

**BUDGET AND FINANCE COMMITTEE**  
Council of the County of Maui

**MINUTES**

**February 10, 2009**

**Council Chamber**

**CONVENE:** 1:35 p.m.

**PRESENT:** Councilmember Joseph Pontanilla, Chair  
Councilmember Danny A. Mateo, Vice-Chair  
Councilmember Gladys C. Baisa, Member  
Councilmember Jo Anne Johnson, Member (in 1:40 p.m.)  
Councilmember Sol P. Kaho`ohalahala, Member  
Councilmember Michael J. Molina, Member  
Councilmember Wayne K. Nishiki, Member  
Councilmember Michael P. Victorino, Member (in 2:09 p.m.)

**EXCUSED:** Councilmember Bill Kauakea Medeiros, Member

**STAFF:** Gayle Revels, Legislative Analyst  
Yvette Bouthillier, Committee Secretary

Leinaala Kihm, Executive Assistant to Councilmember Medeiros

**ADMIN.:** Frederick Pablo, Budget Director, Office of the Mayor  
Lori Tshako, Director, Department of Housing and Human Concerns  
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the  
Corporation Counsel

Seated in the audience:  
Wayde Oshiro, Housing Administrator, Department of Housing and Human  
Concerns

**OTHERS:** **Item 99:** Sheri K. Dodson, Executive Director, Habitat for Humanity Maui  
Others (2)

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

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CHAIR PONTANILLA: . . .(*gavel*). . . Good afternoon, Members. The Budget and Finance Committee meeting is now in session. Today is February 10, 2009 and the time is 1:35 p.m. At this time, the Chair would like to recognize the Members of the Committee. We do have Members Molina, Member Baisa, Member Kaho`ohalahala, Member Nishiki, and Member Mateo. Excused at this time are Member Johnson, Medeiros, and Mr. Victorino. Upfront representing the Administration, we do have our First Deputy Corporation Counsel, Traci Fujita Villarosa; our Budget Director, Fred Pablo; and our Director of Housing and Human Concerns, Lori Tsuhako. Supporting the Committee this afternoon, we do have Gayle Revels, Legislative Analyst, as well as Yvette Bouthillier, Committee Secretary.

Yvette, has anyone signed up for public testimony? No. Members, we do not have any persons signed up for public testimony at this time. Anybody out there that want to provide public testimony at this time? Seeing none rushing forward, if there's no objections, the Chair would like to close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. Members, we do have only one item on the agenda and the intent of the Committee Chairman is to review the project that is being proposed by Habitat for Humanity of Maui. We do have two new Members on the Council and this will provide them the opportunity to provide questions or to have a better understanding of this affordable housing project. And the intent, Members, is to provide funding for this project through the affordable, the 2 percent Affordable Housing Ordinance.

**ITEM NO. 99: AFFORDABLE HOUSING FUND PROGRAM FISCAL YEAR 2009 ANNUAL PLAN (C.C. No. 08-68)**

CHAIR PONTANILLA: So, at this time, the Chair would bypass the Budget Director and go directly to the Housing and Human Services Director for some comments.

MS. TSUHAKO: Good afternoon and thank you, Mr. Chairman. Members, good afternoon, thank you for having us today. This afternoon we're here to discuss the project from Habitat for Humanity, which was one of four

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projects that was recommended by the Department last year in our submission to this body in the Affordable Housing Fund Plan.

Habitat has requested and was recommended for funding at the level of \$1 million. The project that Habitat proposes is, is at 901 Lower Main Street and the project as it stands today proposes to build 40 affordable housing units for sale. So, this is ownership, ownership rather than long-term rentals or transitional housing. Ms. Sheri Dodson who is the Executive Director of Habitat for Humanity is in the audience today. She's prepared to join us at the podium and answer any specific questions that you might have about the project. Some of the, some of the conditions around this project have changed a little bit since this body first deliberated on it last year and Ms. Dodson will be prepared to discuss those changes. I would like to add that despite the changes and despite some of the setbacks, the Department continues to support this project, and we continue to advocate for the affordable housing that would be provided by this project.

We'd ask Ms. Dodson to join us at the podium, please.

**CHAIR PONTANILLA:** Members, before Ms. Dod..., Dodson does provide some information, the Chair would just like to comment that this project, you know, well according to the last proposal that we had, this project will consist of 40 one- and two-bedroom condominium homes for low and moderate income housing families and the project will remain affordable for 25 years. The project as noted by the Director will tar..., target household earnings 50 percent or below and 80 percent or below of the Maui County's median family income.

So, at this time, the Chair would like to recognize Ms. Dodson.

**MS. DODSON:** Good afternoon, thank you. I'm just here to answer any questions. I did give you a letter that we originally gave to Ms. Tsuhako regarding some updates on our project. I also provided the general outline to both Councilman Nishiki and Councilman Kaho'ohalahala, who didn't receive it the first time we were here, and I'm prepared to answer any questions about the project.

**CHAIR PONTANILLA:** Thank you. To make you comfortable, I, you know, would like to invite you to sit next Lori Tsuhako rather than you stand, you know, answering those questions.

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MS. DODSON: Sure.

CHAIR PONTANILLA: Members, the Chair is open to questions either for the Director or Ms. Dodson of Habitat for Humanity. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chairman. Just a question for Ms. Dodson. First of all, thank you for coming here and joining us. Just one question with regards to those who will be the beneficiaries. Will they be subjected to any association, types of association fees?

MS. DODSON: Yes, there will be a general maintenance fee for each homeowner. One of the reasons why we put the commercial on the first floor was to help offset those costs. We know that it's very expensive to maintain a building of this size, and we have actually done a cost analysis, and if we didn't sort of have some income to offset the maintenance, the maintenance fee would actually be more than their mortgage payment each month. So, we want to rent out space, commercial space. I think it's approximately about 4,000 square feet and that will go directly into the association to offset maintenance of the building.

COUNCILMEMBER MOLINA: Any estimate potentially how much those fees could be?

MS. DODSON: You know, the, the prices keep going up. We think it's going to be some where between two and three hundred dollars a month.

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

CHAIR PONTANILLA: Thank you. Member Nishiki followed by Member Mateo and then Member Baisa.

