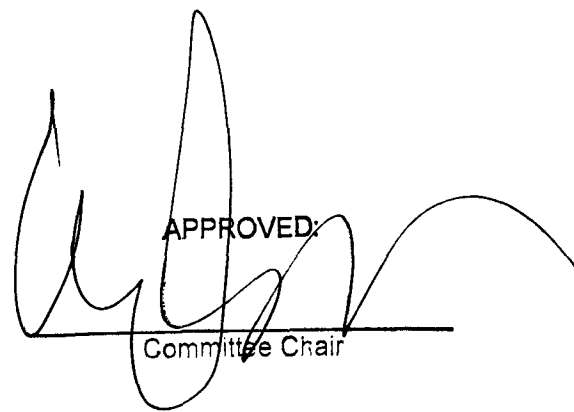


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M I N U T E S  
PUBLIC SERVICES COMMITTEE  
COUNCIL OF THE COUNTY OF MAUI  
WAILUKU, MAUI, HAWAII  
MARCH 4, 2009

APPROVED:  
  
\_\_\_\_\_  
Committee Chair

REPORTED BY: Tonya McDade  
Hawaii Certified Shorthand Reporter #447  
Registered Professional Reporter  
Certified Realtime Reporter  
Certified Broadcast Captioner

1           CONVENE:    9:06 a.m.

2           PRESENT:  VOTING MEMBERS:

3                    Councilmember Wayne K. Nishiki, Chair

4                    Councilmember Joseph Pontanilla, Vice-Chair

5                    Councilmember Jo Anne Johnson (in 9:35 a.m.)

6                    Councilmember Sol P. Kaho'ohalahala

7                    Councilmember Danny A. Mateo (out 10:25 a.m.;

8                                in 11:45 a.m.)

9                    Councilmember Bill Kauakea Medeiros

10                  Councilmember Michael P. Victorino

11                                (out 11:47 a.m.)

12                  NON-VOTING MEMBERS:

13                  Councilmember Gladys C. Baisa (in 10:42 a.m.)

14           STAFF:     Scott Jensen, Legislative Analyst

15                       Clarita Balala, Committee Secretary

16           ADMIN:    Jeffrey Murray, Chief, Department of Fire and

17                        Public Safety (Item No. 7)

18                        Robert Shimada, Deputy Chief, Department of

19                        Fire and Public Safety (Item No. 7)

20                        Greg Jenkins, Fire Fighter, Department of

21                        Fire and Public Safety (Item No. 7)

22                        David Thyne, Acting Assistant Chief,

23                        Department of Fire and Public Safety

24                        (Item No. 7)

25                        Don Medeiros, Director, Department of

                      Transportation (Item No. 4)

                      Wayne A. Boteilho, Deputy Director,

                      Department of Transportation

                      (Item No. 4)

                      Jo-Ann Ridao, Deputy Director, Department of

                      Housing and Human Concerns (Item No. 2)

                      Kimberly A. B. Sloper, Deputy Corporation

                      Counsel, Department of the Corporation

                      Counsel (Item Nos. 7 and 2)

                      Edward S. Kushi, Jr., Deputy Corporation

                      Counsel, Department of the Corporation

                      Counsel (Item No. 4)

                      OTHERS:    DeGray Vanderbilt (Item No. 2)

                              Alice Lee (Item No. 2)

1 Ella Alcon, Fire and Public Safety Commission  
(Molokai)  
2 Stacy Helm, Fire and Public Safety Commission  
(Molokai)  
3

4 Mercer "Chubby" Vicens  
5 Jocelyn Perreira

6 PRESS: Akaku: Maui Community Television, Inc.

7 -----

8 CHAIR NISHIKI: ...(gavel)... Will the Public  
9 Services Committee please come to order. Let the record  
10 show Councilmembers Pontanilla, Kaho'ohalahala, Mateo,  
11 and Victorino present.

12 COUNCILMEMBER VICTORINO: Good morning, Chair.

13 CHAIR NISHIKI: Excused are Committee Members  
14 Johnson. And we have here also Member Medeiros to join  
15 us from Hana.

16 COUNCILMEMBER MEDEIROS: Good morning, Chair.

17 CHAIR NISHIKI: Let me introduce members here  
18 from the Corporation Counsel. Kimberly Sloper, and,  
19 later on, Mr. Kushi, Ed Kushi will join us.

20 And I'll let the Fire Chief, Mr. Murray,  
21 introduce his staff.

22 MR. MURRAY: Good morning, Chair, Members.  
23 Myself, Jeff Murray, Fire Chief; Greg Jenkins, Fire  
24 Fighter III Operator on Molokai; Acting Assistant Chief  
25 David Thyne of Support Services; and Deputy Chief Robert

1 Shimada.

2 CHAIR NISHIKI: Thank you, Chief.

3 This morning, is there anyone wishing to  
4 testify for the three items?

5 Seeing none, we -- I see two people from  
6 Molokai here that we like to say aloha to you, Committee  
7 Members.

8 Being that there is no one here to testify,  
9 we'll turn to Item No. 7.

10 ITEM NO. 7 ACQUISITION OF REAL PROPERTY FOR KAUNAKAKAI  
11 FIRE STATION (MOLOKAI) (C.C. No. 09-67)

12 CHAIR NISHIKI: And, Fire Chief Murray, if you  
13 want to --

14 MR. MURRAY: Good morning again. This is in  
15 regards to the acquisition of the real property for the  
16 Kaunakakai Fire Station on Molokai. What I'll do now is  
17 turn it over to Greg Jenkins who is our point of contact  
18 for this project. Greg.

19 MR. JENKINS: Good morning. Aloha, Chair,  
20 Members of the Committee.

21 As Chief stated, this is for a request for the  
22 approval of additional compensation to -- basically,  
23 because the purchase price of the land for the  
24 Kaunakakai Fire Station increased as a result of the  
25 terms and conditions in our purchase and sale agreement.

1 And we can explain the details regarding that.

2 The request is based on the fact that any time  
3 the purchase price of a parcel of land exceeds \$100,000,  
4 it needs to come back for Council for review. So,  
5 essentially, that's why we're here. And we can explain  
6 any of the details regarding the increase in the  
7 purchase price.

8 CHAIR NISHIKI: Okay. If Members would turn  
9 to the March 3rd cover letter. It's towards the end of  
10 your Item 7 binder. Questions of the Fire Department?

11 COUNCILMEMBER VICTORINO: Chair?

12 CHAIR NISHIKI: Mr. Victorino.

13 COUNCILMEMBER VICTORINO: Thank you. Yes,  
14 thank you, Mr. Jenkins, for being here,  
15 appreciate that. If you would, for myself and as well  
16 as the public explain the -- the changes and why the  
17 money is necessitated. Especially -- and I'm gonna be  
18 very upfront with you, we're in a down market, things  
19 are going the other way. And you're coming to us for  
20 more. So the public and I would really like to know --  
21 and I think every Committee Member here, including the  
22 Chair -- would like to know why. So if you could  
23 please, Mr. Jenkins, explain to us.

24 MR. JENKINS: Thank you, Member Victorino.

25 The purchase and sale agreement, which is part

1 of Contract Number 3551, for the purchase and sale of  
2 the land for the Kaunakakai Fire Station, in the terms  
3 and conditions -- and -- and, Corporation Counsel,  
4 correct me if anything I state is -- needs to be  
5 corrected, our purchase sale agreement was for the  
6 amount of \$100,000 for roughly five acres of land. The  
7 actual size of the parcel that is -- now has subdivision  
8 approval is 5.37 acres for \$100,000.

9 The -- in the terms of the purchase and sale  
10 agreement, we had 730 days to achieve subdivision for  
11 the said parcel. And on the 750th day, there was a  
12 contingency period that ended of where the purchaser, or  
13 the seller, could terminate the agreement. And then on  
14 the 751st day of the agreement, the price per the  
15 purchase and sale agreement raised 8 percent, and every  
16 month thereafter, at the rate of .66 percent  
17 compounding. So we have numbers that go all the way to  
18 June of 2009, showing the -- the said increases.

19 For quite a while -- as you did indicate, it  
20 is a down market -- Molokai Properties Limited has been  
21 very reasonable and supportive of this -- this  
22 transaction. However, they indicated to us they were no  
23 longer in a financial position to waive the penalty  
24 fees, if you will, of this agreement. So through  
25 channels of my Department with -- through my Fire

1 Chiefs, we worked with the Administration to identify a  
2 source of funds to cover our closing costs, which  
3 included the -- the penalty fees.

4 COUNCILMEMBER VICTORINO: So this additional  
5 amount you're asking us for is the penalty fees. Which  
6 I remember way back when we did this, we all kinda  
7 indicated that, hey, don't let this happen. And you  
8 guys were all very hopeful at that time it wouldn't.

9 So what caused all these delays? Did we do  
10 something? Did Molokai Properties do something? What  
11 caused it? Because it's costing us more money. And  
12 whenever this costs this County, the people, more money,  
13 I'm not a happy camper. The people are not a happy  
14 camper. And we're asking people to cut back now, and  
15 now you coming for more money.

16 Hey, I'm all for fire fighters. You know I  
17 support you guys wholeheartedly. But this is not a  
18 happy camper right now. So I'd like an explanation, what  
19 happened, you know, because the people deserve that  
20 much.

21 And, I'm sorry, Mr. Chair. I -- I may be  
22 going off track, but I apologize but I -- I really need  
23 to know and I think the people would like to know.

24 MR. JENKINS: That -- that's a very legitimate  
25 question, Member Victorino. And -- and we are

1       accountable for that, so we can explain. The -- this --  
2       this project was -- is -- was a very detailed project.  
3       And as you know, with large CIP projects in the County,  
4       there are many different requirements to get them  
5       completed. If I could probably break it down simply, we  
6       had -- we could divide it up into a few basic areas.  
7       You had the land acquisition. We had the -- we had the  
8       architectural engineering portion of this project, and  
9       we had the construction. The land acquisition and the  
10      construction tied hand in hand in the fact that we  
11      needed to have zoning consistency in order to get the --  
12      the land conveyed to the County, as well as to get our  
13      building permits to build such a structure on what was  
14      required as Public/Quasi-Public land. So since,  
15      essentially, July 1st of 2004, we've been working  
16      diligently on that process.

17                 And there's many different departments in this  
18      County that have assisted us. I mean, we have the  
19      subdivision requirements go through many departments.  
20      And -- and everybody was assisting us as much as  
21      possible. It's just the process takes -- takes time.  
22      And every part of -- of those three areas I discussed,  
23      land acquisition, architectural engineering, as well as  
24      the construction funds that were -- were provided for  
25      the project, they were all concurrent and con -- and



1 contingent upon each other in order to get all the final  
2 approvals necessary. So, essentially, all I can say is  
3 that this -- these projects are -- are complicated. And  
4 it took -- it took this amount of time.

5 Now, the agreement -- when we first started  
6 this project back in 2004, we had some scoping meetings  
7 with different department heads, our Fire  
8 Administration. And we had a lot of assistance from  
9 Corp Counsel. And -- and Mr. Kushi is here today. He  
10 was very instrumental in helping us get this purchase  
11 and sale agreement in effect. And this was a typical  
12 agreement that the County had entered into in the past  
13 with Molokai Properties Limited. I could say that the  
14 only maybe difference between this and other agreements  
15 that the County's entered into is that some of the other  
16 properties we may have procured may have already been  
17 consistent with zoning and some other matters of that,  
18 that didn't take the same amount of time.

19 So that's essentially our -- our explanation.  
20 We can go into a -- a great more amount of detail and if  
21 -- if you -- if you require. But that's essentially  
22 what's happened. It's just we've gone through the paces  
23 and we've exceeded the dates that were allowed in the --  
24 in the contingency dates of the agreement.

25 COUNCILMEMBER VICTORINO: Okay. And -- and --

1 and I'll let other Members ask questions because I think  
2 maybe more details are needed. But I'll say, you know,  
3 again, we support what you guys do, we know the need,  
4 and I'm all for that, because the people of Molokai need  
5 it very badly. But, again, it's a classic example of us  
6 not being able to do our job. When I say "us," the  
7 County. And it's costing the people money again. So  
8 it's a frustrating feeling, especially in these  
9 austere times. So -- and, again, I sorry, not at  
10 you personally or anybody here, Mr. Chair, I'm just very  
11 upset about it. And I apologize for that. But whenever  
12 the people have to pay a lot more money for something  
13 they deserve, I'm not a happy camper. And I will say  
14 that any time, any place. So, hopefully, we learn  
15 better lessons. And in the future, maybe have better  
16 agreements. I don't know. Maybe do better work -- I  
17 don't know. Or maybe move something a little faster.  
18 That shows how efficient our -- our system is because we  
19 can't even take care of ourselves, let alone the public  
20 in general.

21 Thank you, Mr. Chair.

22 CHAIR NISHIKI: Any other questions from  
23 Committee Members? Councilman Pontanilla.

24 VICE-CHAIR PONTANILLA: Thank you, Chairman.

25 With the penalty of eight percent and .6

1 percent, what is the new cost that we looking at? It  
2 goes from 100,000 to how much?

