...they have a marketing plan that they submit to us, and then they create their own waitlist. We oversee the lottery and things like that, but it's in the law currently on how they're supposed to generate...and people apply directly to the projects. I would assume that if you were to put something like this in place, it's going to take us a long...quite a while to get the software and get the process put into place. And so projects aren't going to wait for us, they're going to have to be grandfathered in.

COUNCILMEMBER KING: Okay. But you can...you can work with the developers. I mean, you're working with developer anyway when you...when it comes to any of these affordable housing projects, right?

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

MS. MUNSELL: Right. Yes, we work with them all the time. Yeah.

COUNCILMEMBER KING: Okay. I want to make sure that it's not going to hold anything up, but it sounds like even if you're not ready, you'll just go ahead and do it under the current system while you're working on your Administrative Rules.

MS. MUNSELL: Yeah. I would assume that at the end of this, if you pass some version of this, that you would have a period of time where the old rules would still be in play before we're ready to implement this.

COUNCILMEMBER KING: Okay. So Chair, I support this. Is there...is there another section where we address a timeline. or are we just...or where it's made clear that, you know, this goes into effect after the Administrative Rules are written by the Department?

CHAIR JOHNSON: If that's your concern, Councilmember Kelly King, we can add it in, but I don't recall of it being specific to that.

COUNCILMEMBER KING: Okay. I...just to make sure that we're not holding...you know, we don't want to have any development that's ready to go with a waitlist be held up because we haven't completed Administrative Rules. And specifically, I'm thinking about this one in Central Kihei where I've talked to the developers, and they want to actually move the lottery up. You know, instead of waiting, the whole idea that we talked about in the last meeting of letting folks know. I think Dick Mayer was one that testified about this too, was that, you know, the sooner folks know that they have a potential place to move in to, the...you know, the better. It takes one of those things off their minds.

CHAIR JOHNSON: Okay. Chair Lee.

COUNCILMEMBER LEE: Thank you, Mr. Chair. I agree with Member King that there should be some kind of dates inserted into the ordinance which would allow for the Administrative Rules to be established first before the ordinance takes effect. I think the Department find it...is going to find that it's a little bit more complicated than they might think because just the special needs population alone has a number of separate categories. And so they would all be on the list all at the same time. And so I think it's important for them to work out the details, and then make sure that the Council funds their requests in the budget. And then...and then, let's make this effective. That's my comments.

CHAIR JOHNSON: Okay. Did you...well, Chair Lee, we got Deputy Director Linda Munsell with her hand up for that comment.

MS. MUNSELL: Yeah. Thank you, actually, for bringing this up. I was assuming that we would be talking about projects moving forward, that we wouldn't be taking over the waitlist for the...for old projects. Am I incorrect in that case?

CHAIR JOHNSON: No. That's exactly the way I was thinking it, but if we...if we have...if

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

we...you know, if the...it's really up to the body, but I think it's clean when...if it's that way. Okay. Councilmember Kelly King.

COUNCILMEMBER KING: Yeah. I...no...I mean, I think the issue for me is that we will have projects that are going to be wanting to start their waitlist before the Administrative Rules are completed. So...you know, because we've got four or five projects in South Maui right now, and one of them...you know, Doug Bigley told me they'd like to actually start looking at February or March to make their waitlist, to let folks know to get on that list. So that's, you know...so I...the concern that Chair Lee and myself are bringing up is just that it's made clear in the bill that the effective date is after the Admin Rules. And if they get them done quickly, great, but, you know, just in case they take a while or that they need...or if you need resources, then that too, to put them into...you know, to implement the Admin Rules.

CHAIR JOHNSON: Deputy Director Munsell.

MS. MUNSELL: Yeah. I...thank you. Maybe I need to add to that as well. It might not be just an issue of the Admin Rules. Trying to identify the software to maintain the list and to make this work might take a while too. Talking to the Parks Department, they've just put in a permitting process, or they're working on putting in a permitting process. It took a year for them to work...working with a consultant, to issue an RFP that included all of the criteria that they needed. And they are currently now working with a developer to put that solution that they've identified in place. Their first trial is going to be next April. So it appears that for Parks, it was a two-year process to get the solution in place.

COUNCILMEMBER KING: Hopefully it won't take that long since we have other municipalities that can share the software that they're using and, you know, we won't have to reinvent the wheel hopefully. But I do want to make sure that if we have developers in South Maui that are ready to go, that they could go ahead with their...you know, doing their lottery and their waitlist.

CHAIR JOHNSON: Okay. Any more discussion, Members, for the motion on the floor? Okay. Seeing none, we'll call for the question. All those in favor of this amendment, raise your hand. Okay. Seven, eight...okay. That's nine...that's nine ayes and zero noes. Amendment passes unanimously.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: **APPROVED AMENDMENT.**

CHAIR JOHNSON: Okay. We're going to...I think I want to share screen again for Section (A)(3), Members. So again, it's in Granicus, but since it's up here, if I don't see you just, you know, shout out to me if I don't see your hand up. But let's go to (A)(3). New material in the proposed bill is underlined. Let's see. Do we have that up yet? I'll wait until it gets up before I start reading it. Okay, there it is. So prior to initiating the project waitlist, the Department or designee must publish, in media outlets with general circulation within the County, at least five public notices that must contain all information that is relevant to the establishment of the project waitlist, including the residency area where the development is located. Media outlets including...pardon me...media outlets include newspaper, radio, and social media platforms. The public must also be informed in a similar manner of any decision that would substantially affect the maintenance and use of the project waitlist. So the change residency area to community plan area read, including the community plan area where the development plan is located. Deputy Director Linda Munsell, would you like to speak to this proposed change? Oh, I'm sorry. You're muted, Deputy Director.

MS. MUNSELL: Thank you, Chair. I'm assuming that since your intention is for the project waitlist to come from the interest list, that what...the purpose of this would be to encourage them to get on the workforce interest list, right? Is that my understanding?

CHAIR JOHNSON: Yes.

MS. MUNSELL: Okay. Yeah. So to encourage the public to get on the interest list so that they could eventually get on the waitlist. Okay. Thank you.

CHAIR JOHNSON: Okay. So we got it up on the screen, and I'm going to ask, Laks, if you could take it down right now so we can open this up for...if...any other...okay. So now that's taken off. Members, do we have a motion on the floor for this? Okay, we've got...moved by Councilmember Kelly King, seconded by Councilmember Keani

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

Rawlins-Fernandez. Discussion? Any discussion in regards to this? We have Councilmember Shane Sinenci, followed by Councilmember Kelly King.

COUNCILMEMBER SINENCI: Thank you, Chair. Real quick, I speak in support of this. I know at some...sometimes developers, they'll just kind of advertise it in any old newspaper around the State. So I think by putting it within the community areas, it'll focus on those that truly need the affordable housing. Thank you.

CHAIR JOHNSON: Thank you, Councilmember Shane Sinenci. Let's move on to Councilmember Kelly King.

COUNCILMEMBER KING: Thank you, Chair. I support this because the community plan is well-defined in our Charter, and residency area could be sort of vague.

CHAIR JOHNSON: Okay. Any other discussion, Members? Let's call for the question. All right. All those in favor for the amendment, raise your hand, say "aye."

COUNCILMEMBERS VOICED AYE.

CHAIR JOHNSON: Any opposed? Okay. It's unanimous. Nine ayes, zero noes.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Moving along. All right. Laks, will you bring up the next proposal? Okay. For the following sections--this is more of a housekeeping one--A(4), all of B as in bravo, all of C as in Charlie, and D as in delta (1) and D as in delta (2). The new material includes adding Department or its designee and project waitlist, plus other nonsubstantive changes. So that's just adding "or its designee" and "project waitlist" for nonsubstantive. So Members, are there any proposed amendments for any of these sections? Laks, I...I'm sorry, I'm not getting the shared screen. Can you share that screen? Okay. Okay, Members, you can see the designee and project wording

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

throughout here. It's pretty simple. Thank you for that. So at this point, Members, do...I'd like to entertain a motion for this amendment. Do we have any? Okay. Moved by Councilmember Keani Rawlins-Fernandez, seconded by Councilmember Shane Sinenci. Discussion, Members? Seems pretty basic. Okay. Calling for the question. All those in...oh, go ahead, Councilmember Kelly King. You had your hand up.

COUNCILMEMBER KING: So what is...what is project displacing? You're adding project. Is that displacing something? Because you haven't shown what all those sections are, you just showed the changes. So what is that rule?

CHAIR JOHNSON: This is from our Deputy Director Linda Munsell. Would you like to speak to this one?

COUNCILMEMBER KING: You're muted, Linda.

MS. MUNSELL: Thank you. Thank you. So what we asked to happen in this section was to remove some of the prescriptive language here, and also the...we were still uncomfortable with the idea of trying to put somebody in here and the length of residence, right, to rank them that way. We would prefer...since this interest list is only going to be of people who are residents, we wanted to leave that as...repeat how long they've been on the residency interest list, rather than the length of their interest...the length of their residency. We think that that's going to be challenging on a number of levels.

CHAIR JOHNSON: Okay. Let's bring up Forrest.

COUNCILMEMBER KING: I'm not...yeah, I'm not really following how...

CHAIR JOHNSON: Right.

COUNCILMEMBER KING: Her answer to my question.

CHAIR JOHNSON: Forrest, do you want to speak to the reason why we put up project waitlist?

MR. FORREST: Yes. Thank you, Chair. I think it originally said waitlist, and because we now have a list that has the interest list, we have to distinguish between interest list and waitlist. And so we added project. It's just adding the word project in front of the word waitlist. So it's not taking anything away.

COUNCILMEMBER KING: Okay. So all these three...all these sections that it's in are addressing the project waitlist, not the interest waitlist? Okay.

CHAIR JOHNSON: Right. Okay. Members, any further discussion? Seeing none, calling...oh, go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: In...on B, eligibility criteria 1, be a citizen of the United States or a permanent resident alien who is a resident of the County. I know

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

there are people in our community who don't identify as either, and identify as Hawaiian Kingdom citizens. Is there a way to include them?

CHAIR JOHNSON: I'm malleable. You want to amend that to add Hawaiian Kingdom...I don't know what the wording would be for that. Maybe you can help me with that one.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. We can...we can take a vote on the first motion, and then I can think through that and then make a motion after.

CHAIR JOHNSON: Okay. Councilmember Paltin.

COUNCILMEMBER PALTIN: I just wanted to voice my support for the length of time the residents have been residing in the County. So much people ask for this, like almost everybody that talks about affordable housing asks for that. So I say give the people what they want. Thanks.