COUNCILMEMBER NISHIKI: Thank you. I'm reading from the February 25<sup>th</sup> cover letter. Is this something that I can rely on when I turn to Page 2 of 5 and look at this project on Lower Main Street, which I think it is. The first question I have has to do with the land on which this project is to be located on. And the reason why I ask this is because I don't know how far you are from Home Maid Bakery. But have you done any type of archaeological diggings in that area?

MS. DODSON: It's more about, and answer to your first question, we're one lot away. So, there's a lot in between ours and Home Maid Bakery's, where Home Maid Bakery is. I know that they own that vacant lot next to ours.

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We did. . .before we purchased the property, we did initial due diligence on archaeological and it, it did turn out negative. In subsequent digs, our archaeologist has found two sets of bones. She is in the process. . .she's also found some cultural layers and she's in the process of doing a report. We've already gone to Burial Council once, and once she completes her full inventory then we'll go back to Burial Council. We are hoping that we'll be able reintern the bones on the property. She's only found two sets right now but there's always the possibility once we start construction there may be more, more bones found, but our, our architect is aware of that and we have a plan to reintern on property.

COUNCILMEMBER NISHIKI: Does your plan coincide with Burial Council's plan?

MS. DODSON: We have an. . .what. . .we can't approach Burial Council until we have our final report done and when we do then we'll do whatever they ask us to do.

COUNCILMEMBER NISHIKI: When is that scheduled to be completed?

MS. DODSON: Our archaeologist can't really give us an, an estimate. She's in the process of doing the inventory and report now and then there's one more phase after that. But she's in constant contact, my understanding, with Burial Council, so.

COUNCILMEMBER NISHIKI: Okay. And then I don't think you answered the question, but I'll, I'll ask it again from what Councilman Molina asked you. For these 40 units, what do you project the maintenance fees to be?

MS. DODSON: For the entire project and this analysis was done late last year. For the total project per month, the. . .it will be 16,000, between \$12,000 and \$16,000 per month for the maintenance of the building.

COUNCILMEMBER NISHIKI: Yeah, I, I guess, just so that when an applicant comes in, he or she would want to know what it is. They don't. . .we don't want to know what the entire cost is. We want to know what you plan to charge those who purchase these 40 units.

MS. DODSON: Again, we're gonna, we're gonna try to keep it at a minimum, the maintenance fees. That's why we're got. . .we have commercial on the bottom floor to put into the association so that they can use those fees

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instead of assessing each homeowner. But we anticipate it'll be between \$300 and \$400 a month.

COUNCILMEMBER NISHIKI: For these units as far as the maintenance fees?

MS. DODSON: Yes.

COUNCILMEMBER NISHIKI: For those that purchase?

MS. DODSON: Yes.

COUNCILMEMBER NISHIKI: And, and, and what do you think about that cost added on to someone that purchases this unit?

MS. DODSON: Well, it does include utilities, cable, things that they would typically pay if they had a home, and our mortgage payments are very reasonable because we charge 0 percent interest. So, it's still well, I believe, well below what they are probably paying in rent right now.

COUNCILMEMBER NISHIKI: Four hundred dollars would it include cable?

MS. DODSON: Cable, utilities, water, all the utilities, trash.

COUNCILMEMBER NISHIKI: Electricity and water would be included in this \$400?

MS. DODSON: Yes and the trash.

COUNCILMEMBER NISHIKI: Why did you choose to do the electricity charge for the entire units rather than reward those that may not, that may save electricity, you know, and, and be prudent? And, and, and then this would, would create to me the. . . I don't know, I don't know how individuals look at it, Chair but, you know, to, to, to not care about how they personally try to save electricity.

MS. DODSON: Well we are building this project as green as possible. We did. . .we changed the design of the project to include flat roofs so we could do PV panels. And one of the downsides of PV panels is that you can't do individual units. You have to do one system.

COUNCILMEMBER NISHIKI: Oh, okay. Thank you for that explanation. Finally, not finally, but in the area of these 40 people I didn't read

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anywhere in which how you plan to offer them, lottery, who knows what, first come first serve, stand in line, wait two days. How do you plan to essentially carry out who gets it?

MS. DODSON: We already have a system in place for family selection because we are currently building. Our system includes we first schedule prospective homeowner meetings, which are mandatory, and at these meetings we give a general overview of what Habitat does, how we do it, and why we do it. And that's when we supply applications, we're also available to help them with the applications. Then there is very specific deadlines that they have to meet in getting the application and documentation to us.

And once the documentation is in then we create a file and start reviewing it, pull their credit report, and at that point it gets referred to our Family Selection Committee, which consist of people in the mortgage industry, people bankers, and social workers. They evaluate the file based upon our three criteria of need, ability to repay the 0 percent mortgage, and their willingness to partner with us. In, in that analysis very often we have to ask for more documentation. Many times the family looks really good but they have a really high debt, so we refer them to debt counseling with Consumer Credit Counseling of Hawaii. We work with the family in homeownership education, those types of things, and it sort of works as a real filtering system on the families that we do end up with because we're not a handout program. We don't, you know, just give away these units. They have to pay us back.

They have to be willing to partner, meaning they have to put in sweat equity. And sort of their willingness to jump through all those hoops of getting us documentation on time, filling out the application, coming to prospective homeowner meetings, going through homeowner education, going through credit counseling, or whatever else we may deem that is necessary. If they're willing to do all that then the indications are, and this is based upon our own history as well as Habitat for Humanity International in the, you know, 70 or so countries that we build in, is that if they are willing to go through all that then they will probably be very good partner families. They'll, you know, work really hard to repay their mortgage, which helps us build more homes. They'll work towards finishing their projects and putting in sweat equity and those types of things. So, it's a real filtering system, but I realize on this project because it's 40 units we'll probably have to do a lot of advertising and a lot of prospective homeowner meetings to get anybody who's interested 'cause

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we don't have any waiting lists. So, once this goes out then we'll just keep scheduling prospective homeowner meetings until we think that we've, you know, reached everybody we can.

**COUNCILMEMBER NISHIKI:** You, you don't anticipate more than 40 people applying?

**MS. DODSON:** Oh, definitely. But again, out of the two or three hundred and it may be a thousand who apply there's very specific things that they have to do to get to the point of having their application even reviewed by the Family Selection Committee. Once it's reviewed by the Family Selection Committee then there's going to be a lot more things they need to do such as credit counseling, budget counseling, debt management, and our experience is that people fall off the side during those processes. They, they don't follow through. When we're dealing with families 25 to 80 percent of median income, you know, there's some that are great, they're, you know, they have such motivation to get into a home. And there's others that you just can't do it for them. They just, they don't want it bad enough for whatever reason and so they don't meet the criteria.