3 MR. JENKINS: Thank you for the question,  
4 Member Pontanilla. This will actually also further  
5 answer Mr. Victorino's question. The -- again, just to  
6 reiterate, the purchase price was originally 100 with  
7 the penalty of 8 percent on the 751st day. Eight  
8 percent, so that's \$108,000. We've compounded it. And  
9 with not being able to completely nail down the exact  
10 closing date -- for example, if we were able to close --  
11 which is our target right now -- to close escrow by the  
12 end of March 2009, specifically, the 22nd of March, the  
13 purchase price with the penalty fees is \$121,000 five --  
14 121,576.16. So, essentially, from October 22nd, 2007,  
15 to now, we've gone up \$21,576.16. And then we're  
16 estimating, after all of the different departments had  
17 got back to us, with help to estimate our closing costs,  
18 we're looking at approximately \$2,500 to close.

19 VICE-CHAIR PONTANILLA: Okay. Thank you.

20 The other question that I had -- you know, I  
21 was looking at some of the contracts that were signed --  
22 did we enter into an agreement with the contractor to do  
23 this fire station already?

24 MR. JENKINS: The answer to that is -- is,  
25 yes. And we -- what we've done is we've -- we've --

1 through -- through the Finance Department and with Corp.  
2 Counsel and Fire Administration, we withheld the notice  
3 to proceed on the project. So the funds are encumbered  
4 and everything's ready to go. It's shovel ready. But  
5 we're withholding notice to proceed because it would be  
6 not in the County's best interest to allowing us to  
7 proceed for construction without having title to the  
8 land.

9 VICE-CHAIR PONTANILLA: That, I agree with  
10 you. But it seems, you know, it's -- it's difficult for  
11 me to understand, you know, a contract being signed  
12 before a property is being purchased. And with today's  
13 condition, you know, I don't know, we may have gotten a  
14 better price on -- on a re-bid. But that's up to  
15 Administration to -- to think about.

16 And I agree with Member Victorino here. I  
17 just was reading *The Maui News* this morning. And part  
18 of their editorial, Chairman, is that sometimes we take  
19 too long, you know, we become inefficient as -- as  
20 County government.

21 So I just wanna say, you know, good luck on  
22 your fire station on Molokai. Thank you.

23 CHAIR NISHIKI: Any other questions from  
24 Committee Members? Danny.

25 COUNCILMEMBER MATEO: Chairman --

1 CHAIR NISHIKI: Councilmember --

2 COUNCILMEMBER MATEO: -- thank you very much.  
3 Mr. Jenkins, good -- good morning. And, Chiefs, good  
4 morning.

5 March 22nd, 2009, this is when your -- you  
6 anticipate closing escrow?

7 MR. JENKINS: Chair Mateo, that is -- that is  
8 correct. The reason that we've targeted that date is --  
9 is that we're hoping that we can take advantage of the  
10 .66 percent that's already been put in effect on -- on  
11 -- as of February 22nd. So by the -- the way the terms  
12 of the purchase and sale agreement read is that within  
13 120 days of the approval of the subdivision, we need to  
14 close escrow. So we're gonna be trying to work as close  
15 as we can with Corp. Counsel and -- and the Finance  
16 Director to accomplish that. And we have -- we do have  
17 all of our escrow agreements in place and -- and ready  
18 to be signed. We just had issues per different rules of  
19 funding escrow until this was approved. So --

20 COUNCILMEMBER MATEO: Okay. When you reach  
21 that point, then, the project therefore moves forward  
22 and we can break ground?

23 MR. JENKINS: That would be correct. Yes.

24 COUNCILMEMBER MATEO: And there are no other  
25 particulars at this point that needs to be accomplished

1 other than the closing of escrow at this point?

2 MR. JENKINS: No. Once escrow is closed,  
3 we're able to issue the notice to proceed for the  
4 construction. We would be immediately looking at  
5 scheduling groundbreaking, and then the contractor would  
6 be mobilizing for the project.

7 COUNCILMEMBER MATEO: So after March 22nd's  
8 target date, we're looking at mobilization to occur, so  
9 we're looking at this project being engaged within 60  
10 days after the closing of escrow?

11 MR. JENKINS: Every -- everything with regards  
12 to the construction of the project and -- and -- and the  
13 start date in -- in the terms -- the period -- the  
14 period of performance of the contract begins on the --  
15 the date the notice to proceed is issued, which the  
16 contractor has 18 months to complete the project. So I  
17 would assume that as soon as the contractor, which is --  
18 is stated to us, is ready to proceed that is -- he will  
19 be mobilizing immediately. So our -- our formality of  
20 groundbreaking will probably be concurrent with his  
21 efforts. And mobilization of equipment and resources  
22 will be heading to the project site to begin work.

23 COUNCILMEMBER MATEO: Thank you. Thank you,  
24 Mr. Chair.

25 CHAIR NISHIKI: Councilmember Medeiros.

1 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

2 And good morning, Chiefs and Fire Fighter Jenkins.

3 Was the property always 5.73 acres?

4 MR. JENKINS: Member Medeiros, it's 5.37.

5 COUNCILMEMBER MEDEIROS: 37.

6 MR. JENKINS: And if it -- if it pleases the  
7 Members, we have a copy of the Land Court map that  
8 was -- was submitted, if you wanted further details on  
9 the metes and bounds in addition to your attachment to  
10 your resolution.

11 COUNCILMEMBER MEDEIROS: Okay. I -- I -- I  
12 won't need that, unless the Chair wants that for the  
13 Committee.

14 Was there any clause in the agreement with  
15 Molokai Properties Limited to extend the dates and time  
16 of the contract should a situation like what occurred be  
17 available to the Fire Department?

18 MR. JENKINS: There was a lot of discussion  
19 about the -- the waiving of the penalty fees during the  
20 period of the performance of this -- this purchase and  
21 sale agreement. Again, the Ranch, based on their  
22 current financial situation, informed us that they were  
23 no longer in a position to waive those fees. However,  
24 all along, they -- they -- they said that they were more  
25 interested in -- in getting this transaction completed

1 than those penalty fees. So this isn't something that  
2 -- I don't think there's any games being played by the  
3 Ranch in this case. It's just their -- their position  
4 at this time.

5 But with regards to a lot more reasons of the  
6 details of -- of the subdivision that -- that caused  
7 this -- this agreement to take as long as it did had a  
8 lot to do with our entitlement process and the land use  
9 changes that went through our environmental assessment  
10 and through our subdivision process, which was all, of  
11 course, typ -- atypical details, boilerplate details  
12 that we deal with the County all the time. So they  
13 were, all along that period of time, well aware that we  
14 were trying to complete those objectives. And they were  
15 actively participating and so we could accomplish those  
16 objectives. So, really, extending the agreement, the  
17 agreement has provisions that it can continue on in  
18 force as long as the seller or the purchaser and the --  
19 and the dates described didn't terminate the agreement.  
20 So it just continued in effect to this time.

21 COUNCILMEMBER MEDEIROS: Okay. Thank you for  
22 that explanation and clarification.

23 So has the contractor been secured already?

24 MR. JENKINS: Yes. The contractor is, is --  
25 we had a -- actually, two bidding processes on this



1 project. As you are aware, it overbid on the first  
2 round. We had to make some adjustments and cuts to  
3 the -- to the facility and loft a lot of areas. And we  
4 went back out to bid a second time. And we currently  
5 have Maui Master Builders as the contractor that was the  
6 low responsible bidder per the Finance Department.

7 COUNCILMEMBER MEDEIROS: And -- and, finally,  
8 since the process has taken this long, and we've  
9 incurred additional costs to the property, is there any  
10 additional costs from the contractor, being that I'm not  
11 sure, in the contractor's contract, if he was assured  
12 starting at a particular time?

13 MR. JENKINS: Actually, the -- the price for  
14 the -- for the project was negotiated in order to come  
15 up with the final negotiated amount that was -- the  
16 contract was based on. And that was in additional cuts.  
17 Because the contractor that -- that had -- when they bid  
18 were still the low bidder, we had the ability to  
19 negotiate. We cut more areas. And so that negotiated  
20 bid amount, which is \$11,802,819.00 is the negotiated --  
21 current negotiated amount. And that's what is en --  
22 currently encumbered for the project.

23 COUNCILMEMBER MEDEIROS: Okay.

24 MR. JENKINS: There are the potential for some  
25 change orders. We actually have one that we know of

1 already. That is directly as a result of our building  
2 permit process and our limited subdivision process. And  
3 those are -- we can disclose those to you if you like.  
4 It had to do with some fire hydrant additions.

5 And the -- the other good news about -- about  
6 that negotiated amount was regarding change orders and  
7 the increased cost is that the contractor is gonna hold  
8 that price and has still agreed to hold it.

9 We do have a -- a contingency fund amount in  
10 the amount of \$500,000. And the language that was used  
11 in that amount in regards to the -- again, this is for  
12 construction purposes -- was similar to Federal highway  
13 projects. County contingency funds, I think you may  
14 have seen some of those types of projects before. And  
15 what it does is it doesn't automatically assume that the  
16 contractor has access to that money. It's only with the  
17 expressed approval of the County and the Chief that  
18 change orders -- or those monies would be used for any  
19 other purposes for the project but change orders and  
20 other -- other -- other matters.

21 COUNCILMEMBER MEDEIROS: Okay. Fire Fighter  
22 Jenkins, thank you for that extensive information, which  
23 is helpful. Certainly, you know, the Council realizes  
24 that contracts involve change orders when -- but we  
25 actually hope that change orders are not part of it,

1 but, realistically, it -- it happens. So I'm glad to  
2 hear that the contractor will be holding at the  
3 negotiated price. Thank you, Department.

4 Mahalo, Mr. Chairman.

5 CHAIR NISHIKI: Thank you. Sol.

6 COUNCILMEMBER KAHO'OHALAHALA: Thank you,  
7 Chair.

8 Mr. Jenkins, just some clarification. The --  
9 the amount that you're seeking right now, is it 21,000  
10 or is it 25,000?

11 MR. JENKINS: Roughly -- roughly, it's gonna  
12 be in the neighborhood of -- of -- of 25,000, when we  
13 consider whatever the closing costs -- some of these  
14 costs are not specifically known until we further that  
15 opening of escrow and all the different costs we're --  
16 we're facing with. So we -- we have a source of funds.  
17 We're not asking for any additional funding for this --  
18 for this request, just the permission to allow for the  
19 additional purchase price -- the increase in the  
20 purchase price, rather. So, again, we're not requesting  
21 further budget amendment of any type. We have funds  
22 that have been identified that we could use.

23 COUNCILMEMBER KAHO'OHALAHALA: Okay. Thank  
24 you.

25 Chair, I have no more questions. No more

1 questions.

2 CHAIR NISHIKI: Councilman Pontanilla.

3 VICE-CHAIR PONTANILLA: Thank you.

4 Fire Fighter Jenkins, you say the project is  
5 shovel ready. Is it part of the stimulus package?  
6 Showing my kings here.

7 MR. MURRAY: If I may? Thank you,  
8 Councilmember Pontanilla. We did submit a portion of  
9 that work to be done in the stimulus package. Whether  
10 it will come out in -- in this immediate time we're not  
11 sure. Because what we did was we put together the site  
12 work and the hydrant development and improvement for  
13 that whole area and -- and utilized that because it's  
14 infrastructure. We're not sure if it's gonna come by,  
15 you know, but we did submit that as part of a stimulus  
16 package.

17 VICE-CHAIR PONTANILLA: Very good.

18 MR. MURRAY: Ready to go projects.

19 VICE-CHAIR PONTANILLA: And -- and once you  
20 start the project, are you looking at probably hiring an  
21 inspector for the County of Maui so that we know that  
22 things are being done right, and try to elim --  
23 eliminate or reduce change orders as the project go  
24 along? We found that, you know, by doing that, at the  
25 Wailea Fire Station, we really, you know, stuck to the

1 price and very few change orders.

2 MR. MURRAY: Well, we've had meetings with the  
3 contractor to iron a lot of things out so that we don't  
4 have any change orders. Because we know -- we realize  
5 that the cost factor with change orders is actually much  
6 more than it is from -- from the beginning. So we've  
7 been trying to iron that out. With this time that we  
8 had, we've been trying to utilize that wisely.

9 Whether we have --

10 MR. JENKINS: To further that, we had -- did  
11 have some recent meetings and with both the architect  
12 and the contractor and the Fire Administration. And  
13 the -- there's a few things we've done to try to protect  
14 that. One is we've created a set of blueprints that are --  
15 show an incredible amount of detail, more than you'd -- you  
16 would think. The specifications align with that. So  
17 there's very little room to budge. There has been  
18 proper compensation in the architectural engineering  
19 contract that allows for the different architects in the  
20 different divisions, such as civil engineering, et  
21 cetera, to be at the site as specific divisions of work  
22 are performed. For example, foundation, cement.

23 And with regards to special inspection, that's  
24 something that the County is -- has dealt with in the --  
25 in recent years, ensuring that there's third-party

1 testing of -- of, for example, concrete to ensure that  
2 it has proper PSI. And -- and that things are being  
3 certain -- there's many different things that special  
4 inspections cover. So we are working those details out  
5 with our architect, to make sure that -- that the  
6 contractor builds the building as it was designed.

7 VICE-CHAIR PONTANILLA: Thank you. And one --  
8 one last question. I don't know if you guys can answer  
9 this or not. I -- I know the money that we set aside  
10 was cash. Is there a possibility of going to bond? So  
11 I -- I leave the question to you folks.