CHAIR JOHNSON: Okay. All right. Thank you. All right. So any more...any more discussion for that proposed change? Seeing none, we're going to call for the question. All those in favor say "aye," raise your hand. We got eight...seven...nine. Okay, nine. It's unanimous, nine ayes, zero noes. Proposed change passes.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Now, in this...oh, let's have Laks bring up the bill. So Laks, can you share with us the screen of the bill which is B as in bravo, the eligibility criteria for...yeah. The one that Councilmember Keani Rawlins-Fernandez was speaking to.

MS. STEWART: Yes, Chair. One second.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Oh, go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. We can go through all of yours since yours are all planned, and then I'll think through the best wording for mine. And then when we're pau with yours, then I can propose mine.

CHAIR JOHNSON: Okay. As you wish. Works for me.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR JOHNSON: All right. Thank you, Councilmember Keani Rawlins-Fernandez. Now, let's move on to the big one, all right? This is Section D as in delta (3). Proposes all new material, which reads as follows--thank you, Laks, for bringing that up. Where's that? Let's see. There it is. Okay. For each one, two, three, or four-bedroom unit in each income preference group, the Department or its designee must randomly select a number of qualified residents as equal to four times the total number of available units. The residents selected must be ranked in the following order: A, residents residing in the County must then be ranked by length of time each has been a resident of the County; and B, persons not residing in the County, but employed in the County, must then be ranked by length of each time...length of time each have been employed in the County. Now, the proposed change kind of simplifies this. It deletes B as in bravo, provision for nonresidents entirely, and lists prescriptive details in the beginning. And to read, the Department must conduct a random lottery of an appropriate number of qualified residents. The residents selected must then be ranked by the total length of time each have been a resident of the County. Department guidelines will be established by the Department, subject to approval by the Council, to establish a specific lottery methodology. So we're going to go with...we're going to start with Deputy Director Linda Munsell, and then we're going to follow that up with Mimi DesJardins for legality issues. So Deputy Director Linda Munsell.

MS. MUNSELL: Okay. So I won't...I won't touch the length of time of residency. Appreciate the less prescriptive version of this. We're not sure how many individuals it takes before they actually find a qualified person for each unit. So we appreciate that. That's it. Those are my only comments.

CHAIR JOHNSON: Okay. Thank you, Deputy Director Linda Munsell. Let's bring up Mimi DesJardins to speak on legality issues.

MS. DESJARDINS: Thank you, Chair. I signed as to form and legality the form of the bill that you folks are looking at now, and we've reviewed it at Corp. Counsel. We believe that it does conform legally. These proposed amendments that you have on this sheet here, I don't have any comment. They also seem fine. So I don't really have anything other than that to add at this time. I do appreciate taking out B, the one about the persons not residing in the County, because that seemed a little bit cumbersome. And so what you're limiting the list to is residents. So you know, these units will go from residents to market. So you have all this opportunity then to have these units go to residents. So that's all I really have to say about it unless anybody has...

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: All right. Wonderful. So discussions and Department comments, and now we're going to make a proposed change, motion to amend. Members...okay. Do we have a motion to amend? We got motion by Paltin, seconded by Councilmember Kelly King. Discussion, Members? Councilmember Paltin, followed by Councilmember Sugimura. Two minutes, folks. Two minutes.

COUNCILMEMBER PALTIN: I just was...I just was wondering who determines what an appropriate number of qualified residents is.

CHAIR JOHNSON: Deputy Director Munsell.

MS. MUNSELL: Thank you. Thank you for the question. Frankly, I don't see any reason...I don't know how many people will be on the...on the waitlist or the interest list, right. If they're looking for...if they've got 100 units then, you know, we're probably going to give them...we're going to give them more than 400, you know, people to choose from, right, ranked based on how...according to this, the length of their residency. So I still...I reached out to couple developers to find out how many people it usually takes them to qualify or to make somebody...find somebody who's eligible for a unit. And I think that would be helpful in determining how many residents need to be qualified. But personally, I think we're going to...we're going to send them as many as they actually need to fill these units. That's the goal, is to get them filled with our residents.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR JOHNSON: Okay. I thought I saw Sugimura's hand up. Go ahead.

COUNCILMEMBER SUGIMURA: Thank you, Chair. So Department, Linda. So basically, if I'm a developer, and I have three bedroom, two bedrooms, one bedroom, then you would give me a list based upon my preference that I'm on the list and AMI for the bedrooms? It wouldn't be here's the list, and you...as a developer, you would fill the...or you would sell the homes based upon everybody who's on the list. Now the Department is going to have to designate or split it up so that it's by the residents' preference of one, two, three, four bedrooms and residency area?

MS. MUNSELL: Thank you for the question. The amendment that they're proposing is actually removing that prescriptive language. We have never actually done the eligibility criteria for a project, so we've got a lot to learn. So we'll be working with developers to find out how this is done. And again, our preference is to let them manage their own...their own waitlist and do their own eligibility, we would just be providing the names from the interest list. But we'll see when we get down to those details.

COUNCILMEMBER SUGIMURA: Thank you. I had it reversed. Thank you.

CHAIR JOHNSON: Okay. Councilmember King.

COUNCILMEMBER SUGIMURA: That would make it easier.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: Yeah. Thank you, Chair. Yeah. So I...you know, when I've been to the lotteries that we've had, you know, at least the more recent one, they were already divided into those categories. And so when we drew names, we drew names specifically for these different categories. And I don't know if the Department's planning to do the same thing, but I think that's why we're saying that the Department or its designee will create these Administrative Rules so we can figure out how this is going to work best. And I've heard anywhere from...takes seven applicants to fill one spot to, you know, from four to seven. I was told at the Kaiwahine Project that oftentimes it takes seven people to find one qualified person for the hardest categories, which are the lowest income ones, because it's just hard for folks to qualify when, you know, they're not making much money. So I think they...I have...I have...you know, I have faith that the Department can come up with rules that will help the developers do what they need to do to fill these...the different AMI units with appropriate people, because we've been doing that...you know, all the previous projects, all the projects I've been present for the lottery so far. Thank you.

CHAIR JOHNSON: Okay. Any more discussion on this proposed amendment? Oh, we do have one from Councilmember Keani Rawlins-Fernandez. Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I wanted to dovetail off of Member Paltin's comment about appropriate number. Appropriate is very subjective and hard to measure. I don't have an alternative right at this moment, but I'll...I see Deputy Director Munsell's camera popped on, and I know she said she's going to try to send as much as possible, but because appropriate is vague...and when we write policy, we try to keep it as black and white as possible.

CHAIR JOHNSON: Well said. Deputy Director Munsell.

MS. MUNSELL: Yeah. Thank you for the comment. My expectation is that we will send them names until we exhaust the interest list. So however many that takes, they can have that many. If we've got people on our interest list, we can continue to send them.

CHAIR JOHNSON: I also see Mimi DesJardins is up here to respond to your question, Councilmember.

MS. DESJARDINS: Yeah. Real quick. Although it's a spoiler alert, the last thing that you're going to look at is a suggestion that there's going to be guidelines that must be adopted, implemented, and then approved by Council to implement these changes. So unlike normal Admin Rules, where Council doesn't approve them, you would be approving the guidelines to implement this. And I would think that at that point...my vision was that an appropriate number would somehow be laid out in those guidelines, and if you didn't think that that was workable, you could then go back and amend to something that's more workable. But to at least give the Department an opportunity to come up with something that would work and then present it to you folks. Because if you do adopt that last one, you will be approving the guidelines.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. DesJardins. Mahalo, Chair. So instead of appropriate, would we...would it be clearer if we referenced that section?

MS. DESJARDINS: Well, I think that because the guidelines must implement the entire section, my...in doing rules, what I normally do is go through and anything that needs to be defined further in a rule would then be...would be laid out in that rule so that everybody had notice about what appropriate would mean. Like how would you determine appropriate? I mean, I understand your concern, don't get me wrong. But I'm just trying to think of a way to fix it and to still give a little bit flexibility right now so you folks can work with this and see what works.

COUNCILMEMBER RAWLINS-FERNANDEZ: What if it said something like, you know, in accordance with the guidelines provided or something?

MS. DESJARDINS: Could very well do that, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: View the guidelines in section...whatever section it'll be in.

MS. DESJARDINS: Yeah. That would be even clearer. Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR JOHNSON: We could have Laks come and bring it up and type it in. Then we can all look at it. You want to do it that route?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR JOHNSON: Laks, will you bring up the shared screen? Okay. So we have it up on the screen. Councilmember Keani Rawlins-Fernandez, can you add on what you were mentioning?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. So at the end of residents, perhaps it can say...so the Department must conduct a random lottery of an appropriate number of qualified residents, comma, in accordance with section, and then whatever the section where the guidelines will be. Do you know what section that is? Or we can leave it blank for now and then we'll just fill in that section when we get there if Members are amenable to that.

CHAIR JOHNSON: Alison, do you have that actual section? Or we can move on if you don't have it on hand.

MS. STEWART: Yes, Chair. That section doesn't exist yet. So we can fill it in when we get to that.

CHAIR JOHNSON: Okay. Councilmember Keani Rawlins-Fernandez, that...does that satisfy...okay. Very good. Okay. You...

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm open to that.

CHAIR JOHNSON: All right. Very good. Wonderful. Okay. If you guys don't mind...can you stop sharing screen for us, Alison? Thank you. Okay, Members, any further discussion? Otherwise, calling for the question of this proposed change. All those in favor, raise your hand and say "aye." Okay. It looks like it's unanimous. That's nine ayes, zero noes. Proposed change passes.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Members, it's 2:55. I'm thinking of a ten-minute break. Does that sound good for you folks? I know it's Monday. Get your Red Bulls on or...no, we shouldn't drink Red Bull, it's not healthy. So let's take a break. It's 2:55. We...this...we will come back at 3:05. So on September 13, 2021, the Affordable Housing Committee is now in recess until 3:05. . . .(gavel). . .

RECESS: 2:55 p.m.

RECONVENE: 3:09 p.m.

CHAIR JOHNSON: . . .(gavel). . . Will the Affordable Housing Committee Reconvene? The time is now 3:09 p.m. Thank you all, Members, for working so hard as we move on to our next one, another big topic. Okay. So Alison or Laks, would you mind sharing screen? This is in regards to Section 2.96.090, D as in delta (a) and (b). This one will extend the marketing period from 90 days to 180 days before units can be offered to the next highest income group. And you'll see that up on your screen in case you wanted to see it.