By the time it gets to the Family Selection Committee then refers it to our Board of Directors. They review all the families and we take the, the, the biggest need, the families that have the biggest need, and those are the ones that the Board will generally approve.

**COUNCILMEMBER NISHIKI:** Do you think that this a fair way? I, I, I guess my question is people meet the median income or whatever they call that, that, and then so they fall into that area so they can qualify now. It almost seems, for me anyway, unfair if there's 80 people that pass this criteria and, and then only to say that some Board, and I don't know who these people are or who they make, who, what the makeup is, then plays God and determines out of the 80 that this 40 is the one that should get it. I, I, I guess my question is if you're setting up all of these procedures that they need to do and they follow through, all of them, you know, bless us all, because, hey, you know, this. . .you're giving 'em a chance for homeownership. And this is wonderful that you provide it, but I am still not accepting the, the fairness, I guess, and have you had other people question that process?

**MS. DODSON:** Actually, we haven't. We, we went through this process a couple years ago when we had a 12-house subdivision that we're work..., currently working on. We had over 200 people who showed up at our first

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prospective homeowners meeting for 12 units. Out of those 200, we probably received about 50 to 60 applications. Out of those 50 to 60 applications another 20 actually followed through with getting us documentation and doing what they needed to do. We ended up. . .the Family Selection Committee went through the files and for various reasons, many of which are that their income was too high, their debt would. . .they would never get out of debt in time to move into the units, those types of things.

It, it did wheel down to the Board reviewed 15 families for the 12 houses. Of those 15, they took the 12 with the biggest need. Three were kept on as alternates and one of them actually did step up into the 12, because even after they're accepted as partner-family, they still have to put in their sweat equity. If they don't reach their goal, their sweat equity goal, they're dropped from the program. You know, our program is designed, again, not to be a handout. It's a, it's a helping hand-up but they really have to do a lot to be able to get into a home. They. . .we want them to be successful. We need for them to be successful as a homeowner because if they're not then they don't repay the mortgage and then we can't build another house. So, we do everything we can with surround services, you know, the budget counseling, homeowner education, to get them where they are but they have to, they have to do it on their own. They have to want it bad enough.

COUNCILMEMBER NISHIKI: Yeah, and, and, and, and I accept that. I, I guess, my next question would be to Administration being that this is taxpayers' money. How do we handle, here in Maui County, projects that we create for the, the needy, low income, or whatever, how do we handle? Is it done by lottery or how, how do we do it because I'm sure that the number that want but to the number that we provide is probably overwhelming?

MS. TSUHAKE: So, Mr. Nishiki, you're asking me for the qualify..., how the County selects people for affordable housing projects?

COUNCILMEMBER NISHIKI: Yeah.

MS. TSUHAKE: The County. . .my understanding is the County hasn't developed affordable housing itself. In, in other words, we haven't been the developer to be able to choose those people.

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COUNCILMEMBER NISHIKI: Okay, so, if the County does do it with joint, joint, like we're doing it here, okay, I'm sure that you have some say in it, being that it's County money. Have you reviewed this process that Humanity's has proposed?

MS. TSUHAKO: We, we looked at that. That was part of the consideration when the Review Committee selected Habitat for Humanity as a proposed grantee for this fund, yes. And, and, I, frankly I, I trust the process because as Ms. Dodson had said even though there may be 200 people who qualify based on income not everyone is going to qualify based on their debt, based on their ability to repay. . .by all the criteria that she talked about. And also, because of the. . .what Ms. Dodson calls sweat equity, families have to contribute to the process. And if families are not willing to do that, to contribute to the process, or to go through the homeowner education and all the other requirements to make them stronger as prospective homeowners, then it's not their time to be a homeowner in this project.

I, I think the, the point is that everybody would support affordable housing and putting people into affordable housing if we give them the support that they need to make sure they're successful as homeowners. And, and I've said this before not everybody chooses to be a homeowner. Some people like renting, but for those who want to be homeowners, these, these are the, these are the requirements that Habitat for Humanity has established to do their part in ensuring people are ready to assume the responsibility of being homeowners.

COUNCILMEMBER NISHIKI: Okay. And, and, and in the fourth paragraph starts with the projected development cost. In there they talk about a commitment of 1,960,000 in-lieu fees from a private developer. And then the second sentence under that a conditional commitment of 4,963,200 of in-lieu fees from another private developer. Who, who is this private developers?

MS. DODSON: That actually has all been updated in the letter that I gave you today, the one dated February 10<sup>th</sup>. We have as part of the exhibits attached is the financing for. . .the 1.96 million was a contribution that was made by Wailea Beach Hotel, was the Baccarat that is no longer going forward now, but they did give us the money upfront. We're using a million of that towards this project. The other four million or whatever from, I think, it was Victory Development they have pulled out so we had

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to go and seek funds elsewhere. So, this is how we have it set out. Do you have that?

COUNCILMEMBER NISHIKI: Financing for Lower Main.

MS. DODSON: Yeah.

COUNCILMEMBER NISHIKI: I got that. So one million from that Baccarat Affordable Housing Fund, that's the one we're discussing today. You're going to get 8.4 from the sale of these units.

MS. DODSON: And then minus the present value because, because we do sell our units as 0 percent interest, really what we get back from that is not the full 8.4 million, we get considerably less.

COUNCILMEMBER NISHIKI: And so this is all that has been secured because, I think, in here in that cover letter you mentioned about you expect to get something from the Weinberg. Oh here, our future plans for financing include approaching. . .so, none of this. . .well how much of this has been secured?

MS. DODSON: The in-lieu fees from Wailea Beach Hotel have been secured.

COUNCILMEMBER NISHIKI: Okay.

MS. DODSON: Obviously, we're here for the Affordable Housing Fund.

COUNCILMEMBER NISHIKI: Right.