12 Thank you, Chairman.

13 COUNCILMEMBER VICTORINO: Chair?

14 CHAIR NISHIKI: Someone like to respond?

15 MR. JENKINS: The -- the only way I could  
16 answer that question, I'm not -- I can't -- my name  
17 isn't Kalbert so -- or (inaudible). I can take a stab  
18 at it. I do know you -- you are correct, Member  
19 Pontanilla, there was cash. And the funds are  
20 encumbered. The only thing I -- I -- I do know is that  
21 if, at any time, the index code that was utilized for this  
22 project -- as you know, when we -- we came back to the  
23 Council for a budget amendment, we -- we had moved some  
24 money around. That index code is -- as far as its  
25 fiscal year or valid period of being encumbered is over.

1       So in -- in prior projects, when dealing with Angelita  
2       De La Pena in Finance, when -- when we talk about having  
3       funds trying to move index codes, for example, those  
4       monies usually get returned to the General Fund. So how  
5       that would work, I would imagine that funds would need  
6       to be lapsed and then bond funds reallocated to do such  
7       a thing, would be my assumption. So that would be  
8       something definitely that we would wanna talk to Kalbert  
9       and the Budget Director about.

10               VICE-CHAIR PONTANILLA: Thank you. And -- and  
11       the reason why I mentioned that is because of the -- the  
12       project itself is gonna be, you know, fire station, for  
13       everyone on Molokai, yeah. And when we have, you know,  
14       longevity as far as projects, you know, that's the route  
15       that I would take, you know, so that you don't tie up  
16       cash. So thank you.

17               Thank you, Chairman.

18               CHAIR NISHIKI: Thank you.

19               COUNCILMEMBER VICTORINO: Chair?

20               CHAIR NISHIKI: Any other questions,  
21       Mr. Pontanilla -- ah, Mr. Victorino. Excuse me.

22               COUNCILMEMBER VICTORINO: Thank you,  
23       Mr. Nishiki.

24               I guess the question I have for you is very  
25       simple. Where did this additional money come from? You

1       said you have a source. And so I think myself and the  
2       public would like to know where that source is.

3               MR. JENKINS: We identified different options  
4       in the funding, whether it be -- usually, what we try to  
5       do is find a source of funding within our own budget,  
6       Fire Department budget. And that was looked at first.  
7       And with -- in -- in -- versus going for a budget  
8       amendment. And with the Budget Director, with  
9       Mr. Pablo, as well as Kalbert, they determined that we  
10      had a source of funding that we could use that was for  
11      CIP within our existing budget for FY 09 to cover the  
12      cost. So, basically, we won't be able to use a portion  
13      of that funding for something else for capital  
14      improvement.

15             COUNCILMEMBER VICTORINO: So the bottom line,  
16      you took from Peter to pay Paul to get something done,  
17      so something else may not be able to get done for now?

18             MR. JENKINS: That would -- that would be  
19      correct, sir.

20             COUNCILMEMBER VICTORINO: And, again, please,  
21      if I -- if it sounds like I'm not a -- I'm not a happy  
22      camper, I really wasn't from the beginning. But, again,  
23      this is well deserved, really needed on the Island of  
24      Molokai. So I'm not objecting to the whole project, I  
25      just hope that, in the future, we can get better -- a



1 better stamina way of doing business that --

2 MR. JENKINS: You bring up a very -- a good  
3 point in -- if you -- I may, I'd like to try to explain  
4 something. Is that throughout this project, a lot of us  
5 didn't have a lot of experience except just ethic --  
6 ethics and logic when we approached this. And there  
7 were a lot of people in the County government that have  
8 just an incredible amount of knowledge and experience.  
9 And the irony behind it is, is you have people in -- in  
10 engineering and in -- in -- in the Public Works  
11 Division, you have people in Parks and Recreation, you  
12 have people like Dave Taylor in Wastewater. And -- and  
13 these people are all people that -- that myself and  
14 the -- the rest of our Department collaborate with on a  
15 regular basis. And I -- I completely agree with you. I  
16 have a lot of additional separate frustrations regarding  
17 CIP projects myself, which isn't -- this isn't the time  
18 to discuss that. But I think that there is, is a -- a  
19 very big area for improvement that we can -- we can make  
20 as a County in approaching these projects. And by using  
21 a lot of the resources we have in these departments, and  
22 the task force type format to collaborate with each  
23 other and help each other -- and I left out police, you  
24 have Lawrence Hudson there. We could probably really  
25 come up with some interesting ideas to present that may

1 allow for more efficiency and take all that talent  
2 that's been built over the years in projects like this  
3 and learn and grow from them and make recommendations  
4 for maybe even changes in policy that would make it  
5 smoother. Complete them faster.

6 COUNCILMEMBER VICTORINO: Thank you,  
7 Mr. Jenkins. And, again, it was nothing personal and on  
8 none of the Chiefs. I know you guys worked very  
9 diligently on this. And it's hard when you're working  
10 without little or no experience at all. I understand  
11 that. And it really wasn't a charge to you folks as  
12 this was charged towards the people that should have  
13 been assisting you. And you're right, maybe it's  
14 time -- and maybe, Mr. Chair, we can look at that in the  
15 dis -- in the near future for one of our future  
16 meetings, is how we can streamline this issue when --  
17 between governmental agencies within the County. So  
18 thank you very much.

19 Thank you, Mr. Chair.

20 CHAIR NISHIKI: Thank you. Any other  
21 questions from Committee Members?

22 Let the record show Councilmember Johnson  
23 present, also.

24 I've got a question. It has to do with clear  
25 title. Does this property, or will it have clear title

1 at the end of this process that you're going through  
2 with escrow?

3 MR. JENKINS: Thank you, Chair Nishiki, for  
4 the question. Yes, it will. One of the last provisions  
5 in the purchase and sale agreement identifies there will  
6 be clear and transferable title, insurable title to the  
7 prop -- parcel. Originally, it -- and this is a -- a  
8 point of historical reference. This was Bernice  
9 Pauahi's crown lands. So it has a great deal of -- of  
10 historical significance on Molokai. So not just that it  
11 is owned by Molokai Properties Limited, but it did go  
12 through Land Court. And there -- and because of that,  
13 there is -- there will be the updates and the necessary  
14 items on the transfer certificate of title, the TCT  
15 number, for this parcel. So it's supposed -- I leave  
16 that more up to our Corporation Counsel to make --  
17 ensure that that is -- has been met and our title  
18 company that we will be using, which is Title Guaranty,  
19 but we also have title insurance on this, which is  
20 required as part of the agreement.

21 CHAIR NISHIKI: Any comments? Corporation  
22 Counsel.

23 MS. SLOPER: Thank you.

24 I -- as far as I'm aware, the Land Court  
25 procedure that has been -- I'm informed now -- completed

1 or approved, that will also help assure the clear title  
2 for this property.

3 CHAIR NISHIKI: It is clear? Thank you.

4 Any other questions from Committee Members?  
5 Councilman Medeiros.

6 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

7 Just to follow up on the Chair's question, it  
8 went to Land Court. Was it because there was a  
9 challenge on the title?

10 MR. JENKINS: No, it was not because there was  
11 a challenge on the title. It was directly related to  
12 subdivision processes, legal -- legal requirements. We  
13 -- we achieved our -- our County subdivision, final  
14 subdivision approval in June of 2008. And immediately  
15 pending -- immediately, as a result of that, we -- we  
16 then had the -- the proper documentation to proceed to  
17 Land Court, of which Corporation Counsel guided us. And  
18 we hired a law firm to represent us in our petition to  
19 Land Court.

20 COUNCILMEMBER MEDEIROS: So did the County of  
21 Maui have to pay for the title search?

22 MR. JENKINS: We paid for a title search.  
23 Initially, the very first -- within 90 days of the  
24 execution of our purchase and sale agreement. And that  
25 was completed. And then because we did that with Title

1 Guaranty escrow, knowing that that was also a provision  
2 in the contract to close, we saved some money by  
3 updating that title report. So that updated title  
4 report has been already paid for with -- a while back  
5 and -- and is valid for our closing of escrow.

6 COUNCILMEMBER MEDEIROS: So the property  
7 owner, Molokai Properties Limited, did not have a  
8 current clear title to offer the County of Maui, which  
9 would -- you know, we wouldn't have to do a title  
10 search.

11 MR. JENKINS: The -- as far as we knew, they  
12 had clear title. It's just a -- a boilerplate condition  
13 of the agreement. Again, I -- I could defer back to  
14 Corp. Counsel. I -- Mr. Kushi is here today. If you  
15 have any comments -- if we need any further comment.  
16 That, the title, from what we understood, was clear.

17 COUNCILMEMBER MEDEIROS: Okay. Because my  
18 understanding of property transactions, normally, is  
19 that the seller provides the clear title. And if it  
20 isn't clear, then normally they have to do a title  
21 search and provide the buyer, the purchaser, with that  
22 clear title. But this happened the other way. We -- we  
23 had to go out and get a title search and clear title.

24 MR. JENKINS: I believe that was because we  
25 were the developer in this case, because we were

1 initiating subdivision. So we bore any costs that were  
2 -- 100 percent of the costs associated with the  
3 subdivision of the parcel. So that -- because we were  
4 initiating the transaction, we -- we bore those costs as  
5 part of subdivision.

6 COUNCILMEMBER MEDEIROS: Okay.

7 MR. JENKINS: That would that would explain  
8 why we -- we paid for it.

9 COUNCILMEMBER MEDEIROS: Thank -- thank you  
10 for that clarification, Department.

11 Mahalo, Mr. Chairman.

12 CHAIR NISHIKI: Thank you.

13 Any other questions from Committee Members?

14 Just a concern, Mr. Pontanilla, as we go  
15 through the budget. It concerns me that the Fire  
16 Department, in its explanation on the process that it  
17 had to go through, and the reasoning why we had to pay  
18 so-called an extra 25 thousand -- I think we've got a  
19 person called the CIP Coordinator in the County. And --  
20 and my curiosity is why he or she did not kokua their  
21 services with this project as big as it is. And I don't  
22 know what the total cost is of building the station and  
23 -- and the purchase, but this concern that I have,  
24 Mr. Chairman --

25 COUNCILMEMBER MATEO: Chairman?

1 CHAIR NISHIKI: I hope we can look at this as  
2 we review the budget.

3 COUNCILMEMBER MATEO: Chairman?

4 CHAIR NISHIKI: Mr. Mateo.

5 COUNCILMEMBER MATEO: Chairman, thank you very  
6 much for your comments regarding the CIP Coordinator. I  
7 think this is a prime example of the County's inability  
8 in dealing with capital projects. The CIP Coordinator's  
9 position was approved by the -- by this Council several  
10 years ago. It had not yet been filled. Had it been  
11 filled, we would not -- or we would -- we would avoid  
12 situations such as this.

13 Unfortunately, the Department takes heat at  
14 this particular point in time. It is through County's  
15 bureaucratic red tape that hinges projects like this  
16 from moving forward. The irony of it all, we're talking  
17 about a County project that has to do with public health  
18 and safety, and bureaucrats screw it up by throwing  
19 obstacles and barriers in front of its way.

20 It's time to move on. It is not a problem of  
21 the Department. It -- it is part of the County's  
22 inability to take care of our own needs and continue to  
23 provide these unnecessary stalls when we dealing with a  
24 County, I guess, generated project.

25 A CIP Coordinator that we funded years ago is

1 definitely warranted at this particular point in time.  
2 This is not the first project. This Department is also  
3 looking down the road to the Haiku Fire Station project.  
4 And we cannot be, you know, handcuffed with our own  
5 bureaucratic requirements at this particular point.  
6 Damn it, get the job done!

7 Thank you, Mr. Chair.

8 CHAIR NISHIKI: Thank you, Mr. Mateo. And I  
9 will look at this in the budget, why this position was  
10 not filled. My curiosity.

11 Any comments from other Members?

12 VICE-CHAIR PONTANILLA: I'd just like to  
13 make --

14 CHAIR NISHIKI: Mr. Pontanilla.

15 VICE-CHAIR PONTANILLA: -- a comment. Mr. Mateo  
16 is right. We created the position some time ago. But  
17 understanding, though, that almost every department, or  
18 major department, have a CIP Coordinator. So there need  
19 to be a process that -- all of the CIP Coordinators with  
20 one focal being, I guess, calling the shots. They  
21 should be meeting regularly so that, you know, things  
22 like capital improvement projects, or any projects that  
23 we have, you know, we would know, you know, status,  
24 status and costs for this County. And that's very  
25 important.



1 Thank you.

2 CHAIR NISHIKI: Thank you.

3 Any other questions or comments from Committee  
4 Members?

5 COUNCILMEMBER MATEO: Recommendation, Chair?

6 CHAIR NISHIKI: Chair is recommending that we  
7 approve the acquisition of real property at Kaunakakai,  
8 Molokai, Island of Molokai, Hawaii, for the Kaunakakai  
9 Fire Station, and, also, the filing of the item.