COUNCILMEMBER KING: So moved.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: So now we're going to...okay. Well, let's...yeah, I know everybody likes that one. Let's hear from the Department first. Deputy Director Linda Munsell.

MS. MUNSELL: Thank you, Chair. The Department doesn't support this change. We think it will be...make it very difficult for the developers to get financing. So I would be very concerned about this. Thank you.

CHAIR JOHNSON: Okay. I...oh, okay. Go ahead, Councilmember Sugimura.

COUNCILMEMBER SUGIMURA: You know, I was going to ask the Department that. So I'm glad to hear Linda Munsell, who has worked with developers, to express that, that I think...if I understand this correctly, Chair, what you're trying to do then is that if the units are not sold within the first 180 days--you took off 90 to 180 days--after they're offered for sale, then it would have to...you're extending the amount of time that it can be...it's put up for sale, then you have to go to the next group and the next group. And I just wondered...what my thought was...I wondered what would be the impact to developers by having to extend the amount of time that...before they can...they lose control. I think that's what I'm seeing, and I think that's what Linda Munsell expressed. Is it? That was going to be my question to her.

CHAIR JOHNSON: Okay. Deputy Director Linda Munsell.

MS. MUNSELL: Yeah. I think...you know, the whole idea of this waitlist would be to try and make sure that people are ready and...ready to move in, ready to buy, ready to rent. So I think that if this interest list does a good job of preparing people, then they should have less difficulty or less chance of units rolling into market or being sold. So you know, we would really support leaving it as 90 days. If this process is effective, then that shouldn't cause a problem. I think, again, the only time we're seeing those units move into market, or to be sold without deed restriction are the multi-family projects. And I think, again, that problem is not a function of the marketing period. There's a different problem in there, so...that we need to address.

CHAIR JOHNSON: Okay. Thank you, Deputy Director Linda Munsell. I want to recognize Councilmember Paltin because, if you guys recall, there was a bill that she proposed a few...a way back in regards to this. And I also want to remind Members that this was also in the community...or the Comprehensive Affordable Housing Plan. So Deputy...or I mean...pardon me. Councilmember Paltin, you had your hand up.

COUNCILMEMBER PALTIN: Well, thank you, Chair. You just said everything that I was about to say. You know, I still wanted us to wait for the Affordable Housing Plan came out and listen to it because we spent all this money on it. And then now, once we're trying to move forward, the pieces that are within our control that came out of the Affordable Housing Plan, we're getting all this extra pushback. But now it's not wait for the Affordable Housing Plan to come out, it's don't listen to the Affordable Housing Plan that you spent all that money for. So it's kind of like, you know, you're never going to please everyone. And so what we're trying to do here is get people into these affordable homes without letting them flip out of the affordability period. And I think, you know, if we're

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

seeing the case where people can't qualify within 180 days, then maybe we shouldn't be building those types of projects anymore because the need isn't as great as what we're being told it is, or it's not realistic of what people can qualify for. So the projects that can fill people within 90 days or 180 days, those are the types we need to promote. And so you know, I mean, there's only so much excuses people can have for this, and I think we've run them out. And so I'm supportive.

CHAIR JOHNSON: Well said, Councilmember Paltin. Let's move on to Councilmember Kelly King.

COUNCILMEMBER KING: I fully support this. And you know, the same could be said that we just heard from Director Munsell that if we do a good job, it shouldn't matter if it's 180 days because they'll have them filled in 90 days. You know, I just...the workforce housing that has come into South Maui, we constantly hear, you know, even before they come to us, they've got a waitlist of 100 or 200 people. And then when we talk about lengthening this marketing period, they go oh, wait a minute, what if we can't sell it. I mean, we're getting...we get mixed messages all the time. The first message is there's so many people that need these, there'll be no problem filling it. And then when you...when you try to do away with the 90 days, it's like oh, well, what if we can't fill it? And so you know, we need to...we need to focus on those projects that have the greatest need, and they will be filled within 90 days. That's my position on that, that if they're telling us that there...all these people are lined up for it, then prove it. Get them sold or get them rented out within 90 days. And you know, it was pretty well shown by Kaiwahine Village that the need is there. It was prescribed pretty quickly and people moved in and they...you know, the ones I talked to couldn't be happier. So I fully support this measure, and I'm glad that it was in the Affordable Housing Plan because it makes a lot of sense.

CHAIR JOHNSON: Thank you, Councilmember Kelly King. Let's move on to Chair Lee.

COUNCILMEMBER LEE: Mr. Chair, I'll be voting against this amendment because I believe, as Ms. Munsell said, this may impact the ability of developers to acquire financing, and certainly we want to encourage them to get private financing and not only County financing. So that's the reason why I will be voting against this measure. Hopefully, as Member King said, with the interest list and the Department partaking...participating more with regard to the waitlist, we won't have a problem, but still, I wouldn't want to see anybody not be able to get total financing as a result of this requirement. Thank you.

CHAIR JOHNSON: Okay. Thank you, Chair Lee. Let's move on to Councilmember Keani Rawlins-Fernandez, followed by Councilmember Molina.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So I'm hearing what proponents and opponents of the proposed amendment are saying, and I'm wondering if there's some kind of common ground to address both concerns. So the concerns with the...extending the 90 days to 180 days is the financing part. Personally, I would prefer to never allow it to go up to the next AMI level. So what if we did something like they

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

have 90 days, and after 90 days, the County can buy it. And then we'll just preserve it at that AMI level, and then you know, if it's in a different...

COUNCILMEMBER LEE: It's already in there. It's already in there.

COUNCILMEMBER RAWLINS-FERNANDEZ: No, no, but this one. It's 90 to 180 days, and then it goes up to the next income...the higher income group. And I don't...I don't want it to ever go up to the next higher income group. I want it to stay at the income group that the developers told the Council that it would be sold at. And so triggering this here would ensure that the developer and its, you know, investors and financiers would get a sale in 90 days, and that sale would be to the County. Mahalo, Chair.

CHAIR JOHNSON: Okay. Thank you. Let's have Deputy Director Linda Munsell speak to that, and then we'll go to Councilmember Molina in a...in a moment.

MS. MUNSELL: Thank you. Actually, I would be a little concerned about the potential cost of that to the County. And usually if they're not selling in their...oh, okay. And you're...what you're trying to do is keep them from going up to the next AMI level at all. I would be concerned about the potential cost of that.

CHAIR JOHNSON: Okay. Let's go to Councilmember Molina, followed by...I forget who had their hand up next. Was it Chair Lee? Okay. Chair Lee. Go ahead, Councilmember Molina.

VICE-CHAIR MOLINA: Yeah. Thank you, Mr. Chair. Yeah, I'm on the fence with this one. If I could get clarification from Director Munsell when she stated the cost. Are you talking like cost as in litigation to prevent...you know, if this is enacted, then if we prevent this from going up to the next income group, are you saying that's a form of discrimination or taking...is that...there could be a legal cost? I just want clarity on your concern.

MS. MUNSELL: Yeah. Thank you for the question. So right now, if it doesn't sell in the AMI, it moves up to the next AMI, and there's another opportunity for another workforce person to buy it. What Councilmember Rawlins-Fernandez is suggesting is that it not move up, and therefore the County would immediately step in. And so the question...I don't know how many units are not sold in the specific AMIs that they're intended for, but the...it...there's a potential that the County would be purchasing a lot of homes in...if that were never to happen. And we'd have to look into it further to see what that cost is. I don't have that at my fingertips right now.

VICE-CHAIR MOLINA: Okay. That...that's the...that's the clarification I needed. Okay, Chair. Right now, I don't know. Just right now, I'm on the fence. This is a real sticky one if you ask me, but I appreciate Member Rawlins' alternative as well. So...but as far as going up to 180, I don't know. Not sure about...you know, we got to hold the developers to their word on one hand, and at the same time too, there's the financing issue. So...and I know the Comprehensive Affordable Housing Plan said this, that, and everything else, but the Council doesn't have to go with everything that is recommended. Maybe a lot of it, but that's the intent as to why we had a study commissioned, to see

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

what can fit for Maui County. So it's not totally we have to buy into everything, maybe a lot of it, but there may be some points of disagreement. So...but that's why we had a study done. Thank you, Chair.

CHAIR JOHNSON: Thank you, Councilmember Molina. I mean, 90 to maybe 120, I'm open. But anyways, Chair Lee had her hand up, so Chair Lee.

COUNCILMEMBER LEE: Thank you for the discussion. I'm glad people are open to compromise. The reason why I said it's already in there...I believe there's a provision where the County has first right of refusal, but I can't recall which...at what point. Is that at the very end, or after 90 days?

CHAIR JOHNSON: It's at market rate.

COUNCILMEMBER LEE: So that's where I wanted Director Munsell to chime in. But you know...you know, actually, when you think about it, if the interest list and the County's participation and oversight of the waitlist is going to be much closer than in the past, then one would think that the...it would be easier for the developer to sell. Well, it would be an incentive for the developer to get rid of as many homes as possible within each income group. So I don't know why the Director would be reluctant about having the first right of the refusal at 90 days. I mean, you know, supposedly, there are 5,000 people out there wanting homes, and we don't have 5,000 units for sale. I mean, luckily...lucky if we even hit 1,000 in two years or something like that. So I...on the one hand, I don't want the developer to be impeded by not being able to get financing because I don't believe we need to pay for all of their financing costs. I like the idea of developers finding their own private financing. . . .*(timer sounds)*. . . So I...but I'm still open to compromise. Thank you.

CHAIR JOHNSON: Chair Lee, did you want to have Mimi DesJardins speak to that or did you say Linda Munsell? I didn't...

COUNCILMEMBER LEE: Linda Munsell.

CHAIR JOHNSON: Okay.

COUNCILMEMBER LEE: Because at some point, there's a first right of refusal to the County anyway.

CHAIR JOHNSON: Right. Deputy Director Linda Munsell.

MS. MUNSELL: Yes. As I...as I said, you know, the way that it works right now is it...as it moves up, there's more opportunity for people who...in our workforce who would be able to get it. I just am...not knowing what the numbers are for how many units actually move up from one AMI to the next, I would be hesitant to tell you how much you would have to invest in a purchase...in the purchase of all these units. That's my only concern. Not that we wouldn't buy them, but I'm concerned about the funding available to do the purchases.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER LEE: But there's a first right of a refusal already. At what point is...at what point?