MS. DODSON: But, you know, we got the letter so we, we felt comfortable enough putting that in. OHA and the State Revolving Loan, this is a fund that is developed by the Hawaii Habitat for Humanity, which is a group of all the affiliates Statewide. They approached the Legislature for two years in a row and were able to get substantial funds from the Legislature in GIA and what it, it went into this Revolving Loan, and OHA has been giving us money every year to help families with Hawaiian blood. What Hawaii Habitat for Humanity does is they loan out to the affiliates \$20,000 per unit to build. When the families start paying us back, Maui, we then in turn pay Hawaii Habitat back, so it's a revolving fund just like how our fund is revolving when our families repay us. So, that's what that OHA and the State Revolving Loan Fund is.

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Seattle Home, Seattle Home Loan Bank, we have worked with them for several years now on all our projects. We've never been denied. In fact, we were featured as one of their star projects last year. So, we feel confident that we'll be able to secure another Seattle Home Loan Bank. The amount may actually be more from Seattle Home Loan Bank. They have not just grant programs but they have low interest loan programs, which will help us on the sale of the units and the present value, the difference between what we'll get back. It will be a low interest loan.

And we do plan to approach the Weinberg. One of the criteria for the Weinberg is that you have to have 30 percent or you can ask, ask up to 30 percent of the total funding and, and or \$3 million. So, \$3 million is all we can get but we have to secure Seattle Home Loan Bank and those types of things before we can approach Weinberg. And we also have to have the, the okay from the Council on the Affordable Housing Fund before we can approach Weinberg.

COUNCILMEMBER NISHIKI: And then, you, you, you got a big ticket item here 2,734,147 million. . .that's something again in your pie in the sky kind of thing that you hope to get?

MS. DODSON: It looks relatively small compared to the 15 million we started out with.

COUNCILMEMBER NISHIKI: Yeah.

MS. DODSON: So, yeah, we feel pretty confident. We've been very successful in getting construction money, you know, Habitat has a brand name around the world. Our international program, our Habitat for Humanity International, has various programs that we can apply for funding that comes directly from HUD, money from HUD. So, there's different sources. We can also borrow against our existing mortgages. We have over a million dollars in mortgages now in existing homeowners. So, we can borrow against that.

COUNCILMEMBER NISHIKI: Okay.

MS. DODSON: We also own two pieces of property, not just this one but we have another project on Kahawai Street that we're planning. It's a 16-unit condominium project, so.

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COUNCILMEMBER NISHIKI: Thank you. And, and, and the County, when do, when do we finally put that money in? After all of these so-called funding sources are secured?

MS. TSUHAKO: We're, we're asking for the million dollars now through this process, Member Nishiki. Part of the use of this fund is for predevelopment costs and, and Ms. Dodson, as well as many of the other developers, use the money from the County to leverage funding as she explained earlier from other sources. So, many other sources, before you can even apply, expect you to have dedicated amount of money from other sources before they'll grant you the remainder. And so, that's how she's planning to leverage the funds that the County's proposing to give her for this project in order to get more money from the other sources.

COUNCILMEMBER NISHIKI: Thank you. I'm done.

CHAIR PONTANILLA: Thank you, Mr. Nishiki. Member Mateo.

VICE-CHAIR MATEO: Chairman, thank you. What you're building is houses not apartments?

MS. DODSON: They're condominiums.

VICE-CHAIR MATEO: Condominiums?

MS. DODSON: They're for-sale homeownership units.

VICE-CHAIR MATEO: Okay, because I see house as a house versus a condominium. And in your materials you refer to the units as houses and then it's really not houses, it's condominium type units. When you break them down into the total cost of the project versus the total number of units you're building, what is the actual cost per unit to develop comes out, come out to?

MS. DODSON: Each year the cost of construction keeps going up. We started off this project, project when it was \$8 million anticipated. It's now up to 15 million, but we believe the cost to build is going to be 300,000 to 375,000 per unit.

VICE-CHAIR MATEO: And the, the total projected cost for buildout of this project is still about 16-point almost 16.8. Is that the total cost?

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MS. DODSON: We think it's going to be 15 million.

VICE-CHAIR MATEO: Fifteen million?

MS. DODSON: Yeah, again, our families do sweat equity so our families are going to go in and do a lot of the interior work, the drywall, painting, laying the floors, putting in cabinets. A lot of the finish work that contractors would do. So as part of our bidding, when we bid out this project, it will be to make sure that the contractor leaves sort of that shell so our families could go in and do their sweat equity.

VICE-CHAIR MATEO: And the families that can qualify and do get selected, will they be able to pay their mortgages with HUD vouchers?

MS. DODSON: That depends on if the County has the program. Right now the County does not have the program.

VICE-CHAIR MATEO: So.

MS. DODSON: The Section 8 homeownership vouchers versus the Section 8 rental vouchers.

VICE-CHAIR MATEO: Okay.

MS. DODSON: But we would accept them.

VICE-CHAIR MATEO: And in the planning process then you're still anticipating these unit monthly, individual family's monthly, I guess, mortgage payments still to be between the \$500 and the \$600 range?

MS. DODSON: Between 500 and 700. Our, our Board of Directors recently passed the new policy as far as our, our, our restrictions, our deed restrictions, and what we've done is we've done a 30-year mortgage . . . *(change of tape 1A)*. . . be it ten years, there's no shared appreciation. After the tenth year then the family gets shared appreciation of 5 percent per year, for a total of 30 year restriction. They did that based upon actually this Council's Residential Work Force Ordinance to be more consistent with it. The houses that we've built before this we had a 20-year mortgage, but we had no land cost. So, in order to make it more affordable for the families, and because we're the lender, we're able to do this. We're able to actually extend out the, the mortgage period, but if a family wants to pay it off earlier, again, because of the 0 percent interest,

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there's no prepayment penalties. So, if a family can get out of debt sooner, we encourage it because we want our families to be debt free.

VICE-CHAIR MATEO: And in part of your process then does it also come with any kind of budget preparation for the individual families as a requirement?

MS. DODSON: Yeah, we go through extensive budget counseling, credit counseling. We also refer most of our families to Consumer Credit Counseling of Hawaii, who does a really good job of debt management. We currently have a family that came to us with \$42,000 worth of debt. In the last year, they're now down to \$20,000 worth of debt. And again, it's been. . .it's because of working with Consumer Credit Counseling of Hawaii and through our program of educating them about, you know, spending money, budgeting better.

VICE-CHAIR MATEO: And one last question, Mr. Chair. Your Kahawai project, Kahawai Street project, the 16 units. Is, is that project and this 40-unit project something that's going to be going on simultaneously?