10 COUNCILMEMBER MATEO: So moved.

11 COUNCILMEMBER MEDEIROS: Second.

12 CHAIR NISHIKI: Moved and second. Any  
13 discussion?

14 COUNCILMEMBER MATEO: Chairman?

15 CHAIR NISHIKI: Mr. Mateo.

16 COUNCILMEMBER MATEO: Chairman, I will gladly  
17 support the recommendation on the floor. This is a  
18 project that has been of special interest to me the last  
19 seven years. That's how long it took from conception  
20 to --

21 CHAIR NISHIKI: Birth.

22 COUNCILMEMBER MATEO: -- hopefully, you know,  
23 moving -- moving forward.

24 The Chair would like to take this opportunity  
25 to also commend Fire Fighter Jenkins who has really

1 spearheaded the move of this particular project in  
2 conjunction with then Chief Kaupalolo.

3 In addition, Chairman, the two women that you  
4 recognized early on in this meeting are members of the  
5 Fire Commission from the Island of Molokai. These are  
6 both Ms. Ella Alcon and Ms. Stacy Helm who have been  
7 supporters of this particular project, Chairman.

8 And as I stated earlier, I think the  
9 Department as well as myself, Chair, shares a lot of  
10 frustration in trying to shepherd a project through this  
11 own County processes. It is not only taxing, it is  
12 excru -- it is excruciating to deal with a lot of  
13 bureaucrats who, instead of wanting to help move  
14 something forward quickly -- this is a County project --  
15 you know, we get stalled along the way. And this is  
16 what happens when we get stalled. It costs us more  
17 money.

18 And you need to remember that this is a  
19 neighbor island project. Cost factors on the Island of  
20 Molokai, as it is on Lanai and as it is in Hana, costs  
21 more. So the more delays and the more obstacles and  
22 requirements that is added to a project, cost factors  
23 will increase. That is how business operates,  
24 unfortunately.

25 So I am really excited at this point that,

1 after seven long years, Mr. Jenkins and the Department  
2 has been able to shepherd this project through. My  
3 community is anxiously waiting for it. And I urge the  
4 Administration, calendar year 2009, this project needs  
5 to move forward, this project needs to happen, and the  
6 burden is now on your shoulders. Make it happen.

7 Thank you, Mr. Chair.

8 CHAIR NISHIKI: Thank you, Mr. Mateo.

9 VICE-CHAIR PONTANILLA: Chair?

10 CHAIR NISHIKI: Mr. Pontanilla.

11 VICE-CHAIR PONTANILLA: Thank you, Chairman.

12 Who could follow that act? But, you know,  
13 I've been in this Council for seven years. And -- and I  
14 share the frustration, you know, Council Chairman Mateo  
15 has. You know, my office has been working with  
16 Mr. Jenkins for -- in fact, not my office, but a lady in  
17 my office has been working with Mr. Jenkins in trying to  
18 move this thing along. So, you know, it's long time  
19 coming, you know.

20 If you ever seen the Kaunakakai Fire Station,  
21 you know, you realize those guys are living almost like  
22 in a third world country. So I -- I'm happy to support  
23 this item this morning, Chairman. It's long time  
24 waiting.

25 And -- and, you know, again, good luck to the

1 Department in trying to get this thing done.

2 CHAIR NISHIKI: Thank you, Mr. Pontanilla.

3 COUNCILMEMBER VICTORINO: Chair?

4 CHAIR NISHIKI: Councilmember Victorino.

5 COUNCILMEMBER VICTORINO: Thank you, Chair  
6 Nishiki.

7 Basically, I wanted to make sure that my  
8 frustrations was not borne by you, but now the  
9 explanation for the public to see and the bureaucratic  
10 system that exists. So that also the public  
11 understands, when they come running into us saying their  
12 project is taking forever, well, baby, it ain't only yours,  
13 it's ours, too. So we know the problem exists and we  
14 try our best to make things better, but it doesn't seem  
15 to come out real quick.

16 But I thank all of you for your efforts. I  
17 agree with Chair Mateo that this is long overdue. I've  
18 only been here a little over two years, and I've watched  
19 this develop in that time.

20 I only thing I will disagree with Chair Mateo,  
21 actually, now is a good time to build because material  
22 costs and other things are dropping, you know.  
23 Hopefully, we'll come under budget because cost factors  
24 in the construction world is coming down. And even on  
25 Molokai, it's starting to come down because it's come

1 down a big deal on -- on Maui County -- on Maui Island.  
2 And so I hope that helps us do more. And if we have  
3 extra money to do the things you guys had to take out  
4 maybe can come back into the picture.

5 So thank you, Mr. Jenkins. Thank you, Chief,  
6 for all your hard work.

7 Thank you, Mr. Chair.

8 COUNCILMEMBER MEDEIROS: Chair?

9 CHAIR NISHIKI: Councilmember Medeiros.

10 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

11 And I'd like to say that the Council Chair  
12 Mateo and the representative from Molokai has  
13 articulated the entire process very well. And like  
14 Member Victorino, I, too, have been here only a little  
15 over two years, but have been part of the process and  
16 seen the frustration for the Molokai community. So I'm  
17 glad this project has moved to this point. And, like  
18 Council Chair Mateo has said, we need to move it and get  
19 it done.

20 I wanna thank the Department for their work  
21 and efforts, and for being diligent and steadfast in  
22 getting this project to this point. And especially, you  
23 know, working with Fire Fighter Jenkins, seems like he  
24 would be a good CIP Coordinator, but I'm sure the  
25 Department wouldn't wanna lose him. So just

1       congratulate them for the work they've done and look  
2       forward to this project being completed.

3               Mahalo, Mr. Chairman.

4               CHAIR NISHIKI: Thank you.

5               Jo Anne.

6               COUNCILMEMBER JOHNSON: Yes. As -- as Subject  
7       Matter Chair over Economic Development, I can only say  
8       this is another version of our local stimulus package.  
9       And I think it comes, as Member Victorino said, at a  
10      good time. I think that the more capital we can infuse  
11      in terms of use of local labor, trying to keep the money  
12      circulating on Molokai, because it has other issues that  
13      have nothing to do with your project, but it really  
14      needs all the help that it can get. And anything we can  
15      do to help facilitate that I think is important.

16              The Members raise good points. And perhaps at  
17      some point during the budget process we can actually  
18      take a look and reexamine what our role is, which should  
19      be as facilitators and not as obstructionists. It  
20      doesn't mean you have to give a rubber stamp to  
21      everything, but we have to be reasonable. And  
22      particularly now, the eye should be on moving forward  
23      with many of these projects. And I think, as President  
24      Obama has said, it is important now more so than ever to  
25      move projects that are shovel ready forward as quickly

1 as possible because that's what's gonna get all of us  
2 back on our feet.

3 And I really wish you a lot of luck. And I --  
4 I hope Scott English doesn't hold you guys up on the  
5 Fire Code. So just put that little message out to  
6 Scott. Thanks.

7 CHAIR NISHIKI: Sol.

8 COUNCILMEMBER KAHO'OHALAHALA: Thank you,  
9 Chair. I just wanna kokua. Mahalo.

10 CHAIR NISHIKI: Done? Thank you.

11 You know, the four members here of the Fire  
12 Department, you know, in having this discussion, I just  
13 want to applaud you for your honesty. I think that came  
14 out to everyone. I think the humility that you've  
15 shown, I think that all of us can be proud that these  
16 members and -- and top brass of the Department have  
17 shown us this type of asset that we cherish so much in  
18 our County employees.

19 And if that is the last statement that I have  
20 to make, I'll call for the question. All those in favor  
21 say "aye."

22 COUNCIL MEMBERS VOICED AYE.

23 CHAIR NISHIKI: All those opposed? Motion  
24 carried. And the item to be filed. Thank you.

25

1 VOTE: AYES: Councilmembers Johnson, Kaho'ohalahala,  
2 Mateo, Medeiros, Victorino, Vice-Chair  
3 Pontanilla, and Chair Nishiki.

4 NOES: None.

5 ABSTAIN: None.

6 ABSENT: None.

7 EXC.: None.

8 MOTION CARRIED.

9 ACTION: Recommending ADOPTION of revised resolution  
10 and FILING of communication.

11 CHAIR NISHIKI: Thank you, Fire Department,  
12 for coming today. Thank you, Chief.

13 ITEM NO. 4 PUBLIC TRANSIT (C.C. No. 09-27)

14 CHAIR NISHIKI: We'll turn to Item Public  
15 Service No. 4. This is a Bill for an Ordinance adding a  
16 new title to the Maui County Code entitled "Public  
17 Transit." With us today, we have Director Don Medeiros,  
18 Deputy Director Wayne Boteilho, and the Corporation  
19 Counsel Junior Kushi.

20 Go ahead. Yeah. Go ahead, Don.

21 MR. MEDEIROS: Chair Nishiki and Members of  
22 the Public Service Committee, good morning. Thank you  
23 for having us here today.

24 On behalf of the Department of Transportation,  
25 we're proud to introduce a proposed bill for an



1 ordinance entitled "A Bill for an Ordinance Adding a New  
2 Title to the Maui County Code Entitled Public Transit".  
3 The purpose of the proposed bill is to adopt regulations  
4 pertaining to the County's public transit system.

5 The Maui Bus has matured to a point where it's  
6 now appropriate to codify the operations. Virtually all  
7 bus systems have ordinances such as this. Our ordinance  
8 was modeled after the City and County of Honolulu.

9 The proposed bill has been signed by the  
10 Department of Corporation Counsel and was crafted  
11 following review and comment by the departments of  
12 Finance, Police, Prosecuting Attorney and Public Works.

13 The bill deals with our current operations  
14 such as rules for safety and special transit for persons  
15 with disabilities. The bill also provides enabling  
16 legislation for possible, but normal bus activities such  
17 as advertising.

18 Finally, the bill grants the first-time  
19 rulemaking authority to the Department of  
20 Transportation. This is an authority other departments  
21 have. And as mentioned earlier, the Department of  
22 Transportation has come of age.

23 We have structured the ordinance so the County  
24 may add more complex chapters in the future. For now,  
25 this ordinance represents only the most basic features

1 of all municipal bus systems.

2 We ask for your favor -- favorable  
3 consideration of this bill today and we are available to  
4 answer any questions you may have. Thank you.

5 CHAIR NISHIKI: Council Members, any questions  
6 in regards to the ordinance? Councilmember Pontanilla.

7 VICE-CHAIR PONTANILLA: Thank you.

8 Thank you for this proposal. Make it, you  
9 know -- at least we get a chance to review, to make it  
10 clear what is public trans -- transit for Maui County.

11 One question that I have. Senior citizen, 55  
12 years and older, is this -- I guess -- I consider senior  
13 citizen maybe 62. Why 55?

14 MR. MEDEIROS: As we said, we followed the  
15 City and County of Honolulu. So it's more of  
16 consistency in -- in the realm of transit.

17 VICE-CHAIR PONTANILLA: Okay. I -- I just  
18 wanna make sure that -- you know, we have other parts  
19 of, you know, ordinance -- I look at golf, we do have  
20 like senior fees. And, you know, there is a certain age  
21 for that, too, yeah. So just a consistency. Thank you.

22 CHAIR NISHIKI: Any other questions for  
23 Committee Members? Councilmember Medeiros.

24 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

25 And to the Department, Director Medeiros. So

1 this ordinance is designed specifically for bus transit,  
2 is that correct? And then the question I ask is, should  
3 we have other modes of transportation, will it be  
4 covered by this or we would have to amend this or design  
5 a new ordinance for other modes of public  
6 transportation?

7 MR. MEDEIROS: Currently, this -- this is  
8 designed for the Maui Bus system, which encompasses the  
9 fixed route, the commuter service and the ADA  
10 transportation. As we evolve, as we mentioned in here,  
11 we can add to it as -- as things evolve for the --  
12 through the future. So it's the -- sort of a -- a --  
13 the -- the foundation of what we're trying to build.

14 COUNCILMEMBER MEDEIROS: Okay. And -- and  
15 thank you for that clarification. And I agree and --  
16 and join Member Pontanilla in congratulating you for  
17 bringing this forward, the Department, to bring this  
18 ordinance forward. You know, in my short tenure here,  
19 I've seen it take a long time for something like this to  
20 be proposed or come around. So it's to your credit and  
21 your Department's credit that you have done this early  
22 in the process of your Department. So I just wanna  
23 thank you for bringing this forward.

24 Mahalo, Mr. Chairman.

25 CHAIR NISHIKI: Thank you, Mr. Medeiros.

1 Councilmember Johnson.

2 COUNCILMEMBER JOHNSON: Yes. And -- and I'm  
3 really glad to see that this legitimizes what we've been  
4 doing all along, in that, hopefully, the Maui Bus is  
5 here to stay.

6 So with that being said, I want to address the  
7 issue of the advertising. Because I noticed there's no  
8 advertising on the exterior of our Maui Bus vehicles.  
9 Does that preclude advertising like the message signs or  
10 anything from the interior or -- or possibly at our bus  
11 stops or on our benches?

12 MR. MEDEIROS: At -- at this juncture, and  
13 what we're talking about today, it won't preclude  
14 advertising from interior -- the interior of the buses.  
15 However, if we're going to do advertising to generate  
16 revenue, then it has to go out through the appropriate  
17 procurement procedures. Currently, we have  
18 informational signs and we have put signage that would  
19 be helpful to the community and with nonprofit agencies.