MS. MUNSELL: Yes. It's after they have moved all the way up, before they go to market.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR JOHNSON: Okay. I see Councilmember Keani Rawlins-Fernandez, followed by Councilmember Tasha Kama, followed by Councilmember Sugimura. We have a lot of discussion on this one, Members. Okay. Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Hot one. Okay. So you know, there is an incentive for the developer to sell it at the higher AMI and let it continue going up to the higher AMI because then there's more profit involved. They're going to sell it for more, and then they have a higher profit margin. These are the more subsidized houses, right, and we don't want to wait until it gets up to 140 AMI and before it goes to market because that's when it's going to be the most expensive. So instead of allowing it to continue to get to the higher AMI and only give County the opportunity to purchase it at 140 percent AMI...that would be very costly. So what I'm saying is that if it's at 100 AMI or 80 AMI or whatever like lower, before it gets up to the next 100 or 120 and 140, let's get it when it's at the AMI it was supposed to have been at. Like I said, these are the more subsidized homes that the market rate is supposed to subsidize, and whatever County, State, private, you know, investors and...let's see. So...and then we also have more of our residents that are in the lower AMI than the higher AMI. So we want to make sure that we preserve the lower AMI for the...for the greatest need. And then...so we could do a right of refusal after the 90 days, and then that way it's not a must, but a may.

CHAIR JOHNSON: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then...and then after we purchase, we can also keep it in a trust, and then that way we can keep it at affordability in perpetuity. I'm just going to plug that in there. Mahalo.

CHAIR JOHNSON: Yeah. Good point. Deputy Director wanted to respond to that.

MS. MUNSELL: Yeah. I mean, I really appreciate what you're...what you're telling...what you're suggesting, but I think if you take a look at the next couple of amendments that the Chair has proposed, you'll see that that incentive has been removed.

CHAIR JOHNSON: Okay. Let's move on to Councilmember Kama, followed by Councilmember Yuki Lei Sugimura.

COUNCILMEMBER KAMA: Thank you, Chair. You know, I heard you mention earlier when we were talking about compromises that maybe 90 is not enough, and 180 might be too much. And I heard you mention something like maybe about 120 days. I thought that

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

was a pretty good idea. But I think our County should have the incentive to make this working list work so that when 90 days comes, there's nothing left...that there's nothing left because all of the homes would have been sold by that time. If this list works the way it should, and if we're talking about this list working the way it should be working, then our homes will all be sold at the AMIs in which we are saying, or which the developers are saying they will go ahead and provide for. So I'm supportive of a compromise if everyone is for 120 days, but also that we have to work harder to make sure that our people can qualify and that we can help them if we need to support them with other subsidies to be homeowners. So that is my comment, Chair. Thank you.

CHAIR JOHNSON: Okay. Thank you, Councilmember Kama. Let's move on to Councilmember Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: So Linda, if I could...Department, just for my clarification then, today, Director, the waitlist that happens, the 90 days, does it automatically always go to the next AMI? So this is not unusual, this tiering that is being recommended? It happens today?

MS. MUNSELL: Yeah. It's currently in the...it's currently in the Code. And I do have to apologize and walk back. I was looking to verify. There is not a County first right of purchase in the Code currently. I can't find that. But yeah, right now they move...after 90 days, they move up. Oh, good, we can get clarification from Corporation Counsel.

CHAIR JOHNSON: Mimi.

MS. DESJARDINS: Yeah. The only two places that that exists is if somebody purchases a deed-restricted property and they want to sell it during the deed restriction period, then they have to ask us first if we want to buy it and get a new appraisal. And then in the case of rental units, after 30 years of the deed restriction, if they don't want to continue to do a rental unit project, then they have to ask the County to purchase that property. But those are the only two current right of first refusals in the Code.

COUNCILMEMBER SUGIMURA: Okay.

MS. MUNSELL: Thank you. Thank you for correction.

COUNCILMEMBER SUGIMURA: Thank you for clarifying that. And I'm going to speak against this motion because I think what we're doing is adding on obstructions for developers to make it harder. And I wondered, Chair, if you could ask a developer, you know. Here we're hearing from the Department--appreciate that--and Corp. Counsel, but on the real life side, I wonder if there's a developer who could speak to the impact of passing something like this because who we're going to impact are the people we want to build the houses, you know. So I just wondered if you had asked them or if you could ask them before we take action on this. Thank you.

CHAIR JOHNSON: You know, we had open testimony at that time, and I didn't hear any of the developers speak when we did allow them to speak. So we don't...I don't...we don't

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

have a motion on the floor at this time. So I see Councilmember Molina's hand's up, but, you know, I'm amicable to moving up and down, but that's just where your Chair is. Go ahead, Councilmember Molina.

VICE-CHAIR MOLINA: Yeah. Thank you, Chair. In light of the comments made by Director Munsell about the next couple of amendments having an impact on this proposed amendment on the floor now, could we maybe defer on it and move on to discuss the other two amendments and then come back to this for our final decision making? I mean, if that's something amenable to you.

CHAIR JOHNSON: Before we do that, we'll go to Councilmember Kelly King, and then...yeah, we...I'm totally fine with that. Go ahead, Councilmember Kelly King.

COUNCILMEMBER KING: Thank you, Chair. I think this one in conjunction with the next one is really important because if you make a developer wait for 180 days and then they have to offer it to the County for purchase at the original price...I'm not sure if that's what that means, at the original price or the next AMI...but if you can't find through our list...if we can't find somebody who can buy it within 180 days at the...at the lower AMI, how is the County going to find somebody to buy it at a higher AMI after 180 days? So I...you know, they seem like they'd have to work together, and it...and it's...you know, I would...I would...I would support a compromise of 120 days if we're going to then offer it to the County, but I worry if they're working off our own list, they should be...if they can't find somebody, then there's something wrong with our system or, you know, we're going to have a hard time moving it ourselves. We're going to be just accumulating houses that we can't sell, and I don't want...nobody wants that either. So you know, I think it would work better with the next...with offering the units to the County if we lower that period to maybe 120 days, and then...and make a compromise like that, and then see what we can do after the 120 days. But if it...if time is money and it costs them money...it costs them to keep the units for 180 days before they turn it over to us, then...and they have to sell at that lower rate, then they've lost that money, plus we're in a position where, you know, we then have to turn around and sell it to somebody off that same list.

CHAIR JOHNSON: Yeah. You make a good point. In the interest of time, do you want to make a motion, Councilmember King?

COUNCILMEMBER KING: I would make a motion to extend the marketing period from 90 days to 120 days before units can be offered to the next higher income group.

COUNCILMEMBER KAMA: Second the motion.

CHAIR JOHNSON: Okay. Moved by Kelly King, seconded by Tasha Kama. Discussion? Shane...Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Well, Member King, after 120 days, then it would be offered to the...to the County for first right of refusal, or...

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: Well, that's the next...that's the next proposed change in the next section, if you look at the next one, 2.96.090. So I don't know if we're going to pass that or not, but if that's what we're looking at, then I'm saying that that...you know, I mean, either way, we're going to have a hard time...the County's going to have a hard time selling them at that same AMI because we're using the same list that the developer has, you know. So that's my concern is if they can't sell it and they're motivated by, you know, the time is money thing, then the County...and the County has...steps in and say we buy 30 homes because they can't sell it, we're working off that same list that they were working off of to try to sell those homes.

COUNCILMEMBER SINENCI: Yeah. Well, I think we got some other options with the County, including some of the nonprofits like Na Hale, that can also offer it at, you know, half price, and then they can put in the other half as well. So I can support the amendment of 120 with the intent that later on we also support the County's first right of refusal. Thank you, Chair.

CHAIR JOHNSON: Okay. I think we had a pretty good discussion on this one, Members. In the interest of time...so let's call for the question. Are there any others? Okay. Go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. When I read the proposed amendments together...sorry. You know, we just got the proposed amendments now. So it's hard to read them all together. But I think like keeping it at the AMI instead of allowing it to go up and then waiting until it gets higher, and then forcing the County to then try to find someone willing to purchase it at the AMI that ended up being higher is going to be a much harder task for us. So I think like keeping it at the 90 days and then just letting County...the County buy it, which protects the financing, and then also preserves the housing unit at the lower AMI, which serves a greater amount of people, would be better. So I'll be voting against the motion.

CHAIR JOHNSON: Linda...Deputy Director Linda Munsell has her hand up. Go ahead.

MS. MUNSELL: Just as a point of clarification, when the units move up to the next AMI, the price does not change. It stays at the original price. So it...the price doesn't go up, just the folks that could purchase it goes up, the AMI level goes up.

CHAIR JOHNSON: Okay, then. Any more discussion? That was an interesting point. All right. Let's call for the question. All those in favor, raise your hand and say "aye."

COUNCILMEMBERS VOICED AYE.

CHAIR JOHNSON: Seven ayes. All those opposed? We have two noes. Seven ayes, two noes, proposed passes.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

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

NOES: Councilmembers Rawlins-Fernandez and Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Okay. Wow. Interesting. All right. Members, I know you're...we're working hard and we're moving along. So let's...these two are kind of relevant to our past discussion. So Section 2.96, last...Alison, will you bring that up for us? Section 2.96...

MS. STEWART: I will, Chair, but may I clarify from the last vote?

CHAIR JOHNSON: Sure.

MS. STEWART: Was it 120 days before it goes to the next AMI level, or 120 days before the County right of refusal?

CHAIR JOHNSON: Councilmember Kelly King, did you...I think that was the next higher.

COUNCILMEMBER KING: Before it goes to...before it goes to the next AMI.

CHAIR JOHNSON: Yeah, that's my understanding of it.

COUNCILMEMBER KING: We haven't...we haven't...we're not...we're not...we haven't addressed the County right of refusal. That's the next one.

MS. STEWART: Thank you. I'll share screen now.

CHAIR JOHNSON: Thank you so much. Okay. Section 2.96.090D as in delta, (4)(c) as in Charlie. New section...it's a new section that provides that unsold units must be offered to the County for purchase before offering to non-residents. Section 2.96.090D(4)(d) provides units are offered to non-residents now after County right of refusal. So the proposed change is units not sold can be offered at market rate. Okay. Members, you see all that on the screen, and we'll close the share screen. We can start up the discussion, which we kind of already started on because of what we were talking about previously. So Members, let's bring up the Departments first, okay, and they can get

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

some added input. So Deputy Director Linda Munsell.

MS. MUNSELL: Thank you, Chair. So in this case, this would be going through the various AMIs, and at the end of that, the County would have the opportunity to purchase if we chose, and if not, then it would go straight to market. Since there's not going to be any non-residents on this interest list, there wouldn't be a interest list generated...a non-resident interest waitlist generated.

CHAIR JOHNSON: Okay. Thank you. We got Councilmember Shane Sinenci with his hand up. Go ahead.

COUNCILMEMBER SINENCI: Yeah. So move.