MS. DODSON: My guess is because we have to do a 201H on this project to allow for that commercial on the bottom floor, the, the current zoning is Apartment, but because we want to do some commercial on the bottom floor to help with the maintenance fees, we'll have to go through a 201H.

Our Kahawai project is perfectly zoned. We have a water meter. We have everything so my guess is that we'll actually start Kahawai before we'll start this one.

VICE-CHAIR MATEO: Okay, and with, I'm sorry, with the, since you mentioned the 201H process, then what are you going to be asking for in terms of exemptions?

MS. DODSON: Just the zoning.

VICE-CHAIR MATEO: Oh. Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Member Mateo. Member Baisa followed by Member Molina.

COUNCILMEMBER BAISA: Thank you very much, Chair, and thank you, Ms. Dodson, for being here this afternoon. Just a couple of quick

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questions since one was already answered. I had a question about sweat equity and how it was going to play into this, being that it's not an individual home, but you answered that, so thank you.

I was interested in, in your letter that you gave us today, you mentioned that traffic studies were being done and also mentioned changing the front of the building to make it more interesting. At this point, have you made provisions for a bus pullout? I know that was mentioned the last time we met.

MS. DODSON: Yes, we have. The design of the front of the building, I'm not sure you probably still don't have this in front of you, but the pictures of the building show that we have a cut-in so that a bus can actually pull off the road, and we plan to put bench and covered out in front so that people can sit in the shade and wait for the bus there.

COUNCILMEMBER BAISA: That will be very helpful considering that the families that will be living here may need bus services and probably won't be able to have a lot of cars. That's a real good amenity to have.

The other thing I wanted to ask you and, you know, this is not a trick question but you have mentioned all the good work that you do in trying to prepare people for homeownership. And with what's going on locally, nationally, and everywhere else with all these foreclosures and, you know, bad lending, and whatever. What is your record in terms of these mortgages going bad that Habitat for Humanity helps?

MS. DODSON: I can speak for the Maui affiliate. We all run separately, but right now we have a 0 percent delinquency rate. We have a 0 percent foreclosure rate. And one of the reasons is, is because we're the lender, we're not, you know, a big company that doesn't know these families. These families come in every month and pay us. So when there is, you know, a situation where, and we've actually had this happen, a death in the family or somebody gets laid off from their job, we're able to work with them. We're able to reduce their mortgage payment perhaps for six months until they can get back on their feet and then they pay that extra \$50 to \$100 each month to catch up. We're able to do that and that's what we're willing to do to be able to support these families.

We did have one instance where a family member passed away and he was the sole breadwinner and then his wife had a devastating stroke and they actually didn't pay their mortgage for an entire year. And what we

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did with that was when they finally got back on their feet, we restructured the mortgage because it was, it was only, I think, \$20,000 left on their mortgage. We were able to restructure it so that it was something that she could afford by herself and she wouldn't lose her home.

COUNCILMEMBER BAISA: Thank you so much. It sounds like the forefolks in Washington should be listening to you. Thank you very much.

CHAIR PONTANILLA: Thank you, Member Baisa, for that comment. I think we're on CNBC right now.

COUNCILMEMBER BAISA: Wonderful.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. Ms. Dodson, just for clarification on your application, Page 11, under Sources of Funding, you indicate 600,000 would come from, I guess, the HOME, Federal Home Funds. And then on page 12, under letter D, it says describe fund sources unsuccessfully attempted. And it says, HOME application was out-pointed by another organization. Can, can you clarify that for us? I mean, do you have the HOME funds or who is this other entity that will supply this 600,000?

MS. DODSON: That was two years ago when we applied for the HOME money and we did not receive it. We applied the year after and did not receive it. We do plan to apply again this year. The project that was getting all that HOME money, my understanding is going to be finished soon. So, maybe the competition will be not, not so great for the HOME funds.

COUNCILMEMBER MOLINA: Okay, thank you for that clarification. And you mentioned earlier that you had something like 200 folks or I don't know if it was 200 family members sort of replying or showing interest in these units. Of these 200 people. . .well first in your application you're going to be assisting families with, in the 50 to 60 percent median income groups. Of those 200 folks, how many of those were in the 80 percent median income? Or, were, were there any?

MS. DODSON: Actually, the 200 people were for a project that we're building right now. It was for 12 homes. And we have guidelines that we work under as far as our income. Typically, we do 25 to 60 percent but we will go as high as 80 percent. So, I, I don't have the statistics of that particular

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project but I knew, know that we had several that were just on the 60 to 65 percent. We did have one family that was 80 percent but they actually were the ones that dropped out. So, of the 12 homes that we're doing, we have everywhere from 25 to just about 60, I think 63 was the highest.

COUNCILMEMBER MOLINA: Okay, so, the demand is more in the 50 to 60 range. And that was why I was just kind of curious as to why there were no, I guess, units set aside for the 80 percent median income.

MS. DODSON: My guess on this project because it is one-bedroom and two-bedroom condominium units that there won't be a lot of big families applying. And so, when you're talking about single people, and we have a lot of single people or single parents who apply with us, they are generally on Social Security or kupuna. The 12 houses that we're doing now four of the families that we're building for are kupuna, single people who are on their. . .who are retired. So, they're closer to the 25 percent range. We also have a lot of single parents that we build for and they generally come in around the 50 to 60.

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

COUNCILMEMBER VICTORINO Chair?

CHAIR PONTANILLA: Thank you, Member Molina. Member Johnson followed by Member Kaho`ohalahala.

COUNCILMEMBER JOHNSON: I apologize if this was already asked. I came in a few minutes late. But in regards to the timeline because obviously there's a process and it's ongoing. What is your target date for completion or at least occupation of these units?

MS. DODSON: Well despite the fact that we have found iwi on the property, we are still moving forward with our design of the project and engineering. Obviously, a 40-unit condominium project is, is going to require a lot of design and a lot of engineering. We do have to put a retaining wall in this project so the engineers are still working on it. Our architect, 'cause I just spoke to him a couple days ago, anticipates that the arch..., the construction plans should be ready by the end of the year and we're hoping that, that will coincide with the archaeological study and the EA. So, we want to move forward with all these things sort of simultaneously so that we can begin construction next year.

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COUNCILMEMBER JOHNSON: And, and then in terms of construction in so it would be 2010. So, would you be complete do you think in another year?

MS. DODSON: I actually asked one of our Board members who's with Betsill Brothers and he said a condominium of this size will probably take about 14 months to construct.