20 For instance, the Clerk's office has put signs  
21 in urging people to vote. We've had signs about  
22 littering with the Maui's anti-litter campaign. We've  
23 put in signage maybe speaking to a -- a job fair that  
24 might occur someplace. And so -- and so, this way, it  
25 sort of -- it really will define what it is that we

1 would allow in the buses. Beyond that, we -- we have  
2 not extended it. And the question -- the second part of  
3 the question that you're asking, with regards to benches  
4 and that sort of thing, is a bridge yet to cross.

5 COUNCILMEMBER JOHNSON: So that's why it's not  
6 addressed in the ordinance?

7 MR. MEDEIROS: Correct.

8 COUNCILMEMBER JOHNSON: Okay. That would be  
9 the only thing that I would say. Because I know budget  
10 constraints and other concerns. Plus, you know, I guess  
11 trying to generate revenues and finding a mechanism or  
12 special fund where this money that would be generated  
13 from advertising, whether it's in the interior of the  
14 buses or at the bus stops, I -- I think we can try and  
15 tackle that one, but the sooner the better. Because I  
16 would really love to see some of these bus stops where,  
17 if we have budget constraints, that at least for the  
18 benches and the covered bus stop areas, if someone's  
19 willing to erect that, I certainly would be open to  
20 having them do that in exchange for whatever  
21 advertising.

22 Thank you.

23 CHAIR NISHIKI: Any other questions? Sol.

24 COUNCILMEMBER KAHO'OHALAHALA: Thank you,  
25 Chair.

1           My questions have to deal with -- and -- and  
2 we had this discussion already -- whether or not this  
3 ordinance should also, in some way, capture the fact  
4 that there are subdivisions that are -- are growing, and  
5 how -- how does your system integrate into subdivision  
6 requirements so that when we're moving our population  
7 farther and farther away from the -- the city centers  
8 of the core, public transportation becomes a major part  
9 of -- of what I think we should be relying on. And, in  
10 essence, to really help your -- your Department and --  
11 and the buses to become more usable. So is there a  
12 manner in which this current ordinance would lend itself  
13 to -- to -- to become a part of those processes so -- so  
14 as not to leave it as a second thought, you know, in  
15 subdivision approvals, that, all of a sudden, we look  
16 at, well, we should have included bus transportation  
17 within that plan itself. So I'm -- I'm just asking a  
18 question. Is this the appropriate place in which some  
19 language is included to ensure that it's not only  
20 allowing your Department to have legitimacy, but, also,  
21 now to make use of the bus system so that it becomes  
22 part of a community in which you seek to serve?

23           MR. MEDEIROS: That's -- that's really an  
24 excellent question. And -- and I commend you for  
25 looking that far down the road. And as we are proposing

1 the budget, this -- this ordinance today, we didn't  
2 include it because we're gonna come up with another  
3 increment shortly and we needed to complete our -- we --  
4 we -- our bus stop inter -- our bus stop public hearing  
5 process and -- and look at -- at what we're looking to  
6 do for bus stop in our bus stop plan.

7 We've done that. And now we're in the early  
8 stages of working with the engineering firms to come up  
9 with -- with what these bus stops or shelters are with  
10 the funding that you gave us this year. What we'd like  
11 to do is, now that we're at that point where we're  
12 actually working to -- to head towards the brick and  
13 mortar type of things, then we're gonna come forth,  
14 hopefully, before the end of this fiscal year, if not  
15 early next fiscal year, to come up with some guidelines  
16 and whatnot for just what you're saying.

17 However, what we're doing now is we are part  
18 of the process, unofficially, with subdivisions and any  
19 kind of construction projects. It is -- it does come  
20 past us and we do make recommendations. We have met  
21 with developers of -- of various projects. And some  
22 take -- take it into consideration, and maybe others  
23 don't. And so then that's why the next phase, that  
24 it'll -- it will be part of a mandate to answer these  
25 things.

1           One of the positive things about this, because  
2 we are moving quite swiftly in this endeavor -- keep in  
3 mind that the Maui Bus is just a tad over a year-  
4 and-a-half old. The Planning Department has been super  
5 working with us, Highways has been just stellar, even  
6 State Highways has been extremely helpful and to try to  
7 move things forward and address our needs as they arise.  
8 And the Planning Commission has also really stepped up  
9 to the plate and have asked developers for transit  
10 components as we go.

11           So the -- the -- this next step, as we come  
12 into it with more detailed information with regard to  
13 what you're talking about, will be our next -- our next  
14 step in that direction.

15           COUNCILMEMBER KAHO'OHALAHALA: Yeah. I  
16 appreciate that -- that you're steering in that  
17 direction. And -- and, again, you made a comment about  
18 the current process that is really a hit or miss. And  
19 perhaps we should not plan or allow the hit or miss and  
20 then look forward to integrating a plan that's going to  
21 incorporate public transportation into a development  
22 project. That would be the way to go. It ensures  
23 access for the community, more importantly, but it also  
24 expands on -- on your ability to serve that -- the  
25 community and anticipating areas that you will be a part



1 of, that are, you know, just on paper at the -- at the  
2 time, but -- I appreciate that.

3 The other question I have is I am a user of  
4 the bus. And I appreciate it, because I have traveled  
5 to every part of Maui using your bus from Haiku to  
6 Pukalani to Makawao. And I know that the two airport  
7 stops are the Haiku and the Makawao bus. But the -- the  
8 question I have is that I notice that in the -- at the  
9 airport area, you don't allow for luggage. And that  
10 becomes a problem when passengers who have no other  
11 means to move know that they might get on a -- the bus,  
12 the Maui Bus, but they're not allowed to carry their  
13 luggage or -- or place them in the aisles or anywhere  
14 else.

15 Have you thought about why you're making an  
16 airport stop -- and perhaps -- you accommodate the  
17 bicycle racks, so bicycles can get on -- is there a  
18 possibility to accommodate people who are looking to go  
19 to the airport or coming from the airport, that you can  
20 store your -- your luggage in a rack as well? Just a  
21 question.

22 MR. MEDEIROS: Yeah. There -- there are a  
23 couple of questions there. The first -- the first  
24 answer is the reason we're going to the airport is, when  
25 we went out for public hearing on our ADA service,

1 people who came to that meeting were very -- stressed  
2 that we should include the airport. Particularly for  
3 people that needed to go to Oahu for, say, medical  
4 treatments, or what-have-you, on a short-term, you know,  
5 overnight, couple of days, you know, that sort of thing.  
6 And so with that in mind, we -- as we -- the system  
7 grew, we -- we -- we included the airport because of the  
8 public -- public comments that we received.

9           Why we don't allow the large bags on the bus  
10 is because it's -- it's not made for it. And it's truly  
11 a safety issue.

12           My history on this island is with tourist  
13 transportation. And that's why, when you go to -- to --  
14 to another location, you'll have the airporter bus.  
15 They call it an over-the-road bus. An over-the-road bus  
16 means all of the luggage goes under the bus. And,  
17 generally, from the front axle to the rear axle, that's  
18 all luggage space.

19           Our floor is about 12 inches from the road,  
20 from the road surface. We have no place for all of this  
21 luggage. And so you riding the bus -- I'm sort of  
22 preaching to the choir -- and you've seen how many  
23 people are riding the bus, and many times there --  
24 there's no room for anybody to sit. That's why we've  
25 gone into these larger, higher capacity buses to -- to

1 address those needs.

2 So pretty much at this point -- and this is  
3 what's in this ordinance, is you should bring only what  
4 you can put on your lap and under the seat; not occupy  
5 all sorts of space around you. Mainly, to allow other  
6 people to use it and the availability of the resource  
7 that we have which is the Maui Bus system.

8 And we've found that folks have been quite  
9 innovative and they've figured out how to -- how to stay  
10 -- come to Maui and stay on Maui and not bring too much  
11 stuff and be able to use the bus, because you could get  
12 to the airport, to South Maui -- from the airport to  
13 South Maui or West Maui, you know, for just a couple of  
14 bucks.

15 COUNCILMEMBER KAHO'OHALAHALA: But it doesn't  
16 help our export.

17 MR. MEDEIROS: FedEx.

18 COUNCILMEMBER KAHO'OHALAHALA: Okay. You  
19 know, I'm -- I'm familiar with Oahu's bus system as  
20 well. And in those buses, there are, even in the newer  
21 buses, areas above the wheel well now that are open  
22 spaces and people can actually put larger pieces.

23 But we're talking about a system, I think, in  
24 looking forward, that we are encouraging our community  
25 to be users of. And this is gonna mean that they're

1       gonna be moving to shopping areas, they're gonna do  
2       grocery shopping, they're gonna do whatever they need to  
3       do. Try to carry all of those bags, you know. And I'm  
4       not sure if you -- I mean, you have a stop right now at  
5       -- at Wal-Mart. So here you are, you know, in a  
6       situation where your community users of that same system  
7       are going to be looking for space to help deal with  
8       their shopping. And so I -- I'm just trying to  
9       anticipate, as you look forward, that the idea is to not  
10      only get the passenger to use the bus, but, also, to  
11      accommodate a little bit more about how -- how they --  
12      they -- you know, how they shop. So stuff like that.

13                    But, anyway, the other issue I have -- Chair,  
14      if I can?

15                    CHAIR NISHIKI: Go ahead.

16                    COUNCILMEMBER KAHO'OHALAHALA: Is, as a user,  
17      I'm at the bus stop and what is not accommodated is  
18      trash. And you and I have had this conversation. And I  
19      see people who are users of your bus who are spending  
20      time waiting for the bus, so they run and they grab  
21      something to eat, drink. And then, before they get on  
22      the bus, they leave 'em all on the ground because  
23      there's no receptacles at the -- the bus stops itself.  
24      And it -- it bothered me to see that -- you know, that  
25      they're using the system that I think is great, but, at

1 the same time, we're creating another problem. And  
2 that's leaving trash behind for someone else to pick up.  
3 Specifically, the stop right down here, between the  
4 court. You know, and -- and I don't know whether or not  
5 I should yell at them, or I should just go to the bus  
6 driver and say, you know, can you just hapai their --  
7 their rubbish, you know.

8 So the question was, how do we accommodate at  
9 a -- you know, we're providing a service, but, at the  
10 same time, we are creating an unintended consequence,  
11 perhaps. And this is just the idea that people bring  
12 trash to the bus stop and then they leave it there, you  
13 know. How can we help to resolve that, I guess?

14 MR. MEDEIROS: Yes, we did have this  
15 discussion. And I am -- the only answer that I can give  
16 you is that as we're proceeding to build bus stops and  
17 that sort of thing that we will be including  
18 receptacles, trash receptacles and recycling  
19 receptacles.

20 I guess, to paint the picture, there is a  
21 commercial on TV that's trying to sell some air  
22 deodorant, but the person comes to the door and they're  
23 offering this person a million dollar reward for  
24 something, and her nose sort of starts sniffing. And  
25 she slams the door and runs in. And they show the

1 opala in the kitchen all smelly. That's sort of the  
2 scenario that we're dealing with, because you're going  
3 to have anywhere from 40 to 60 people in that bus. And  
4 then if you're going to try to bring in some sort of  
5 retain -- receptacles to handle the opala, especially if  
6 it's smelly, you know, you're sort of adding another --  
7 another level on that. And -- and you're -- you're  
8 gonna create some issues for people who might have some  
9 issues, some -- some problems with their senses or -- or  
10 smelling things or -- I mean, you don't know what's  
11 gonna go in that receptacle. So it becomes a safety  
12 hazard, really a safety issue. And in this day of age,  
13 with weapons of mass destruction, all these sort of  
14 things, we're just trying to keep it simple. And that  
15 opala belongs in an opala container. And that people  
16 need to be aware of other people's needs and concerns.  
17 And that this County has spent money to get advertising  
18 out for people not to throw trash all over the place.

19 But the -- the safety side of it for us,  
20 beyond what I've said, is that if somebody comes on  
21 board and inadvertently spills something, that becomes a  
22 slipping hazard. Somebody could slip and get hurt. We  
23 have people using walkers, we have people using canes.  
24 We have people just in a hurry.

25 And -- and so that's the issues that we need

1 to look at. And people -- we -- we need to move that  
2 equipment on a tight schedule and get people off as fast  
3 as possible and on as fast as possible, so that  
4 everybody can get to where they need to go on time,  
5 that -- that they need to get there.

6 I'm -- I'm proud of the system of performance  
7 that we have. We're running extremely high on-time  
8 rates. And this is what we need to do. Our enemy is  
9 time. And -- and with the traffic on the highway and  
10 people being in such a hurry, we -- we need to try to  
11 address all of these. And so that's why we haven't  
12 really done anything.

13 But the way we're gonna do it -- I mean, by  
14 allowing opala on the bus, we're looking to deal with  
15 that as we start to create these bus stops, within the  
16 system of service. Keep in mind, we have over 150 bus  
17 stops that we're going to need to deal with.

18 And that's why the partnership that we have  
19 with the commercial outlets is really crucial. Because  
20 they, actually, have been taking care of that in their  
21 facilities. You know, at the various shopping centers  
22 and whatnot.