CHAIR JOHNSON: Okay. Councilmember Paltin seconded. Members, discussion. Go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: I had a question upon what Ms. Munsell said in the last one, that although it moves up for the AMI eligibility to buy, the price stays the same. So when it terms out, regardless, it would...the price that we would buy it from is the original AMI...the price we would be paying is the original AMI that it moved up out of; is that correct?

CHAIR JOHNSON: Deputy Director Munsell.

MS. MUNSELL: That's correct. Our purchase price would be the original price.

CHAIR JOHNSON: And then the County could sell it for...what would we sell it for, the 140 rate or the original AMI that it was supposed to be in?

MS. MUNSELL: Thank you for the question. I'm assuming that the intent is to sell it in the AMIs that they're...that they're intended. And so that would be what our goal would be.

COUNCILMEMBER PALTIN: Okay. Perfect. Thank you.

CHAIR JOHNSON: Fascinating. Okay. Chair Lee, you had your hand up. Oh, you're muted, Chair. I beg your pardon.

COUNCILMEMBER LEE: I don't believe there's a restriction on the County in terms of price, but we don't have to sell it at 90 percent of AMI, but I would...because, you know, we're not in the business of making profit, that's what we would probably do, but...so now I'm thinking that's more reasonable for us to have left it at 90 percent [sic] because it would have been cheaper for us, you know. But yeah. But the main thing is that we have that...the first right of refusal to the County before it goes on, you know, at 120. It would have been nicer at 90, but 120, you know, it should...it should go to the County because, after all, we have to have faith in this list that we're creating. If it doesn't work for us, it's not going to work for anybody. Thank you.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Well said. Councilmember Kelly King.

COUNCILMEMBER KING: Now I'm confused because what Alice just said that...okay. Let's just verify that we're going to buy this house after 120 days at the same price that it was originally offered for. So it's not like the price is going to go up, it's just we're giving more time for the developer to sell it at that price. So we're buying it at the same price. You know, it would've gone up to the next AMI, but I guess the County has...we're talking about the County having the first right of refusal after that 120 days or after they go through all of the AMIs? Is that what we're talking about?

COUNCILMEMBER LEE: 120 days.

COUNCILMEMBER KING: Okay. But it's 120 days until it goes up to the next AMI --

CHAIR JOHNSON: Yes.

COUNCILMEMBER KING: -- then they have a chance to sell it at that higher...to the next AMI, which is...makes it even more affordable for those guys, because they're qualified for a higher rate. So they should be able to sell it to the next level. And then...and then, I guess what...so what we're talking about in this D(4)(c) is once they exhaust all the AMIs, then it goes to the County for first right of refusal. So that's --

CHAIR JOHNSON: Exactly.

COUNCILMEMBER KING: -- so that's what we're talking about, not, right, after the 120 days. 120 days until we have...

COUNCILMEMBER PALTIN: At the same price.

COUNCILMEMBER KING: At the same price, because they have...

COUNCILMEMBER PALTIN: Then they go up.

COUNCILMEMBER KING: So then we would do what Member Sinenci said, is we'd probably work with one of the nonprofits to get some additional funding and offer...you know, maybe go back to the original AMI and offer that...some other kind...additional funding. But we're not talking about the County being offered the first right of refusal after the first 120 days, just...I wanted to just clarify that.

CHAIR JOHNSON: Okay. Chair Lee, followed by Councilmember Sugimura.

COUNCILMEMBER LEE: Let's...okay. Let's just get that verified, because I was confused that the price would go up too, but apparently the price would stay the same, but the qualifications would be higher.

CHAIR JOHNSON: Okay.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER LEE: So you have...just as long as we get that verified by the Department, that's fine.

CHAIR JOHNSON: Deputy Director Linda Munsell.

MS. MUNSELL: Thank you. So the price that we purchase this doesn't change. Whatever it was offered originally is the price that we would use to purchase it. Generally, you know, when we buy back homes now, we donate them to a nonprofit, typically. We don't sell them ourselves. We're not in real estate. But my expectation, again, is that your intent was to sell it at a specific AMI--I would think that the goal of this would be to continue that practice--or at a lower AMI in some fashion. But I don't think that we would be buying it, a unit, at 100 percent AMI and then turning around and selling it at 140 percent. I don't think that that's the intent.

COUNCILMEMBER LEE: No.

CHAIR JOHNSON: Okay. Members, we have 45 minutes less...left, and we're almost done with this one. So I figure if you...if we're ready, we're ready for the question, okay? All right. Members, all those in favor of this proposed change, raise your hand and say "aye."

COUNCILMEMBER LEE: I guess so.

CHAIR JOHNSON: We got seven ayes. No, I beg your pardon, eight eyes. And any opposed? We have one opposed. Eight ayes, one opposed, motion passes.

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

NOES: Councilmember Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Okay. That's how I like to see. Okay. Members, let's move on to the next one, which is...Alison or Laks, can you bring up the share screen? Okay. So this is Section 2.9c...or 2.96.090D(4)(e), provides unsold units can be offered at market rate

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

without deed restrictions. Upon sale, the County receives 50 percent of the difference in price to be deposited into the Affordable Housing Fund. The proposed change is upon the sale of the unit, the County must receive 100 percent of the difference between the original sales price of the unit and the actual market rate sales price for deposit into the Affordable Housing Fund. No change to this provision that...no change to the provision that this will satisfy the workforce unit requirement. So that's what we have. It goes from 50 percent to 100. And let's bring up...thank you for sharing the screen. Alison, if you could stop that. And we'll go into the Departments. Deputy Director Linda Munsell, please speak to this.

MS. MUNSELL: Thank you, Chair. As Councilmember Rawlins-Fernandez had...was concerned earlier that the developers actually have an incentive to...this does remove that incentive. I am a little concerned. I don't know how they came up with the 50 percent previously. I'm assuming that that has to do with the length of time that the...they have to carry these units and whether this will make it financially more challenging for a developer, but I would assume that it would be.

CHAIR JOHNSON: Okay. Thank you, Deputy Director Linda Munsell. Let's bring on our Corporation Counsel. Mimi DesJardins, can you speak to this?

MS. DESJARDINS: I don't have any legal issues with this. I think it's a number that you folks come up with on your own, depending on your policy. I do note that if, for example, something gets sold at market, and they have to put 50 percent in the Affordable Housing Fund, they still get credit for having satisfied their affordable housing requirements of 25 percent of the total units anyway. So they're...it's not going to stop them from getting that, they're just simply going to be putting all the money into the Affordable Housing Fund . . . *(inaudible)* . . . That's it.

CHAIR JOHNSON: Okay. All right. Fair enough. Now, we have Chair Lee. Go ahead.

COUNCILMEMBER LEE: Yeah. I am not in favor of this measure. I think that it's extreme, just not reasonable. I believe that it...if the...if we...if developers would have a hard time with the previous, you know, proposal, this would really break the deal. I don't know how they can get financing by giving their profits away to the County. Because the houses that generally don't sell are the higher priced ones because they're harder to find people to qualify, and those are the very ones that subsidize the lower-priced ones. So the developer stands to lose a tremendous amount of money on his project, and why would they even do the project in the first place, because that's where...the market homes pay for the low income homes. That's the whole way this works. So I can't support this. Thank you.

CHAIR JOHNSON: Okay. Let's go to Councilmember Kelly King, followed by...followed by Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER KING: Okay. I guess I was reading this to mean that after they sold it to an owner, then if the owner sells it, they have to give--and they sell it for market--then they have to give 100 percent of the difference between the original sales price and the

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

actual market rate sales price that they sold it for. But is this...is that...so this has to do with the developer selling it or the...or the first purchaser selling it? Confused.

CHAIR JOHNSON: Let's bring...I was going to ask Mr. Forrest to come on and speak to that.

COUNCILMEMBER KING: Okay.

CHAIR JOHNSON: All right. Mr. Forrest.

MR. FORREST: Thank you, Chair. This is units that are going to be sold by the developer, I believe, but it is not taking out all of their profits as I see it, because they're still selling it...basically, if...any money above the original sales price. So the sales price would've included profits. And if...I wouldn't mind getting Ms. Munsell to back me up on that, but I don't think it's saying that all of their profits would be taken because some of the profit would be built in the original sales price.

COUNCILMEMBER KING: So that's what's confusing to me. So they're selling...they're selling these homes at an affordable rate. Where does the actual market rate...are we saying that if they have to go...if they have to increase the price, then they have to pay the difference? Because I thought we just said they wouldn't be increasing the price, they would just be offering it to the higher AMI. So that...that's where I'm confused. What...when would this actually happen?

CHAIR JOHNSON: Okay. Let's let...Forrest, I was going to have Deputy Director Munsell respond to that.

MS. MUNSELL: Thank you. Yeah. So when it's going up in the AMIs, the price doesn't change. When it eventually goes to market, then they can charge market rate for that unit. And so it's an additional money that they would not have seen previously, or had not...shouldn't have anticipated receiving.

COUNCILMEMBER KING: Okay. So say they're at the 80 percent, 120 days go by, they go up to the next AMI, which is what, 80 to 100 or...and then that goes by, they go up to the 120 to 140 at some point. They don't sell it there, and so...AMI. And so then they can push it up into the market rate. So it would have to be like a whole year that goes by before they could even get to the market rate to...for us to charge them this difference. Is that...is that the way it works? I see you nodding your head. So...

MS. MUNSELL: Yeah. So they're actually holding this unit for an extended period of time. And then at the end, if they sell it for more...you know, on the market for more than the original price, they would pay the County the difference. Currently, they pay the County 50 percent of the difference, and in this proposal made by Committee, they would be paying us 100 percent. So there's no incentive for them--well, there's no incentive for them to not try to sell it anyway, they want to sell it as soon as possible--but no incentive for selling it at market.

COUNCILMEMBER KING: Well, I can't...I can't...well, even at 50 percent, I can't imagine

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

there'd be an incentive to hold onto a unit for a whole year or more before they could get to market because . . . *(timer sounds)*. . . they'll have lost all the profit margin that they would have made by waiting that long, I would assume, if time is money. So it does...you know, I kind of agree with Chair Lee. It seems a bit harsh to go for the 100 percent. If they get to that point after...you know, after over a year's gone by, there's something wrong with our list, and there's something wrong with our process if they...we can't sell it within those first three AMIs or the first two AMIs, wherever they're at.

CHAIR JOHNSON: Um-hum. Yeah. They...I mean, we don't want...the whole thing is the mortgage steering, right. We don't want them to just purposely set us up to fail, the homebuyer, and then it flips out and say aha, we get to laugh all the way to the bank. So that's kind of trying to avoid the mortgage steering. So...