COUNCILMEMBER JOHNSON: Okay, it just. . .I, I, I think that I know the need is now, but also I think there's unfortunately there's some other opportunities that will be presenting themselves for foreclosed properties too. I just wanted to comment that I, I know Mr. Nishiki was asking questions about the model, you know, of how you do this, and I really want to congratulate Millard Fuller, you know, for the work that he did, and I was very sad to see that he passed away. But this is something that he did actually create for the benefit of many, many people, and he worked very hard with Jimmy Carter on this, and I just, you know, I want to say I really appreciate that you're carrying on his legacy. Ad it's really gratifying to have participated too in one of your projects. So, good luck and I, I wish all the best success to you on this. Thank you.

MS. DODSON: Thank you.

CHAIR PONTANILLA: Thank you. Member Kaho`ohalahala.

COUNCILMEMBER KAHO`OHALAHALA: Thank you, Chair. I just wanted to follow up on a couple of questions that Member Molina had and that was about your 80 percent. I know that in the. . .in your description here of working with families ranging from the 25 to 60. So, my question was on your bottom statement here it says families earning 25 to 80 percent of median income. So, what is the range or the percentage of 20 and 80 percent? And how do you determine that?

MS. DODSON: What we found is that, you know, our, our guidelines, we would like to get all the families between 25 and 60 percent median income, that's our mission. But it's not that easy. Families in that income range tend to have higher debt, poor credit and we have had difficulty finding enough families. Of that 12-house subdivision, we did have to go up as high as 80 percent because there just wasn't enough qualified families within that range.

So, when we're looking at, again, what, if, if it comes down to, you know, we have 40 units and we have 50 families, we will try to serve our, who is

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our target group, and our mission is 25 to 60 percent. So, of those 50 we would take those first 40 in that income. But if we can't, if there's not enough then we will go as high as 80 percent. Our experience is that we generally have. . .it's a relatively small percentage of families that are up to 80 percent that actually want to get into a Habitat house and that kind of stuff. If they're that close to, you know, 80-and-above then they can probably qualify for a conventional loan if they work their, you know, if they reduce their debt and those types of things.

COUNCILMEMBER KAHO'OHALAHALA: Okay, and, you know, I, I, I want to at least applaud you because for many people this is the only kind of program that will allow them actually to have a home. And so, I'm familiar with the Habitat program that was on Molokai and the one that we had initiated several years ago that didn't really complete its, its mission, but on Lanai itself. So, so, I want to be supportive of you.

In the sweat equity, which is 500 hours, you say that that would be spent with families working within these units itself? Or, are you looking at them spending time away from in sweat equity?

MS. DODSON: Both of them. They will work on their own units but we will also have them work on other people's houses. One of the things that we found is that people don't really understand what they're getting into with our program. It's a lot of work. It's hard work. Many of you have been out on our job sites and so we want to make sure that they've worked on another job site and they understand what sweat equity means. We also, you know, serve disabled people so we have a lot of opportunities in office work or fundraisers and those types of things for anybody who's disabled to put in their sweat equity. Sweat equity can also be done by babysitting. If you have a family with young kids, children can't be on the job site, nobody under the age of 16. So, if the wife or the aunty or whoever it is stays home and baby-sits, we count that as sweat equity. Two hundred hours have to be done by the family who's going to live in the house, but the remaining 300 is by family and friends. And we have. . .most of our families put in thousands of hours of sweat, sweat equity. We rarely have a problem with people putting in enough hours.

COUNCILMEMBER KAHO'OHALAHALA: Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Victorino.

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COUNCILMEMBER VICTORINO: Thank you, Chair, and I apologize for being late. I was caught up in another meeting. Thank you, Sheri, for being here, and I'm fully aware of your sweat equity. I have been there and sweating and they give me the hard jobs like dig the ditch and carry the wood and anything that is none what I call nonprofessional is what I seem to end up whenever I've gone to work for you guys. But that's okay, it keeps me safe.

MS. DODSON: Takes skilled and unskilled people.

COUNCILMEMBER VICTORINO: Yeah, and that's where I fall in the non-skilled. Thank you, I appreciate that. Question I have for you is I'm looking at your conceptual pictures on Pages 10 and 11, yeah 10 and 11, okay. And I'm looking at the front entrance as you looking down towards the ocean or as you're heading towards Waiehu Beach Road and, you know, nice traffic flow and, you know, I see the guy on the sidewalk, kind of nice looking, but I know the street better than that, and I know it's not that way. It's a very heavily traveled street, and then I'm looking at the next one down on 11, and I'm assuming, and I, correct me if I'm wrong, that there's a little turnoff area right in front of the glass and then there's like, like offices or whatever that might be at the very bottom, yeah.

MS. DODSON: Yes.

COUNCILMEMBER VICTORINO: Is that considered or going to be a bus stop for that area?

MS. DODSON: Yes.

COUNCILMEMBER VICTORINO: Okay, I might have missed that but I wanted to make sure because that was one of my concerns is the vast majority of these people may not have vehicles and a bus stop, especially there is, since there is none if you go from all the way up by, I think, I sorry. . .oh.

CHAIR PONTANILLA: Just go ahead, Member Victorino.

COUNCILMEMBER VICTORINO: Okay, so, that, that would be a bus stop. And the other question I had is the traffic flow, especially for vehicles coming in and out. Will there be basically a right out only, you know, so that you prevent them from crossing completely over because that road can be very treacherous during the peak hours especially?

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MS. DODSON: I don't know what Department of Transportation will do, you know, one of the things that we are proposing is a bus stop there. But we also have the flow of the in and out as two different locations, two opposite ends of the building, and we hope that that will sort of alleviate, you know, if somebody is. . .they can get in there fast. They won't have to worry about cars coming out. We actually rent some space right across the street right now, so I've had a lot of opportunity to drive and have to turn left out of across the street and it's, it's not as bad as it seems. I've been there at all hours and sometimes you have to wait a few minutes but you can get across pretty quickly. There's a lot of site distance on both sides to be able to see the cars coming down. Plus you have that stoplight right above at Puuone Towers, so sort of stops the traffic before coming. And there was a traffic analysis done already.

COUNCILMEMBER VICTORINO: Okay.

MS. DODSON: And that's how the design sort of came together was based upon that traffic analysis.