23 COUNCILMEMBER KAHO'OHALAHALA: Yeah.  
24 Mr. Chair, I -- I just wanna say that my intent of -- of  
25 asking these questions are to help, to see whether or

1 not an ordinance as being fashioned now to accommodate  
2 our public transportation, using now, currently, the  
3 bus, that there are things that we should con -- perhaps  
4 consider looking at that I -- I think are going to be a  
5 part of, hopefully, improving the services that you  
6 already provide. And then as a -- as an unintended  
7 consequence, perhaps, by providing such a -- a service  
8 -- needed service, we now have to deal with other issues  
9 that are maybe in part related to -- to -- to the  
10 service of -- of public transportation.

11 But I do agree with you that there are  
12 receptacles at the main hubs that are available. It's  
13 perhaps the in between those -- those hubs. And maybe,  
14 you know, in considering all of what you've said, maybe  
15 there is an opportunity to just have a -- you know, a  
16 bag that -- your bus driver gets off at those hubs, that  
17 they could probably take off that little bag and then  
18 just dispose of it at your hubs.

19 And, you know, I'm -- I'm just trying to look  
20 for ideas that might help to -- to not only improve the  
21 service, but, also, keep the environment clean.  
22 And you're right, maybe the responsibility is and  
23 ultimately is for the individuals themselves to know  
24 about trash and -- and the environment. So your  
25 advertisement in that regard on your buses would be good



1 as well.

2 So thank you, Mr. Chair.

3 And I really enjoy your bus. And I encourage  
4 everyone else to -- to catch your bus one day, two days,  
5 three days a week, yeah.

6 MR. MEDEIROS: Thank you.

7 CHAIR NISHIKI: Any other questions or  
8 comments from Committee Members? Councilman Medeiros.

9 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

10 Yeah. I -- I just wanna reiterate what Member  
11 Kaho'ohalahala said because my concern is the opala, too.  
12 Because there's many stops that you see people sitting,  
13 because there's no shelter, so they sit on the ground,  
14 they sit on curbing, or they sit in private property  
15 adjacent to those stops, and there's no receptacles.  
16 You may want to check on your spec'ing out the next  
17 buses, that the possibility of a receptacle built into  
18 the exterior of the bus, that they can push their trash  
19 through this hinged door before they get on the bus.  
20 And then all the driver does is take out the bag from  
21 that receptacle and dispose of it. It doesn't go on the  
22 bus. It doesn't create any safety hazards. So you may  
23 look into that. But, yeah, they -- I mean, trash by bus  
24 stops I think gonna increase than decrease until we get  
25 our shelters and receptacles.

1                   Okay. Thank you.

2                   MR. MEDEIROS: Thank you.

3                   CHAIR NISHIKI: Yeah, go ahead, Wayne.

4                   MR. BOTEILHO: I guess, just as a practical  
5 comment -- because I ride the bus, too. And, you know,  
6 like I -- I bring my trash with me on the bus, or I make  
7 sure it's thrown away before the bus gets there. So  
8 just asking the public if they could help us out, too,  
9 by -- by doing things like that. Don't throw it on the  
10 ground.

11                   Thank you.

12                   COUNCILMEMBER KAHO'OHALAHALA: Just --

13                   CHAIR NISHIKI: Sol, go ahead.

14                   COUNCILMEMBER KAHO'OHALAHALA: -- a comment on  
15 that.

16                   You know, I've tried to get on the bus with a  
17 cup of coffee. And I'm restricted from coming on the  
18 bus with that -- that -- that container. So at that  
19 point, I have to deal with that container because it's  
20 not allowed on the bus. So having to get on the bus at  
21 the moment, people end up just depositing on the aina.  
22 So -- so that's part of the -- part of the conflict  
23 there is that you cannot get on the bus with -- with --  
24 with food containers. And that's where I think all of  
25 the trash is, mainly, is from food containers.

1                   MR. MEDEIROS: Yeah. I've -- I've dumped my  
2 coffee out several times myself.

3                   COUNCILMEMBER KAHO'OHALAHALA: Thank you,  
4 Chair.

5                   CHAIR NISHIKI: Thank you.

6                   Any other questions, comments from Committee  
7 Members?

8                   COUNCILMEMBER VICTORINO: Recommendation?

9                   CHAIR NISHIKI: Joseph.

10                  VICE-CHAIR PONTANILLA: Thank you.

11                  I was gonna ask the same thing like  
12 Mr. Medeiros asked about, you know, the possibility of  
13 when you do spec your bus that some kine receptacle that  
14 can allow passengers to drop their trash, I -- I don't  
15 know if the -- you know, companies do that, but, eh,  
16 maybe it's something new, a trend.

17                  Thank you, Chairman.

18                  MR. MEDEIROS: I'll look into it.

19                  CHAIR NISHIKI: Any other questions or  
20 comments? Jo Anne.

21                  COUNCILMEMBER JOHNSON: One of the things that  
22 I noticed at many of our beach parks, too -- because we  
23 have similar issues, not all of the receptacles and  
24 particularly our larger dumpsters, they can't be in  
25 every location. So I think Teens on Call has provided

1 some of the very colorful, great looking trash  
2 receptacles. They're old steel drums that they've  
3 painted. And they do -- I -- I don't know about -- the  
4 collection would be the other issue. I don't know what  
5 the space is. Hazards, you know, that type of thing.  
6 But I know that they really do work in many of our beach  
7 parks, because people don't wanna walk all the way down  
8 to these large receptacles. So just maybe in your areas  
9 where there is maybe more of a problem, you might try a  
10 couple of these and see if they work, just as a -- a  
11 pilot kind of project. Not that you have all this time,  
12 you know, to deal with. But just a helpful suggestion.

13 Thank you.

14 CHAIR NISHIKI: Any other questions or  
15 comments from Committee Members? Joe.

16 VICE-CHAIR PONTANILLA: Thank you.

17 The fare structure, I -- I know you -- you  
18 don't have anything in here, is there existing fare  
19 structure that you're gonna be utilizing looking into  
20 the future, like charging more?

21 MR. MEDEIROS: We have proposed, in the next  
22 budget, streamlining the monthly passes. What we're  
23 proposing is to reduce the multi-route pass from \$45 to  
24 \$35, and increase the commuter monthly pass and single  
25 route pass from \$25 to \$35, to streamline the whole

1 system, which will allow us to use other outlets to sell  
2 it rather than putting the burden -- majority of the  
3 burden on the bus drivers, which actually slows down the  
4 system. It's just an extra thing they have to do. So  
5 that's -- at this point, that's what we're looking at  
6 with -- with the next budget coming -- coming to you.

7 VICE-CHAIR PONTANILLA: Thank you.

8 Thank you, Chairman.

9 CHAIR NISHIKI: Any other questions from  
10 Committee Members? Seeing none, the Chair is  
11 recommending that we pass a bill for an ordinance adding  
12 a new title to the Maui County Code entitled Public  
13 Transportation on first reading and filing of the item.

14 COUNCILMEMBER VICTORINO: So moved.

15 COUNCILMEMBER JOHNSON: So moved.

16 VICE-CHAIR PONTANILLA: Second.

17 COUNCILMEMBER MEDEIROS: Second.

18 CHAIR NISHIKI: Moved by Councilman Victorino,  
19 second by Mr. Pontanilla. Any discussion? All those in  
20 favor say "aye."

21 COUNCIL MEMBERS VOICED AYE.

22 CHAIR NISHIKI: All those opposed? Motion  
23 carries. Three -- six -- seven to zero.

24

25

1 VOTE: AYES: Councilmembers Johnson, Kaho'ohalahala,  
2 Mateo, Medeiros, Victorino, Vice-Chair  
3 Pontanilla, and Chair Nishiki.

4 NOES: None.

5 ABSTAIN: None.

6 ABSENT: None.

7 EXC.: None.

8 MOTION CARRIED.

9 ACTION: Recommending FIRST READING of bill and FILING  
10 of communication.

11 CHAIR NISHIKI: We'll take a short recess,  
12 until 10:40, and then get on to Public Service Item No.  
13 2. ...(gavel)...

14 RECESS: 10:25 a.m.

15 RECONVENE: 10:42 a.m.

16 CHAIR NISHIKI: ...(gavel)... Public Services  
17 Committee please reconvene. Let the record show Members  
18 Victorino, Medeiros, Johnson, Baisa, and Nishiki  
19 present.

20 ITEM NO. 2 AMENDMENTS TO THE RESIDENTIAL WORKFORCE  
21 HOUSING POLICY (C.C. No. 09-25)

22 CHAIR NISHIKI: We will turn to Item No. 2.  
23 First of all, the Chair will accept anyone wishing to  
24 testify for this item.

25 DeGray Vanderbilt.

1                                   ...BEGIN PUBLIC TESTIMONY...

2                           CHAIR NISHIKI: Members, you have a hard copy  
3 in front of you.

4                           MR. VANDERBILT: Yeah. Aloha, Chair Nishiki  
5 and Members of the Public Services Committee. My name  
6 is DeGray Vanderbilt, resident of Molokai.

7                           And when I testified before you last time, I  
8 said that I would provide you with the proposed  
9 recommendations of the Molokai Planning Commissions  
10 which were made back when the original Workforce Housing  
11 Policy was adopted. Most of these recommendations did  
12 not make it into the final ordinance. And, hopefully,  
13 they will be revisited during your review of the  
14 ordinance.

15                           Several testifiers have come before you during  
16 the last few weeks and suggested amendments which mirror  
17 several of the recommendations the Molokai Planning  
18 Commission made before the original bill was adopted.

19                           I've attached the Molokai recommendations that  
20 are shown within the body of the draft ordinance. The  
21 25-page document also provides justification for  
22 recommendations -- for the recommendations. These  
23 recommendations were meant for Molokai only, but many  
24 would work well if adopted for the entire County.

25                           I would like to read two letters to the editor

1 which I believe sum up where we are today. And then I  
2 would like an opportunity to share some other thoughts  
3 with you that may be helpful in moving forward with the  
4 review of the ordinance. On the next page is the first  
5 letter I'd like to read. And it's entitled -- it was a  
6 letter to the editor written by a young Kahului  
7 mother -- "Affordable only affordable at a very high  
8 cost."

9 "What is 'affordable housing?' Who can afford  
10 affordable houses? I can't. We are a young family with  
11 three children, and my husband is in construction. Go  
12 figure. He makes about \$50,000 a year including  
13 'side jobs' he works in order for me to be at home with  
14 our three-year-old and for" -- "and for our older  
15 children when they leave and come home from school.  
16 Those side jobs happen after work and on Saturdays when  
17 the kids have no activities and after church on Sundays.  
18 In order for me to work, I have to make at least half as  
19 much as he does, and have a job where I will be here for  
20 the kids, or else the quality of our lives will just  
21 fade away into work and other people raising our  
22 children. We will not sacrifice our children's  
23 happiness in order to buy a decent home here on Maui.  
24 By decent, I mean a home where when you sneeze, you  
25 don't hear your neighbor say 'bless you' under his



1 breath. So, for now, we stay with my parents until we  
2 find something decent to" -- and in quotes - "'rent.'"

3 The -- the next letter I'd like to read is on  
4 Page 10 of the handout. And, again, it was another  
5 letter in *The Maui News*. And it was entitled "Profits  
6 could still be made by building ordinary houses." "A  
7 recent Maui News article reported that there are '17,138  
8 homes on the books.' In that same article, a member of  
9 our Maui County Council stated that with the list 'we  
10 pretty much have enough high-end units,' but goes on to  
11 say that he would 'continue supporting upscale projects  
12 because of the affordable'" house -- "'homes' that  
13 frequently are included. Contractors and developers are  
14 first and foremost business people. If they can't get  
15 approvals for houses over \$750 or so, are they going to  
16 stomp off in a huff and declare bankruptcy? Not likely.  
17 What they will do is to plan lower-priced developments  
18 and continue to make money. Perhaps at a lower margin,  
19 but lots of money nonetheless."

20 And I think that's really where we are. You  
21 heard Susan Monakeha [sic] testify before you a few  
22 weeks ago. And I got a copy of her testimony. And in  
23 there, she quoted from a John Knox and Associates report  
24 entitled "Maui Island Housing Issue Paper" done in  
25 December of 2006. And in that paper, she quoted it, a

1 statement that read: "Maui is the only county where the  
2 homeownership rate has not risen in the past 25 years."  
3 Let me read that again. "The homeownership rate has not  
4 risen in the past 25 years."

5 We've had developers stand before you and say  
6 it's bad economic times, we need to drop the percentage  
7 in half or whatever. Yet, when the good times were  
8 going, over the last 25 years, where were all these  
9 houses they were building? They only wanna build 30  
10 percent houses now. But when the good times were going,  
11 did they offer to build 50 percent of the project as  
12 affordable? No, they didn't. They just kept making the  
13 money and moving on. And the prob -- problem got bigger  
14 and bigger to where we are today.

15 In the Maui -- in the Molokai recommendations,  
16 it was nice to see that some of the people that have  
17 come before you in the last couple of weeks have touched  
18 on some of the points that we raised. One was Vanessa  
19 Medeiros, the Development Manager for Lokahi Pacific.  
20 And she made a -- a statement that I thought was -- was  
21 pretty good. First -- she said, "First, I would like to  
22 make a point. And that is the proliferation of  
23 one-bedroom apartments cannot be Maui County's answer to  
24 affordable housing." The Workforce Residential Housing  
25 Policy was meant to provide affordable residential

1 options for working families.