COUNCILMEMBER KING: Okay. But I thought we had other proposals.

CHAIR JOHNSON: There's many ways...right. There...you're right. This is just one more of them, is just to...

COUNCILMEMBER KING: So is this something that was proposed in the Affordable Housing Plan, going to 100 percent?

CHAIR JOHNSON: I think this one, not specifically. I think we...you know, I met with all the Departments and with Corporation Counsel, and we kind of hashed out what could...you know, what kind of proposals we can...what kind of proposed changes we could come to...all to agree on. So...yeah. So that's where I go...I have some...a lot of hands up here. So in an interest of time --

COUNCILMEMBER KING: Yeah. I am out of time. . . . *(inaudible)*. . .

CHAIR JOHNSON: -- let's have Linda Munsell respond, and then we're going to go to Councilmember Paltin.

MS. MUNSELL: Yeah. So just a real quick reference, Kamalani, which a lot of those units went to market, they paid us \$860,000 into the Affordable Housing Fund. So what you're saying is with this proposal, you would be doubling that amount of money. We've got another project that we're currently in the discussions with on how much they would owe the County for the units that went to market. And so I think that's about \$1.4 million. And so double that again. Just to give you a feel.

CHAIR JOHNSON: It's significant, yeah. Thank you, Deputy Director.

MS. MUNSELL: To give you a feel.

CHAIR JOHNSON: Yeah. That's very significant numbers. Okay. Councilmember Paltin.

COUNCILMEMBER PALTIN: So in both cases, the 50 percent and the 100 percent, even though they didn't sell it for a workforce...they didn't sell it to a workforce household, they are

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

still receiving credit as though they did sell it to a workforce household?

CHAIR JOHNSON: That's correct.

COUNCILMEMBER PALTIN: So I just was wondering, what if we leave it at 50 percent and we don't give them credit for selling it to a workforce household because they haven't sold it to a workforce household?

CHAIR JOHNSON: Is...I guess we can ask Linda Munsell how that would operate for her, but that...I mean, you know, again, I'm open to what Members' suggestions and amendments are. Go ahead, Deputy Director.

COUNCILMEMBER PALTIN: Just trying to keep it real because why give them credit when they haven't?

CHAIR JOHNSON: Yeah. Right.

MS. MUNSELL: Credit for having met their requirement. So if you've got a 300-unit project, there are only 300 units. And so at some point, if they...if 50 of those are supposed to be workforce, you have to give them a way to fulfill their obligation, and we've done that by requiring them to pay half of their profits, or half of the money...the extra money into the Affordable Housing Fund. There isn't...they can't just generate another unit.

COUNCILMEMBER PALTIN: Couldn't they buy a credit from somebody else?

MS. MUNSELL: I'm not...thank you. I'm not sure. That's very creative. I'm not sure how that would work legally. I don't think that we can...I'm not sure. I'd have to punt that one to Corporation Counsel.

COUNCILMEMBER PALTIN: Oh, Corp. Counsel? I mean, because there's people that have workforce housing credits, and if they didn't fulfill it, then buy your credit or build another one. Because...I mean, I'm just trying to keep it real. Like, you're saying you're going to create these workforce housing and you don't, then what's the point of it? Is...the whole point of the workforce housing thing is to create workforce housing. Don't give them credit if they didn't create the workforce housing, right? I mean, keep it real.

MS. DESJARDINS: So the Code requires a certain percentage, right? So a lot of times the developer will...you know, if they develop 25 percent, then they've hit their base requirement, but then they go above and beyond that, and that's where they get those credits that goes into the residential workforce housing agreement. We give them the credits once they've completed it. They don't get those credits if they don't perform, but they are...they are deemed to have satisfied the base 25 percent. And so in a sense, by making them put any amount in, they're paying...they're basically paying instead, money, which is another way of satisfying credits, is you can do...under the Code, instead of 25 percent, they can...you can do the in lieu payment to the County of money. But to me, legally, it doesn't matter whether it's 50 or 100. That's up to you guys, but there's...but what's concerning is if you say then they haven't satisfied their base 25

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

percent, I'm not sure how they would do that. You'd have to flesh some language out to give them an option, like you said, either to purchase the required credits to make 25 percent or something, because I don't know how we would interpret whether they...whether they hit their 25 percent if you don't put something in there.

COUNCILMEMBER PALTIN: Okay.

MS. DESJARDINS: Or just take the 100 percent and that's essentially buying credits. They're buying their credits.

COUNCILMEMBER PALTIN: I'll just take the 100 percent. Okay. Thank you. 100 percent it is.

CHAIR JOHNSON: Okay. We have Chair Lee, followed by Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER LEE: Deputy Director Munsell, are you there? Linda?

MS. MUNSELL: Yes, ma'am.

COUNCILMEMBER LEE: Okay. Don't you think that we have a serious problem here when the developer has to pay into the fund because people could not qualify for certain income homes? I mean, that, to me, is the problem. I mean, we got to...we have to fix that problem. So I mean, like, how many people are we talking about that don't get a home for that reason?

MS. MUNSELL: Chair, that's an excellent point. We've only seen multi-family for-sale projects flip into market. So we don't have a problem with our single family homes. I think it's a matter of the...either the product or the price is not attractive to folks with a deed restriction, right. So I...

COUNCILMEMBER LEE: I think that's...I think that's important for us to know going forward. When people come and present projects to us, we don't know that many of them are not successful. And I think we have to know that type of information so we can avoid...you know, we can avoid this whole situation where...because our goal is really to get people in homes, yeah, not so much to collect more money from developers.

MS. MUNSELL: Right. Thank you. And to be...to be perfectly frank, you know...so most recently when we saw a for-sale multi-family project presented, one of the things that we were talking to them about was having them show us, in a marketing study, that they can actually sell these units with a deed restriction in the AMIs that are called out for in their workforce housing agreement. We haven't seen the end result of that as yet, but we've asked for that to be shown to us, especially if we're going to give them incentives for...you know, a 201H or 2.97. The other comment I would make about having them pay 100 percent into the Affordable Housing Fund . . . (timer sounds). . . is one of the things that we saw was that, for the Kamalani Project, they would sell them at...without a deed restriction, and the market price was maybe \$5,000 more than the

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

deed-restricted price. So you know, in those cases where those are so close, you could see that the developer might simply be selling them at the same price, market, with no deed restriction. And then there would be no money into the Affordable Housing Fund.

CHAIR JOHNSON: Okay. So this is a great segue to our next upcoming bill that we're writing right now, Chair Lee, is fixing these AMIs, because these AMIs are off the...off the charts, right. So hopefully we're going to address this very next concern in the...with the next upcoming bill for you, because I appreciate what you said there. That is...they're...some of these homes, they're just too high. They're too high for the folks to reach. So...okay. Anyone else? Do we...we don't have a motion on the floor for this one. Oh, go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I don't think we should even have this provision. I mean, we need the houses, and we need them to stay affordable. We don't need half the profits or 100 percent of the profits, and I don't...I don't even like the whole credit system. I want to abolish that too. And so I would prefer not to have this provision at all and the County just buy it, you know. Buck up and purchase it, and keep it in affordable...in affordability. We're in a housing crisis, right?

CHAIR JOHNSON: Okay. That...

COUNCILMEMBER RAWLINS-FERNANDEZ: So I would prefer not to have this provision at all.

CHAIR JOHNSON: Okay. If you want...if...I'm not going to make a motion. So if you want to...want to throw something out there to get rid of this, I'm all ears, but there it is for the body.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay. I move to remove Section (e).

CHAIR JOHNSON: Do we have a second?

VICE-CHAIR MOLINA: Second.

CHAIR JOHNSON: Seconded by Councilmember Molina. Discussion, Members? Okay. Keani, did you want to speak to your...and then we have Councilmember Kelly King, followed by Ms. Paltin...Councilmember Paltin.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Yeah. So we're in a housing crisis, and we're trying to do something different. Appreciate all your efforts, Chair. And you know, we don't...we need houses, especially if they're already built, because it takes so much time to get all the entitlements and permitting and design, planning, and then the construction. And so every time we lose a house out of affordability, then we have to wait years again until there's another house. And so I think a built house is far more valuable than 50 percent, or even 100 percent, of the difference that it goes to market. So I think the County should have to pay...should buy it before it goes to market rate. And so I . . . *(inaudible)* . . .

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR JOHNSON: All right. Thank you. Thank you. I thought it was Ms. Paltin, followed by King; is that right? Or was it King followed by Ms. Paltin?

COUNCILMEMBER KING: I think I had my hand up.

CHAIR JOHNSON: Okay. Councilmember King.

COUNCILMEMBER KING: Thank you, Chair. So we...we do have a first right of refusal in there, and if the County is not in a position to buy these homes, doing away with the idea of the 50 percent or 100 percent is not going to solve the problem because it just means that the developer doesn't have to pay us anything if they get to market. So at some...so there has to be some provision that says, you know, if that is the intent, that says it never goes to market...because the way it is right now, before it flips out of...out of the...you know, the AMI, it would come to the County at some point for first right of refusal, and we'd be able to buy it for that original price. But are we going to be able to buy, you know, tens of homes or hundreds of homes if we...if we bought out, you know, half of a whole subdivision? I don't know...I don't know the answer to that, but this...it's a little disjointed because just doing away with the idea that they have to pay something back means they have to pay nothing back if they get to market. So it...we have to make all of this fit together. If the intent is to never let affordable housing or workforce housing projects get to market, then we have to make that statement somewhere.

CHAIR JOHNSON: Okay. Thank you for that. Councilmember Paltin.

COUNCILMEMBER PALTIN: Well, basically, I agree with Member King because like look at Kamalani. That was mortgage steering, which we don't want and is illegal, but happened anyway, and all of those houses flipped to market rate. Like, we don't want the money, but we don't want nothing, right? So I'm not going to support this motion.

CHAIR JOHNSON: Okay, Members. Any further discussion? We're going to call the...go ahead, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So what I'm saying is that it would never go to market, and it would just be bought by the County. Instead of a first right of refusal, we'll just...we'll just buy it. So it...we wouldn't not lose out on profits, we would just...we would purchase it, and it would not go to market. Mahalo, Chair.