COUNCILMEMBER VICTORINO: Okay. And are you guys going to make sure that the, the sidewalk is completed in this area too so make sure that it's a walkable area? Because there is sidewalk now but I would assume you guys are going to tear that up or as you build.

MS. DODSON: Yeah, it's interesting because it actually calls for us to go way back. Our property doesn't start until even farther back than that sidewalk. So, we will have to work with the County because what we would like to do is take that extra 15 feet and make that inlet for a bus. It's supposed to be for road widening at some point, but the road is already four lanes now and I'm not sure that it will ever be widened to what it was anticipated to be. So, what we'd like to do is take that and make the bus stop. But, yes, we plan to actually, you know, do something really nice for people to be able to walk in front but also it's, it's a commercial spot right there too, so, we have to make it very appealing for the commercial tenants.

COUNCILMEMBER VICTORINO: The last question I have for you is this building will be going back into that mountain side and you familiar much of that is sand rock, right? And I heard you say you guys going build a retaining wall. My concern is that you go back so deep and you're going to be one of the biggest buildings to go back. Mostly the other ones are

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not that, that far in to that sand hill area. And I'm concerned because you have heavy apartments or big apartments right above you, the Puuone Terrace area is above you. So, your engineers are certain that this wall and retaining wall and others will not make any geographical, integrity will be lost in that area as far as the hillside?

MS. DODSON: That's why we pay them the big bucks.

COUNCILMEMBER VICTORINO: Okay, well I mean.

MS. DODSON: That's what we're hoping.

COUNCILMEMBER VICTORINO: Well.

MS. DODSON: I cannot even begin to address that. I mean, the, I know that there are definite engineers working on it. The retaining wall is actually going to be tiered.

COUNCILMEMBER VICTORINO: Terraced.

MS. DODSON: Yeah, so that, that's one of the reasons why we feel really confident that we'll be able to reintern on property because there's going to be so many places to be able to reintern any bones, any more bones found, and, and the two sets that we've already found. I think it would be nice. We plan to vegetate it and so that it will keep cool as part of the green--

COUNCILMEMBER VICTORINO: Right.

MS. DODSON: --design of this project.

COUNCILMEMBER VICTORINO: Well, you know, again, because of the, the immense size of this building that's the concern I would have because you would be the largest structure on that side of the building, I mean, on that side of the street being built. And my concern is the integrity, you know, if there's any slippage or, or, you know, with sand rock if there's any degradation, you know, I don't want buildings above sliding down the hill and we have another whole dimension of problems, yeah. But, you know, I support what you guys are doing. I know you've done a good job and I've always been, always willing to come out and help in our, in our, our--

MS. DODSON: I'll remember that.

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COUNCILMEMBER VICTORINO: --you know, thanks, yeah, and I appreciate that. Thank you very much. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Chair has one question. On your . . .well the November 24<sup>th</sup> correspondence from Housing Human Services, on Page 3 of 19 and Page 4 of 19, seems to be a discrepancy in the cost of a one-bedroom and two-bedroom unit. On Page 3 of 19, the one-bedroom unit is 150,000 and for a two-bedroom unit, it's 165,000. On Page 4, for the one-bedroom it states 125,000 and for the two-bedroom 150,000. Can you explain that?

MS. DODSON: Yeah, again, the cost of this whole project have sort of shifted dramatically. So, we have redone all the figures and we've also changed our policy to include a 30-year mortgage. So, that's all out the window too. Our, our new price estimate and we can only do anticipated costs for this, who knows what the market's going to, you know, be when we finish this project. It may be that 150,000 is really expensive for an apartment. We just don't know. But we do think that the one-bedroom will be approximately 150,000 and that the two-bedroom, the largest unit, 'cause there's two different sizes will be 250,000.

CHAIR PONTANILLA: Thank you. Members, any more questions for either the Director or Ms. Dodson at this time? Member Molina.

COUNCILMEMBER MOLINA: Questions for the Department, Mr. Chairman.

CHAIR PONTANILLA: Go ahead.

COUNCILMEMBER MOLINA: Thank you. Good afternoon, Ms. Tsuhako. First of all, thank you for working with Ms. Dodson and I appreciate the application and I think it's a good step in the right direction with regards to using the Affordable Housing Fund, which was created via the electorate and the 2 percent set aside. Just on the issue of the, again, the 80 percent and, you know, the gap group, which I believe was one of the major reasons for the creation of the Affordable Housing Fund, I believe, back in 2006. What is the . . .how is the . . .what do we need to do to get entities to propose projects that help our folks who are in this group? You know, these are our firemens [*sic*], our policemen [*sic*], teachers, nurses, who make too much to qualify for lower income housing, yet too little to qualify for the market-rate homes because, you know, I had a chance to speak to some representatives from the Police Department, for example,

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and they say that's one of the major issues or reasons why they're having a difficult time retaining some of our policemen. And also, I think, the same problem exists for our Fire Department personnel. And I sure hate losing these people to other states and we, we, need these individuals to stay here. So, can you share with us the Department's goals with regards to targeting the individuals in these housing need areas?

MS. TSUHAKO: Thank you for that question, Member Molina. The . . . last year when the Department put out the request for proposals for the Affordable Housing Fund, the announcement was crafted to allow proposals to come in at anywhere between 120 and below. Unfortunately, the seven applicants, of the seven applicants who, who tried to get funding through this Affordable Housing Fund, none of them aimed to serve that population of 81 percent to 120.

And this year, the proposal was. . . the request for proposals was drafted in the same way to allow for developers to come in at anywhere between that range of 120 and below. And I personally haven't had a chance to look over the, the proposals that we received last month for this, but I'm hoping that there are some developers who, who do propose to serve folks at 120.

And I think that the, the Department's desire to, to have housing developed for the whole gamut of, of income qualifications is really being. . . we're, we're trying to promote that through Deputy Direct Jo-Ann Ridao's work with developers, and really we know that's, that's also a need for housing at that level. And Deputy Ridao is working very hard with the developers to try and encourage those projects to also apply and not just have projects that are aimed at 80 percent and below. So, we haven't formalized any, any sort of standard or necessarily given a priority in this new round of reviews of the applications, but we certainly have been working really hard with the, with the developers as well as the nonprofits to look and try to encourage those applications to be made.

COUNCILMEMBER MOLINA: Okay.

MS. TSUHAKO: We're, we're certainly conscious of the need.