2 And as I go back to that one letter to the  
3 editor, it says, developers are business people first  
4 and foremost. And that's fine. There's nothing wrong  
5 with that. They're in business to make money. But  
6 already you see there's another project that's coming,  
7 that -- it's doing a draft EA now. It's right up here  
8 in Wailuku, somewhere up on the hillside. It's six or  
9 700 units. It's gonna do 50 percent affordable housing.  
10 It's a mix -- the market-priced houses are a mix of lots  
11 and multi-family, big lots, medium-size lots. But all 50  
12 percent of the affordable housing is gonna be in the  
13 multi-family. There's not gonna be any lots, a decent  
14 size lots where you can raise your family. And I've  
15 been pressing for a long time -- and everybody just  
16 laughs and, oh, you can't do it, and you can't do this,  
17 and you can't do that -- give a local family a decent  
18 size lot. Councilmember Molina's put in a bill now to  
19 allow ohanas on 6,000-square-foot lots. Well, if you  
20 gave a -- a family a decent size lot, 7,500 to 10,000  
21 square feet, they can grow into that. They can build a  
22 ohana. That ohana can do what Councilmember Molina is  
23 trying to get done in his bill. And we've testified to  
24 this, too, that ohanas are part of the affordable  
25 housing for the family there, the immediate family.

1 They provide a need. When you get older, you move into  
2 the ohana and you're the grandparent, you gotta take  
3 care the kids. So it works very well for everybody.

4 But these things can be done. And one of the  
5 things that I've -- have been saying that we've gotta do  
6 something beside of this HUD median income to sales  
7 prices.

8 On Page -- let me just look right here. On  
9 Page 9 of the handouts, based on -- on Page 9 on the  
10 chart. Based on today's median income of \$72,800, the  
11 average price, if a developer's building an affordable  
12 housing component, he could build the affordable housing  
13 at an average price of \$425,000. 420, that would be the  
14 average price. Now, that's taking the highest price,  
15 the 337, 404, and 472, and 539. But even if you went to  
16 the median of those categories, the 425 would only drop  
17 to 392,000. And they say they can't build it for that.

18 In 2006, just two years ago, the median price  
19 income was \$65,000, \$7,000 less. People's -- people's  
20 wages have not gone up in those two years by 10 or 11  
21 percent. They might have even gone down.

22 So as things get worse, the prices still go up  
23 because, on Molokai, if we had 100 people move in that  
24 were millionaires, because of our small base, based on  
25 HUD median income, our median income would increase from

1       \$42,000 to \$68,000. And the price -- sales price of  
2       houses would increase.

3               So they have no -- no -- no relationship to  
4       reality. And that's what Vanessa Medeiros was trying to  
5       say in her testimonies. She said HUD is a good standard  
6       that ensures no manipulation, but the resulting  
7       calculations are not consistent what families actually  
8       can afford.

9               One other point I'd like to bring out. You've  
10       heard developers come before you. You've heard --  
11       Charlie Jencks come in and said, "I'm okay with 50  
12       percent affordable housing, I can live with that." You  
13       hear David Goode come in and say, "Oh, there's no way  
14       you can live with 50 percent, it's gotta be 30 percent."  
15       Then you have Jesse Spencer come in and say, "Hey, I can  
16       build 100 percent affordable in my projects." 100. He  
17       says that in the paper, "I can do that." You have  
18       Sterling Kim on a project to approve 201G. He promises  
19       to build all his affordables at under 100 percent. Some  
20       for 75 per -- 70 percent of median, 80, 90.

21               So how can -- how can all these developers  
22       be saying different things? And that's why I've  
23       harped so much on the fact that there needs to be some  
24       hard data. I mean, we're not all housing experts. I'm  
25       certainly not. But I can read numbers, I can read data

1 and -- and come to a common sense decision. And I think  
2 that's what's needed.

3 If Jesse Spencer comes in from Maalaea -- or  
4 Maalaea, is that where -- he's doing a project down  
5 there. Well, ask him, "Jesse, please, share the results  
6 of your last affordable housing project, let us see what  
7 happened." And then you can get some sense.

8 Because these guys come in and they say, we  
9 can't do this, we can't do this, the lenders won't do  
10 this.

11 And that's the other thing is the lenders.  
12 We're talking about lowering the affordable housing rate  
13 and everything. There ought to be a banker consultant  
14 somewhere along the line because I don't think -- would  
15 they even finance anymore? All these sales price are  
16 based on 5 percent down. Would banks lend any  
17 affordable housing these days with 5 percent down? I  
18 don't know. But a banker would know based on the new  
19 restrictions that they're working under.

20 I really think that we're going into budget  
21 now and I would propose -- I -- I -- I put on the last  
22 page of -- well, before I go into that, just one last  
23 thing, agricultural land. This 201G process is a -- is  
24 really a way for people to do market-priced housing and  
25 -- and have a affordable component. And Sterling Kim

1 was -- was one that I testified to try to make it more  
2 balanced for the affordable families. If you look on --  
3 if you look on Page -- if you look on Page 7 of the  
4 handout, there's a map of Mr. Kim's project. And he --  
5 he had a -- a parcel of land that was roughly -- let's  
6 see. I think it was -- the data's on Page 6, but -- I  
7 don't know how many -- how many acres it was, but I  
8 think it was only about 100 acres. And he got that land  
9 for \$11,000 an acre. So when you hear developers say,  
10 oh, the land costs just blow everything out, we can't  
11 afford to give big lots and everything, he got it for  
12 \$11,000 an acre. And as you can see, he -- this big  
13 piece of land, he would have been allowed 19 lots under  
14 the current Ag laws. He ended up getting -- he ended up  
15 getting 460 or 70 lots. And what he did was he made 238  
16 affordable lots at 5,000 square feet and 238 market-  
17 priced lots at 10,000 square feet. Now, it's nice,  
18 they're right together, but why not make 'em all 10,000  
19 square feet? What would have taken for Mr. Kim to do  
20 that? If you look on the next map, Page 8, all he  
21 woulda done is had to take that one large parcel, 21  
22 acres, which he got for 11,000 an acre, and he could  
23 have made all the workforce housing lots 10,000 square  
24 feet. Still had the 10,000 market and still had 19  
25 other large lots in the back to sell. But he didn't.

1                   And -- and I guess my problem is there's just  
2                   no housing being built with a decent size lot for  
3                   families. And if you can get the land -- we're doing  
4                   self-help housing on Molokai, four bedrooms, two baths,  
5                   \$72,500. If you get a lot for 50 or 60,000, then it's  
6                   up at 150,000 or whatever. And that starts to be  
7                   affordable for a lot of our working families.

8                   And I guess what I would like to see is on --  
9                   on the last -- on Page 11, I just suggest that maybe  
10                  during budget, some kind of affordable workforce housing  
11                  review committee could be put together. And I just -- I  
12                  just put this together quickly, and didn't think, but  
13                  have on the committee, have Charlie Jencks of Wailea  
14                  670, have David Goode, have Jesse Spencer. Now, they  
15                  all have different perspectives on what's affordable and  
16                  how you can build affordable. Well, good, put it out on  
17                  the table. Get a banker that's active in affordable  
18                  housing, get a contractor. Have the self-help housing  
19                  division, maybe Sherri Dodson or one of her  
20                  representatives, to show how you can build a house for  
21                  72,500 using a licensed electrician and plumber, which  
22                  you have to use. A realtor, Mark Sheehan, who's  
23                  contributed a lot to you guys on affordable housing.  
24                  Somebody from Human Concerns. John Andersen, who is  
25                  Executive Director of Na Hale O Maui. Stan Franco,



1 who's done a lot of work in the community to affordable  
2 housing. A neighbor island representative. I would  
3 volunteer for that if you was to ask. And then Lokahi  
4 Pacific and a union representative. Susan Monakeha  
5 [sic] has been very active in the housing. Somebody  
6 from HUD and Rural to see how things can be done in that  
7 area. And then the State Housing representative, to let  
8 everybody understand the 201G and how that might be a  
9 more productive thing, where it can come to the Council  
10 and you can make some changes, rather than have  
11 something come before you and say, take it or leave it,  
12 which is a hard way to have to operate as a decision  
13 maker.

14 So I had some more things to go over. I -- I  
15 wanted to talk about some of the other testimonies,  
16 where they did recognize, they're bringing up issues  
17 that were brought up by Molokai quite a while ago. And  
18 I -- I hope that this has been helpful to you guys, my  
19 input. And -- and I hope that, during the review, maybe  
20 some of the Molokai suggestions could get looked at  
21 again. If they make it, they make it; if they don't,  
22 they don't.

23 But thank you, Mr. Chair, for allowing me to  
24 testify.

25 CHAIR NISHIKI: Questions? Jo Anne.

1                   COUNCILMEMBER JOHNSON: Yes, DeGray. Just to  
2 let you know, I believe that we do have the right now  
3 underneath the affordable -- or the 201H process -- you  
4 speak to 201G -- we can make some modifications. That  
5 was one of the things that was passed. So --

6                   MR. VANDERBILT: Terrific.

7                   COUNCILMEMBER JOHNSON: So at least we do have  
8 a few things that we could do. But one of your points,  
9 in the handout that you have -- and I know you've made  
10 this repeatedly -- and we've gotten a request to permit  
11 the housing -- the affordable housing to be built  
12 outside the Community Plan area, and not have it  
13 necessarily integrated within the development. And what  
14 is your take on that? Because I see in Molokai, you  
15 know, I mean, obviously, you -- you have a captive  
16 audience on Molokai, so it's one entire Community Plan  
17 region. But can you address that particular issue in  
18 context of your handout?

19                   MR. VANDERBILT: Well, I just don't understand  
20 -- I guess, to me, Hawaii -- and living in Hawaii 30  
21 years -- it's a very inclusive society, it's a very  
22 tolerant society. And I just don't even understand some  
23 of these guys -- well, I do understand. I mean, it's a  
24 marketing thing. If you -- if you have these other  
25 people living in your gated community, you're not gonna

1 get as high a sales price. But I don't know about  
2 building at other places. Councilman Victorino  
3 mentioned about maybe some guy over here doing a  
4 development and doing his affordable housing on -- on  
5 Molokai. I -- I don't know. I -- I think if he can't  
6 build it over here, he's not gonna build it over there  
7 because the sales prices are gonna be lower because of  
8 the lower median income.

9 But I would like to see -- I mean, take  
10 Mr. Dowling's Makena project. That's a lot of land, a  
11 tremendous amount of land. He could plant a grove of  
12 trees over there in one corner, on 100 acres, and do  
13 just a wonderful project for the working families  
14 that -- we all talk about the working families. They're  
15 -- they're the spirit of the island, they're the  
16 backbone of our economy and they -- they're what makes  
17 Hawaii Hawaii. It's the people. Well, I think it's  
18 about time that they get to share a little in the aloha  
19 and the quality of life. And I would like to see these  
20 developers embrace the affordable families. These  
21 aren't deadbeat people. They're our policemen, our  
22 firemen, our teachers, our people that work at the  
23 hospitals. They're the guys that you'd wanna hang out  
24 with. So I never understand why they wanna exclude  
25 these people from these projects. And it's just -- it's

1 just not something right.

2 It's not something that's gonna happen on  
3 Molokai. Now, whether it continues to happen on Maui,  
4 that's another story. But we can only deal with one  
5 thing at a time.

6 And -- but I would hope that everybody would  
7 start embracing our workforce families because they're  
8 the ones that take the hit on everything in this down  
9 economy. And you see workers agreeing to take pay cuts  
10 so their other workers don't have to get laid off, or  
11 taking shorter hours. And so in this downturn, there's  
12 certainly a lot of aloha that's coming out, which I'm --  
13 I'm happy to see.

14 COUNCILMEMBER JOHNSON: Yeah. And -- and I  
15 really appreciate you expressing, once again, the  
16 problems that occur with the actual definition for  
17 median incomes and how that is skewed in such a way  
18 that, when we're dealing with those parameters, they're  
19 not -- they're not real. And it makes it very difficult  
20 for people to qualify for housing.

21 But I -- I thank you for putting this all  
22 together, DeGray. And I know some of it, you know, is  
23 repetitive because we've seen it before. But I think it  
24 helps us to get the reinforcement for the point that  
25 you've made before. And perhaps if you repeat it more

1 frequently, we might remember it. Thank you.

2 CHAIR NISHIKI: Any more questions for DeGray  
3 in regards to workforce housing? Joe.

4 VICE-CHAIR PONTANILLA: Thank you.

5 Thank you, DeGray, for those comments that you  
6 made to this Committee. You know, kind of remind me  
7 when I was building my home, where at the time A&B  
8 provided, you know, a lot of people in Kahului the  
9 opportunity to build their own home by selling vacant  
10 land at a very reasonable price. And -- and I was just  
11 reminiscing on -- on things that we're trying to do over  
12 here. And, you know, one thing come to mind, you know,  
13 the State of Hawaii at one time used to do that, vacant  
14 land, you go through a lottery system. People sign up  
15 for that lottery to get the piece of land and they build  
16 their own home. And the infrastructure -- I'm -- I'm  
17 looking at, you know, something what the County can do  
18 as far as, you know, if we intend to purchase land, or  
19 we do purchase land, that the possibility of putting in  
20 the infrastructure, like the road, the sewer line, the  
21 waterline, the utilities, and keep that land in  
22 perpetuity. And -- and through a lottery system, you  
23 know, have people build their own home. You know, they  
24 can build a three-bedroom if they want, a four-bedroom.