CHAIR JOHNSON: Okay, Members. Oh, go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: But we don't...we don't have the wording that the County must purchase it. The wording is first right of refusal, and then I think Member King's point was, what if we run out of money from all the first right of refusals that we do, and then we don't get anything? So I mean, I like the ideal situation, but that's not what the

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

reality is. We don't say like the County must purchase it, or if we don't have enough money in the Affordable Housing Fund, we have to take out a loan or a bond to purchase it...like we don't have that wording in there yet. So if we remove this section, and then for whatever reason, it goes to market value...because we're not the Administration, the Administration makes the decision to purchase or not purchase, and then we approve it. So then should it go to market value, we get nothing. Like it's not...it's not written the County must purchase it, it's written, County has first right of refusal, right, which means it gets offered to them and they could say no.

CHAIR JOHNSON: Okay. Members, we had a pretty good long discussion on this, and we have to move forward on it. So I'm going to call for the question. Okay. So all of...all those in favor of this proposed change, raise your hand and say "aye." Okay. That's...okay. One, two, three...three ayes. All those opposed, raise your hand. One, two, three, four, five, six...six noes. Okay. Motion fails.

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

**NOES: Chair Johnson, and Councilmembers Kama, King,
 Lee, Paltin, and Sugimura.**

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION FAILED.

CHAIR JOHNSON: So...okay, Members. There's still the proposed change on the floor. I'll entertain a motion to amend this one, if I...that's the County must receive the 100 percent of the difference one. Do we...do we have a motion on the floor? We have a motion from Councilmember Paltin. Do we have a second? We have a second by Councilmember Shane Sinenci. Discussion? Okay. Let's go right to the question. All those in favor of this proposed change, raise your hand and say "aye." One, two, three, four. All those opposed?

COUNCILMEMBER LEE: I meant to say opposed the first time.

CHAIR JOHNSON: Oh, okay. One, two, three, four, five. Motion fails. So five noes and four yeses.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

Councilmember Molina seconded it. And we had discussion. And Kelly King has her hand for discussion. Go ahead.

COUNCILMEMBER KING: Yeah. I just wanted to get comments from the Department on what it would take to...I mean, we're going to have to set up a real estate office if we're going to be required to purchase and resell all these homes.

CHAIR JOHNSON: Deputy Director Linda Munsell.

MS. MUNSELL: Yeah. I guess we're going to have to look into what the process would be to do that. Again, I'm very concerned about...and you know, obviously, we're going to go through and set up guidelines or Administrative Rules to manage this, but I'm very concerned if we do get a project in here that's a total dog, and now the County is required to purchase all those units that the original developer was not able to sell, that concerns me greatly.

CHAIR JOHNSON: Well, Deputy Director Linda Munsell, this Committee will not allow any dogs to go through this Committee. So you can leave your concerns at the door. All right. Members, any more discussion? Okay. Councilmember Paltin.

COUNCILMEMBER PALTIN: I just had a question--I guess it would be for Corp. Counsel--about the TAT money would be going into the General Fund. Would we be able to use General Fund money to purchase houses, or would it have to be Affordable Housing Fund? Or can we switch General Fund to the Affordable Housing Fund if we run out of money?

MS. DESJARDINS: You know, I don't know, but I can't imagine why you couldn't use general funds. I mean, why not, right? I don't know.

COUNCILMEMBER PALTIN: Okay.

CHAIR JOHNSON: Okay. Before we get on...I see a lot of hands. I'm trying to respect your time. If you guys want, we can go later, but I was planning to go, you know, at the scheduled time. So I see some heads shaking no, but just keep that in your minds. So I saw Chair Lee's hand up, followed by Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER LEE: Mr. Chair, I think we may be getting overly anxious without having the...enough information, the facts. I don't believe that there are that many units that go to market. And so if that's the case...but we need to have that information, and we could get it between now and first reading. So if you don't mind asking the Housing Department for that. Okay. Thank you.

CHAIR JOHNSON: Yeah. I will certainly do that request, but I know Linda Munsell did mention that one of the properties, she had an example, was 800,000 that they got back, but okay. We'll get more specific examples. Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. And I'll make it quick. I just

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

wanted to say that we already have a process. You know, we donate the housing to Na Hale O Maui, which keeps it in affordability in perpetuity. We also have Habitat for Humanity, and another land trust, DHHL. So we have options of making housing available to our...units...our residents without creating a real estate division. And the reason that we have the Affordable Housing Fund is not so that we can buy housing, it's so that we will always be sure that there is funding set aside to buy housing. So we can use General Fund money, and we can use County TAT money. Mahalo, Chair.

CHAIR JOHNSON: Okay. So having that discussion, Members, we'll call for the question. All those in favor of the proposed change, raise your hand. We have seven ayes. All those opposed? We have two opposed. Proposed change passes. Thank you, Members.

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

NOES: Councilmembers Kama and Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Okay. Whew. Working together. All right. Now, let's move on to...we're almost done. This...we're going to switch over to the...oh, go ahead, Councilmember Kelly King.

COUNCILMEMBER KING: Yeah. I just wanted to make a clarification. So this means that therefore allowing 120 days between the AMI increases. So when they get to the top AMI, if it can't be sold there, then it won't go to market, it'll go to the County, and the County has to purchase it?

CHAIR JOHNSON: Yes.

COUNCILMEMBER KING: Okay. So we all know what we're doing. And then you're going to find out from the Department --

CHAIR JOHNSON: The exact numbers. Yeah.

COUNCILMEMBER KING: -- how often that happens, where it flips to market. But also, could

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

you ask how many times the County has had that option and didn't buy a home that was offered? You know, that...where we had the first right of refusal and we refused it?

CHAIR JOHNSON: Okay. Deputy Director Linda Munsell is on the call. So we'll give her a formal letter for that one.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR JOHNSON: Okay. Okay, Members. That was all for the...that whole discussion was just on the for-sale units. Now we have a exact bill coming right up before you that is on the rental units. Now, everything is the same, word for word. So I just want to let you know that the...so I'll just read it out loud. Section 2.96.100 is everything we just discussed, but for rental units. Are there any aspects of the proposed bill that Members should...feel should be different for rental units? Now, I know that some people have mentioned that some funding are different for rentals, right, and I appreciate that. So sometimes funding will say, no, you can't have this kind of...you know, this might throw a pickle in their mix. So what I was proposing was follow the same process for...as for-sale units, and we'll put in, to the extent permitted by law. And that covers your base, right? Because if it's a funding thing, and some developer says oh, that...because you made it by...you know, this list is excluding me from accessing any funds, then we'll just say, to the extent permitted by law, just simple like that. So I want to bring up our two...for our discussion, I want to bring up Department...Deputy Director Linda Munsell, and then we'll also have Mimi DesJardins for legal, okay?

MS. MUNSELL: Thank you, Chair. I think that the concern on trying to apply this to all rental projects might be challenging, as you said, because of the funding. And I think that if we can simply put in there, yeah, to the extent allowed by law, that might resolve it. I'm going to ask if Ms. DesJardins has other comments to add.

CHAIR JOHNSON: Yeah. Okay. Mimi DesJardins.

MS. DESJARDINS: Thanks. No, I don't have anything further. I think there just has to be an outlet for those LIHTC or other Federally-funded, perhaps, projects, that won't allow us as much leeway as what you're providing today. That's the only reason for that line.

CHAIR JOHNSON: Okay. So discussion, Members. Go ahead, Member Kelly King.

COUNCILMEMBER KING: So how...so we have some proposals that we just went over about first right of refusal about...or about requiring the County to purchase. How does that play into the rental bill? That would just be a thing...

CHAIR JOHNSON: Yeah. Of course, that's not applicable because it's a rental unit, right?

COUNCILMEMBER KING: Anything that's about purchasing, what the County purchase, would be not applicable?

CHAIR JOHNSON: Yes. Of course, yep. It's a rental bill. It's totally separate.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: Okay. So...and they're not allowed to flip out of...out of affordability, are they, Director?

UNIDENTIFIED SPEAKER: No, perpetuity.

COUNCILMEMBER KING: We don't have to deal with the market rate thing?

MS. MUNSELL: Right.

COUNCILMEMBER KING: Okay.

CHAIR JOHNSON: Okay, Members. I would motion to...I'm open to a motion to amend this, to add, to the extent permitted by law. Okay. We got a motion by Councilmember King. Do we have a seconder? We have seconded by Councilmember Paltin. Discussion, Members? Seeing none, all those in favor, raise your hand and say "aye." We have eight ayes. Any noes? We have one no. Okay, Members. Proposed change passes.

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

NOES: Councilmember Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: All right. Whew. Now, we have to...we have some amendments by Councilmember Keani Rawlins-Fernandez, who we wanted to return at the very end. And that's...everything else on the agenda will be...will be, you know, later. So right now, Councilmember Keani Rawlins-Fernandez, you have the floor.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. You know, I thought I was going to be able to wordsmith something good in this time, but there is a little other...yeah. I can't. So if I can by first reading, then I'll bring it then. I would like to bounce it off some...bounce the language off some resources and get feedback to ensure that I'm not creating more of a Pandora's Box than expected. Mahalo, Chair.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: No, I understand that. Okay. Thank you. So this is the...oh, go ahead, Councilmember Paltin.

COUNCILMEMBER PALTIN: I thought Member King and Member Lee had a point early on, but we never made an amendment, but now I can't really remember what it was.

CHAIR JOHNSON: Yeah. Thank you for that. I was just about to get to that segue. It was in regards to when it would start, right? So let me just do this proposed...proposal for the end of the bill, and then we'll get into when it would actually take place. So the Director of Housing and Human Concerns must adopt guidelines to implement the provisions of these sections, subject by...subject to approval by the Council. So that's them coming up with the...Council [*sic*] coming up with guidelines, and us approving them. So that's where I would entertain a motion for that.

COUNCILMEMBER PALTIN: You mean the Department coming up with guidelines and us approving it, right?

CHAIR JOHNSON: Did I say that backwards? I beg your pardon. Yeah.

COUNCILMEMBER PALTIN: You said Council coming up with guidelines. We don't have to.

CHAIR JOHNSON: My mistake.

COUNCILMEMBER KING: I move to that.

CHAIR JOHNSON: Okay. Yeah, the Department will come up with guidelines that's subject to the approval by the Council. Moved by Councilmember Kelly King, seconded by Councilmember Keani Rawlins-Fernandez. Discussion? Seeing none, all those in favor, raise your hand and say "aye." We got seven ayes, eight ayes. Eight ayes. Any...and one...any noes? We have one noes. Eight ayes, one noes. Motion passes.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

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

NOES: Councilmember Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Okay. Members, that is...takes it to the end of where I was wanting to go, but I know we wanted to talk about when we were going to get started on this one. So I'll leave the floor to Councilmember Kelly King.