COUNCILMEMBER MOLINA: Well, thank you, I hope you continue that effort as well because, you know, we need to provide housing as, as you mentioned for the whole gamut of folks out there. And Ms. Tzuhako, do you at this time have the balance currently in the fund? I see Mr. Pablo in the gallery as well. I don't know if you can update the Committee with

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how much currently exists in the fund and any early projections as to what we're going to get based on this year's projected revenue?

MS. TSUHAKO: Mr. Pablo?

CHAIR PONTANILLA: Fred, go ahead.

MR. PABLO: Yes. I do have a balance here. As you note in the, in the Budget, for, for the Annual Budget Ordinance for 2009, we had a beginning balance of four-point, 4,295,169. The estimated revenues for Fiscal Year '09 is 10,281,122 and that brought it up to a balance of 14,576,291. During this year, we have had several, several meetings where we set aside 50,000 for the Hana Affordable Housing; 5,870,100 for the Hale Mahaolu Ehiku; 1,216,152 for the Waiehu Mauka Rental; and then administrative costs of roughly 50,000, which leaves a balance before this evening's. . .this afternoon's discussion of \$7,390,039. With the Habitat for Humanity at one million that leaves a balance of 6,390,039.

COUNCILMEMBER MOLINA: Okay, thank you for that update, Mr. Pablo. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions? Member Mateo.

VICE-CHAIR MATEO: Chairman, thank you. Mr. Pablo, just to clarify one of those figures that you gave--

MR. PABLO: Certainly.

VICE-CHAIR MATEO: --that 5.8 million.

MR. PABLO: Yeah, I think, that was the Hale Mahaolu Ehiku, that was 5,870,000.

VICE-CHAIR MATEO: Wasn't that in-lieu, instead of coming from the 2 percent?

MR. PABLO: That was, that was added on, that's correct.

VICE-CHAIR MATEO: How can we add on like that? It's two different funding sources.

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MR. PABLO: I know with, with. . .there was a resolution to authorize acceptance of this funds into the Affordable Housing Fund.

VICE-CHAIR MATEO: Oh, gee, okay. Thank you very much, Mr. Chair. Thank you.

CHAIR PONTANILLA: Thank you. So, Mr. Pablo, just a question deriving from the 2 percent, I guess, we striking on the real property tax. What is the, the number that we look at?

MR. PABLO: The real property tax projection was for \$220 million so 2 percent of that would be 4,400,000.

CHAIR PONTANILLA: Thank you. Members, you know, we still have Ms. Dodson over here, if any, any of you any more questions for Ms. Dodson. At this time, the Chair would like to release her. Member Nishiki.

COUNCILMEMBER NISHIKI: Yeah. I got a question. The 3,000 square feet that you have for commercial, what was the thinking to create a commercial there rather than more units?

MS. DODSON: We knew that the maintenance on this building was going to be extremely high. We wanted the building to maintain a nice appearance, especially from the outside. So, we knew we had to have money available in the maintenance in the association for maintenance. But we also knew we couldn't assess these particular homeowners with a high maintenance fee. So, it was thought that if we put some sort of income generating part of this project so that, you know, each month money would be going into the association. It would be less money that the homeowners would have to pay and we wanted it to be relatively small part of the project. So, it was designed. It's a good location for some commercial.

We are also sort of looking at the model of Puuone Towers where they have commercial on the entire bottom floor and then units on the top. We didn't want to go the entire floor, partly because we needed elevator space, and lobby space, and that kind of stuff. But we did want to have some sort of income. We kind of envision really small bays for each, you know, tenant. Maybe like an insurance agent or an attorney or a CPA, relatively few clients coming in during the day, that type of thing so it doesn't take away from sort of the, you know, the homeownership feel of the building. We really wanted that to be the goal. It not be overpowered by

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commercial, so, it's, it's a relatively small space, but it does put money into the association.

COUNCILMEMBER NISHIKI: Thank you.

CHAIR PONTANILLA: Members, any more questions for Ms. Dodson at this time? Thank you very much for being here and answering all those tough questions. Members, any questions for the Department at this time? . . .*(end of tape 1B)*. . .this items to our first meeting in March. Just to let you know, our first meeting in March we going to have four budget amendments, CDBG, and we'll take Habitat for Humanity at that time. So, Members, with that if you guys have any announcements to make. Member Johnson.

COUNCILMEMBER JOHNSON: No, I just wanted to know, is it because these bills are not prepared that we're deferring it?

CHAIR PONTANILLA: No, it's, it's the recommendation of this Chairman. I need to go over...

COUNCILMEMBER JOHNSON: Oh, okay, 'cause I thought, you know, to give them the assurance that if they wanted it, I mean, I, I, I have no idea. I haven't had a chance to talk with the applicant, but I think so that they can move forward. And, and no disrespect to you, Mr. Chair, but only because I think that when they're putting all the pieces of the puzzle in place, time and particularly right now, it may be really important to them. So, I, as one Member of the Committee, have no problem with moving this forward.

CHAIR PONTANILLA: Thank you, and, and that was the intention of the Chair to begin it, and I have had discussion with Housing and Human Services to bring this forward to answer all of the questions so that we're all clear. And, and I still need to work with Housing in regards to some of the things because now they are going to go through the 201H and I want to really be sure that we move forward on this particular project. Members, any more discussion or announcements to be made? If not, thank you very much for being here this afternoon. And Members, again, the, the first meeting in March, which is probably the last meeting that we're going to have until Budget is all done. So, be prepared for a long meeting. Thank you very much. This meeting is adjourned. . . .*(gavel)*. . .

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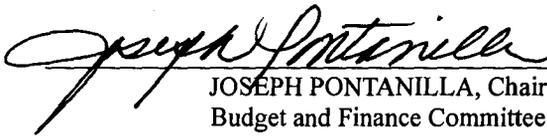
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**ACTION: DEFER pending further discussion.**

**ADJOURN: 2:38 p.m.**

**APPROVED:**

  
JOSEPH PONTANILLA, Chair  
Budget and Finance Committee

bf:min:090210:daf

Transcribed by: Delfey Fernandez

**BUDGET AND FINANCE COMMITTEE**  
**Council of the County of Maui**

**February 10, 2009**

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CERTIFICATE

I, Delfey Fernandez, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 2nd day of March 2009, in Wailuku, Hawaii

  
Delfey Fernandez