COUNCILMEMBER KING: Okay. Well, basically, I think what I was talking about, and Chair Lee was talking about, was making sure that we have a provision that this ordinance goes into effect once the Administrative Rules proposed by the Department are approved by the Council. That would be my proposal.

CHAIR JOHNSON: Okay. Do we have a second? Is that a Chair Lee seconding? Okay. Oh, no. Well, let me get if we can get a second, and then we'll have a discussion. Any seconds?

COUNCILMEMBER LEE: We don't approve Administrative Rules. You can check with Corp. Counsel.

COUNCILMEMBER KING: Oh, we don't...well, we just passed a...we just passed an amendment saying that we would approve them.

CHAIR JOHNSON: Yeah. Right. Okay.

COUNCILMEMBER LEE: No, you said guidelines.

COUNCILMEMBER KING: Oh. Okay. Well, then guidelines, once the Council approves the guidelines. Yeah.

CHAIR JOHNSON: Okay.

COUNCILMEMBER LEE: I think we can approve guidelines. We cannot approve Administrative Rules.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Yep, that's exactly right. Mimi DesJardins, did you want to speak to that? She'll probably say the same thing.

COUNCILMEMBER KING: That's what she wanted to say.

MS. DESJARDINS: That was what I was going to say. Thank you.

CHAIR JOHNSON: Okay.

COUNCILMEMBER KING: Okay. So anyway, my amendment would be, you know, that this would go into effect once the Council approves the guidelines.

COUNCILMEMBER LEE: Second.

CHAIR JOHNSON: Okay. There we go. Thank you for that clarification. Moved by Councilmember Kelly King, seconded by Chair Lee. Discussion? Councilmember Paltin, followed by, I think, Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER LEE: You're muted.

CHAIR JOHNSON: You're muted. Sorry, Councilmember.

COUNCILMEMBER PALTIN: Was there...was there...should we make a time frame? Because like what if the guidelines never get created?

COUNCILMEMBER KING: You mean a time frame to require the guidelines to be created? Guidelines must be created by...I don't know. What's a good time frame for that, one year? Okay. So friendly amendment, the guidelines must be created by the Department or its designee within one year of...okay. So within one year of this ordinance passing, and the...it becomes effective upon that approval of the guidelines.

CHAIR JOHNSON: Okay. We'll...

COUNCILMEMBER KING: It looks like Linda wants to say something.

CHAIR JOHNSON: Okay. We got a second by Councilmember Shane Sinenci. So let's go on to Deputy Director Linda Munsell. You going to add to this?

MS. MUNSELL: Thank you, Chair. Assuming, of course, this does pass Council, but I might suggest is that you put a date of January 2023 there for this.

COUNCILMEMBER KING: Oh, an actual date?

MS. MUNSELL: Yeah. Assuming it's going to pass Council prior to January of 2023, but yeah, that would just be real simple. Simple, straightforward.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: Okay. So then you would have the guidelines ready and approved by January 2023?

MS. MUNSELL: That we would have them ready for your review and approval by January. We...we're currently short. We've only got a handful of people who work in the Administrative Staff for Housing, and we've got...we're missing one person. We're down one person already, and we have another very key player who's going to be going out on leave for a little while here coming right up. So we're going to be very short-staffed. It's going to be a challenge, but we will get right on that.

COUNCILMEMBER KING: Okay. So you feel like you could have it done by January 2023? January 1, 2023?

MS. MUNSELL: Yeah. For...yeah. For you guys...for...I'm sorry. For this body to review by January 2023.

COUNCILMEMBER KING: And then the ordinance will go into effect upon our approval of those guidelines.

CHAIR JOHNSON: Okay. I saw Council...no, I'm sorry. Councilmember Keani Rawlins-Fernandez was next, I do believe. And then we'll go back to Councilmember Paltin.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. January 2023, we're going to be...I think...yeah. We're going to have...we're going to have to do reorg and we're going to have like...be, you know, reinaugurated and...I mean, you know, presuming that we all win election. Anyway, the new Council will have to go through inauguration. So what if we did, you know, like December 1st, 2022 instead?

COUNCILMEMBER KAMA: I concur.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Pro Tem Kama. That's...so that's my suggestion.

CHAIR JOHNSON: Okay. Councilmember Paltin.

COUNCILMEMBER KING: I'm amenable to that. It's up to if the Department can get it done, Chair.

CHAIR JOHNSON: Okay.

COUNCILMEMBER KING: But then also, just realize that that only gives us a month to get it through Committee and through two Council meetings before the next Council comes on, if that's what we're talking about.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So November...

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

COUNCILMEMBER KING: November 15th? Can you do that, Linda?

COUNCILMEMBER LEE: How about next Thursday?

MS. MUNSELL: As I said...yeah, we'll have it for you in two weeks. As I said, I think it's going to be very challenging for us. Obviously, we'll put our best foot forward. So...

COUNCILMEMBER KING: We can at least give you some more help in the next budget, you know.

MS. MUNSELL: And it won't...it won't matter because it takes so long for us to hire anyone. We've had a vacant position and it just...it takes...it's a very long process. So even if you were to provide us with funding next year and more personnel, they probably will not be on board prior to this being...this deadline.

CHAIR JOHNSON: Okay. Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So I support November 1st or November 15th, 2022, for the date. And I think I've seen a lot of housing advocates, and what about, you know, reaching out to our community housing advocates, to see if they would, you know, want to work on a working group or a task force to help expedite these rules or guidelines? And then that way, you know, we can support the Department to get more affordable housing, you know, going for the community. I would think that it would align with the interests of our housing advocates. Mahalo, Chair.

CHAIR JOHNSON: Well said. So I'm just trying to keep in order. Councilmember Paltin, followed by Councilmember Kama, followed by Chair Lee.

COUNCILMEMBER PALTIN: Thank you, Chair. I just wanted to, you know, be an optimist and offer a friendly amendment of no later than, because what if they finish earlier, because, you know...friendly amendment.

CHAIR JOHNSON: Friendly amendment. Okay. Councilmember Tasha Kama, followed by Chair Lee.

COUNCILMEMBER KAMA: Thank you, Chair. I just want to reiterate that our hair's on fire, and in '23, it's going to be bald. So let's go back to November '22, and get it done no matter what. And that's my comment. Thank you, Chair.

CHAIR JOHNSON: Well said. Okay. Chair Lee.

COUNCILMEMBER LEE: Okay. Director Munsell, usually in the past our Administrative Rules actually--well, we're calling them guidelines--were actually drafted by Corp. Counsel. So you know, you can ask the other Departments for assistance leading up to that period. I know what you're thinking of is more implementation. And yeah, you'll need the warm bodies for implementation. But to create the guidelines, I think you and Corp. Counsel could do it...pretty sure. I don't think you need...in fact, new people wouldn't

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

be able to help you with those guidelines because they wouldn't know...they wouldn't have the experience.

CHAIR JOHNSON: You know, that's a...

COUNCILMEMBER LEE: We know you can do it. So what is it, November something?

COUNCILMEMBER RAWLINS-FERNANDEZ: 1st.

MS. MUNSELL: Thank you for your confidence, Chair Lee.

CHAIR JOHNSON: Okay. So I think we had a really good session. So now we're going to go on to the main...oh, wait. Did we vote on this?

COUNCILMEMBER KING: No, we didn't vote on it.

CHAIR JOHNSON: Okay. So let's vote on this. So all those in favor...

MS. YAP: Chair. Chair? Chair Johnson.

CHAIR JOHNSON: Yeah.

MS. YAP: This is Rayna Yap. I just want to clarify. Once...Member King had made a motion. Her original motion, I believe, was seconded by Alice Lee.

CHAIR JOHNSON: Okay.

MS. YAP: And then, friendly...someone said a friendly amendment, and then Shane Sinenci said second, but Alice Lee was the seconder. And I'm guessing that all these changes that were mentioned are friendly amendments. I need to clarify that the maker of the motion and the seconder are all right with these changes.

COUNCILMEMBER KING: Yes. We're very friendly.

CHAIR JOHNSON: They're all very friendly.

MS. YAP: Thank you.

CHAIR JOHNSON: Okay. Thank you for that clarification. So let's call for the question. All those in favor, raise your hand and say "aye." Okay. It's unanimous. That's nine ayes, zero noes. Motion passes.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR JOHNSON: Main motion. All right, Members. The Chair will now call for the vote to recommend the passage of the revised proposed bill as amended on first reading entitled, "A BILL FOR AN ORDINANCE AMENDING THE RESIDENTIAL WORKFORCE HOUSING POLICY RELATED TO SELECTION PRIORITY," incorporating revisions made by the Committee today and nonsubstantive revisions...revisions. All those in favor, raise your hand and say "aye."

COUNCILMEMBERS VOICED AYE.

CHAIR JOHNSON: We got eight ayes. And all those opposed, raise your hand and say "no." One opposed. Motion passes with eight ayes and one no, and that's it. Okay.

AFFORDABLE HOUSING COMMITTEE

Council of the County of Maui

September 13, 2021

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

NOES: Councilmember Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill.

CHAIR JOHNSON: Good job everyone. Thank you for staying a little bit late.

COUNCILMEMBER KING: Congratulations.

CHAIR JOHNSON: Okay. So...thank you.

AH-14(2) COMPREHENSIVE AFFORDABLE HOUSING PLAN: RIGHT TO HOUSING (MISC)

AH-14(1) COMPREHENSIVE AFFORDABLE HOUSING PLAN: RIGHT TO SHELTER (MISC)

CHAIR JOHNSON: Members, without objection, I will defer the items AH-14(2) and AH...pardon me...AH-14(1). Any objections to deferring?

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

CHAIR JOHNSON: Okay, Members. If...

COUNCILMEMBER KING: Somebody's dog is objecting, but I don't think any of the rest of us are.

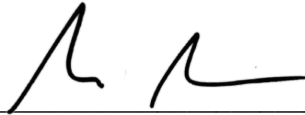
AFFORDABLE HOUSING COMMITTEE
Council of the County of Maui

September 13, 2021

CHAIR JOHNSON: Thank you, everyone, for a very productive meeting. And the time is now 4:35, and the Affordable Housing Committee is adjourned. . . .*(gavel)*. . .

ADJOURN: 4:35 p.m.

APPROVED BY:



GABE JOHNSON, Chair
Affordable Housing Committee

ah:min:210913r:

Transcribed by: Brenda Clark

AFFORDABLE HOUSING COMMITTEE
Council of the County of Maui

September 13, 2021

CERTIFICATION

I, Brenda Clark, hereby certify that pages 1 through 64 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 6th day of October 2021, in Wailuku, Hawai'i



Brenda Clark