25 But, again, the -- the only thing that we need

1 -- you know, I'm grappling at is -- is what would be the  
2 lot size. You know, we know 6,000 feet, or 6,000 square  
3 feet, maybe a little too small. 7,500 square feet, you  
4 know, is a decent lot size. So one of the things that  
5 we can do as a County, you know, because we have this  
6 2 percent Affordable Housing Fund, maybe taking a look  
7 at purchasing land, putting in the infrastructure,  
8 and -- and let people apply on the lottery system to  
9 build their own affordable house based on, you know, the  
10 guidelines that we have.

11 So I -- I -- I just wanna say, you know,  
12 your -- your comments this morning just brought back,  
13 you know, when I was trying to build my own home and the  
14 opportunity that A&B gave a lot of people in Kahului, as  
15 well as in Paia, Pukalani, the ability to provide their  
16 own home at their -- at a cost that they could, you  
17 know, afford. So maybe, you know, that's something that  
18 the County can -- can take a look at.

19 Thank you for your comments, though.

20 MR. VANDERBILT: Well, Councilman Pontanilla,  
21 I'd just like to follow up a little bit on that. The --  
22 I guess that's where the County's gotta be. When --  
23 when there's bad times like there are now, there's money  
24 people that are buying up foreclosures or doing this or  
25 doing everything else because things are cheaper. But

1 like Mr. Kim's land was \$11,000 an acre. And that's  
2 good land. It's not rocky land. It's not hard to put  
3 infrastructure in. So it would be good if the County  
4 could get some of this Ag land that -- I forget the  
5 company that's selling off all that stuff. But rather  
6 than it go to a -- a -- a developer, it go to the  
7 County. And there's plenty of guys that can build  
8 ordinary housing, I know.

9 VICE-CHAIR PONTANILLA: Yeah. I agree with  
10 you. You know, maybe some of this large landowners give  
11 the County an opportunity to purchase this land, you  
12 know, I -- I -- I don't think we had the opportunity to  
13 purchase land.

14 Last year, in fact, when I read the newspaper,  
15 you know, a lot of land were being sold by Maui Land &  
16 Pine. Did we have an -- did we get an offer or did we  
17 have the ability to go purchase? No. And maybe at that  
18 time we -- we could have purchased land through that  
19 Affordable Housing Fund, you know, for affordable  
20 housing. But, you know, I -- I -- you know, I agree  
21 with you, maybe we should look into that direction,  
22 approaching these companies to -- to purchase raw land.  
23 Of course, gotta be close to infrastructure, too, so  
24 that you don't add more cost. But I agree with you  
25 that, yeah, we should look at, you know, those become --

1 big landowners.

2 MR. VANDERBILT: Well, if you give local  
3 families a decent size lot that they can grow into, they  
4 don't speculate. It's the people coming into Maui that  
5 speculate on real -- real estate. Local people don't  
6 speculate. I know on Molokai, there's guys that got a  
7 lot of money in Ranch Camp, but they don't move out to  
8 some fancy house because all their friends that they  
9 went to high school live in the neighborhood. They're  
10 not gonna to show off and go out. So you give somebody  
11 a decent size lot that they can be proud of and grow  
12 into, that would be a wonderful thing.

13 CHAIR NISHIKI: Any other questions? Member  
14 Victorino.

15 COUNCILMEMBER VICTORINO: Thank you.

16 CHAIR NISHIKI: Are you done, Joe?

17 VICE-CHAIR PONTANILLA: I'm done. Thank you,  
18 Chair.

19 CHAIR NISHIKI: Thank you.

20 COUNCILMEMBER VICTORINO: Thank you, Mr. --  
21 Chair Nishiki. DeGray, thank you for your comments.  
22 And I wholeheartedly agree with you in many of the  
23 points you've made. Especially the point about the HUD  
24 and how they establish their median income. And, you  
25 know, we discussed this before. And I think we're going



1 to, in the next six months to nine months, maybe even a  
2 year -- not too long down the road, you're gonna see a  
3 big change in that median income. Because people are  
4 not working two jobs and all that. I wish we could  
5 somehow change that.

6 But going to what you were saying on Molokai,  
7 you can buy one lot for -- you can build a house for  
8 72,500, I think you mentioned. Right? And then get a  
9 lot, 50,000, 75,000. So let's say we get it to 150.  
10 The 72-5, is that self-help, right? In other words, is  
11 that completely built? Or that's, you know, like --

12 MR. VANDERBILT: That's Habitat for Humanity.

13 COUNCILMEMBER VICTORINO: Okay. Okay. So, in  
14 other words, because I wanted that clear because the  
15 public might think, whoa, that's -- that's easy --  
16 easily done.

17 MR. VANDERBILT: Oh, okay.

18 COUNCILMEMBER VICTORINO: It's a little sweat  
19 equity, in other words. And I've helped down here in --  
20 in Waiehu Kou, and all that kind of stuff. So, you  
21 know, and I think it's -- people can do that, they have  
22 the sweat equity, they tend to stay there. And I agree  
23 with you that local families -- I've had one house for  
24 the last 22 years. And I have no intention of selling.  
25 I mean, at one point, I was a millionaire because my

1 house was worth that much. Not that anymore, but, you  
2 know -- and that's the only reason I was a millionaire,  
3 because my house was worth something, you know what I  
4 mean. Nothing else. My bank still the same, little or  
5 none, you know.

6 The other question I had for you is you made  
7 that point that what Susan had said about Maui County  
8 was the only county of all the four counties that has  
9 less homeownership today than it did 25 years ago?

10 MR. VANDERBILT: No. I -- I --

11 COUNCILMEMBER VICTORINO: Off of that study,  
12 right? What page was that? And I was trying to find  
13 it. And I -- and I apologize I couldn't.

14 MR. VANDERBILT: Oh, on her testimony?

15 COUNCILMEMBER VICTORINO: Yeah, yeah.

16 MR. VANDERBILT: It was on page -- it was --  
17 let's see. Susan, Susan, where are you? Okay. It was  
18 on Page 2 of her testimony at February 11th meeting,  
19 support the objective one in John Knox's Maui Island  
20 Housing Issue Paper of December 2002, he says is the  
21 only county where homeownership rate has not risen in  
22 the past 25 years. That would have been up through  
23 2006.

24 COUNCILMEMBER VICTORINO: 2006.

25 MR. VANDERBILT: Yeah.

1 COUNCILMEMBER VICTORINO: Okay.

2 MR. VANDERBILT: And -- yeah.

3 COUNCILMEMBER VICTORINO: Okay. And the last  
4 thing is, on Sterling Kim's project, you were making  
5 some -- some references to -- on Page 9 and 10 about the  
6 size of the lots and, you know, that you could get a  
7 decent lot, you know, that instead of having the small  
8 lots, that 11,000 -- that 11 acres could be made all  
9 into 10,000 square foot lots, right? That's what you  
10 were referring to, right?

11 MR. VANDERBILT: I said -- I said that if he  
12 just carved out that one lot on Page 8, the 21-acre one,  
13 that he got for roughly \$225,000, he coulda made all 238  
14 of the workforce housing lots 10,000 square feet instead  
15 of 5,000.

16 COUNCILMEMBER VICTORINO: Instead of 5,000,  
17 okay. I just was trying to get that, what page you had  
18 done that. On Page 8. Okay, thank you.

19 Thank you, Mr. Chair.

20 CHAIR NISHIKI: Thank you. Any other  
21 questions? Mr. Medeiros.

22 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

23 Yeah, just for some clarification,  
24 Mr. Vanderbilt. And thank you for the information you  
25 offer us. Yeah, I -- I, too, was amazed that you

1 mentioned that you could build a house for 72,500. But  
2 that -- that's with Habitat, right?

3 MR. VANDERBILT: Right. Right.

4 COUNCILMEMBER MEDEIROS: Right. Okay.

5 Because I know, in Hana, our building costs per square  
6 foot ranges from \$100 to \$135. So 1,000 square foot  
7 house would be like \$135,000. And that's really  
8 minimum, you know. The only other house I know that was  
9 built less than that out here was Hawaiian Homes  
10 self-built, where the homeowner paid about \$66,000 just  
11 for the materials. Everything else was free labor. So  
12 the average price, I know -- and Hana has probably one  
13 of the higher, like Molokai, price per square foot  
14 construction costs. So \$135,000 for 1,000 square foot  
15 home is a pretty good price. And I don't know how you  
16 can get lower than that because --

17 MR. VANDERBILT: Well, if you -- well, you can if  
18 you go -- if you have a lot and go Habitat for Humanity.  
19 You gotta be a certain income to get that. But even at  
20 135, if you had a lot for 50 or 75,000, you're -- you're  
21 still under 200,000, about. And that's a far cry from  
22 these affordable housing, the average prices of  
23 \$425,000. So how the developers say they can't make any  
24 money at that average price is beyond me.

25 COUNCILMEMBER MEDEIROS: I agree with you.

1 Some of the affordable housing prices we see are  
2 sometimes not easy to understand.

3 But, on another note, you mentioned about  
4 building affordable housing outside of the community  
5 planned area of the project. An example that I feel  
6 that that should be considered is for Hana. We never  
7 gonna have a large-scale project in Hana. And without  
8 any large-scale project in Hana, we won't have  
9 affordable housing in Hana unless we're doing it  
10 ourselves, which we're trying to do. So I think there  
11 should be some flexibility in the Workforce Housing  
12 Policy where houses, maybe not 100 percent of the  
13 affordable houses that was dedicated for that project be  
14 built outside, but some be allowed to be built outside  
15 of the community planned region of the project. And  
16 what are your comments or feelings on that?

17 MR. VANDERBILT: Well, you know, I'm -- I'm up  
18 here talking about this ordinance. And I, for some  
19 reason, couldn't find a copy of the ordinance, so -- but  
20 I don't know if in the ordinances they -- there's that  
21 provision still where, if the affordable housing doesn't  
22 sell within a certain amount of time, you can turn it  
23 into market housing. I mean, that's -- that's  
24 incredible. But -- so you got -- so I would think that  
25 a community would wanna make sure -- and -- and it may

1 work on Molokai, if we had some land available. Maybe  
2 somebody could -- but we certainly wouldn't want it to  
3 be a situation where you come in, build the affordable  
4 housing, and there's not a market for it on Molokai, and  
5 then it turns into market-priced housing because of the  
6 language in the ordinance.

7 So I think in the right situation, yeah,  
8 anywhere where -- I mean, it would be nice to live in  
9 Mr. Dowling's project just because you could be off in a  
10 corner, and there's a lot of land there, and you could  
11 get some nice lots. But I don't think anybody cares  
12 about living in a -- a gated community. I -- I think if  
13 you had 100 percent affordable -- you hear some people  
14 say we don't wanna make it 100 percent affordable. Well,  
15 100 percent affordable is 100 percent of the people that  
16 take care of everybody's lives on this island. As I  
17 said, the firemen, the teachers. So I'd love to live in  
18 a neighborhood with all those people. So, anyway -- no.  
19 Maybe in some circumstances it could work. I -- I don't  
20 think --

21 COUNCILMEMBER MEDEIROS: Yeah.

22 MR. VANDERBILT: -- it should be just no. But  
23 the -- the community plan region where you're going  
24 should have some say in it, I would think.

25 COUNCILMEMBER MEDEIROS: I -- I agree with

1 that.

2 And another aspect of that is that, in my  
3 conversations with working families -- like you said, on  
4 Molokai, when people start living in one community, they  
5 wanna be close to their family and friends. They don't  
6 usually sell and move someplace else on the island.  
7 Well, that's the same for working families on Maui that  
8 I speak -- spoken to. They -- even though, say,  
9 housing -- affordable housing was built at a Wailea  
10 project, they would still prefer to live in Central Maui  
11 for the reason that they wanna be closer to their family  
12 and friends and to the central services available here.  
13 So building affordable housing, you know, out in Wailea  
14 doesn't mean that the people that deserve to be in it  
15 are gonna go there. And, you know, I think that's a  
16 point sometimes that we -- we don't consider.

17 And, finally, on the Page 8 project of your  
18 presentation --

19 MR. VANDERBILT: Uh-huh.

20 COUNCILMEMBER MEDEIROS: And Member Victorino  
21 also asked about this. But you were talking about  
22 making affordable housing lots a decent size. And you  
23 recommended 7,500 to 10,000 square feet. So on this map  
24 that you provided of that particular subdivision, it  
25 shows workforce housing, 10,000 square foot lots, which

1 is equal to the market lots. So you were talking about  
2 more --

3 MR. VANDERBILT: No, I -- I put that. I --

4 COUNCILMEMBER MEDEIROS: Oh, you put that?

5 MR. VANDERBILT: They're 5,000 square feet.

6 But I -- the point I was trying to make, Councilmember  
7 Medeiros --

8 COUNCILMEMBER MEDEIROS: Uh-huh.

9 MR. VANDERBILT: -- was that if you take that  
10 workforce housing square right there, and it goes over  
11 to the right a little --

12 COUNCILMEMBER MEDEIROS: Uh-huh.

13 MR. VANDERBILT: -- and you expand that into  
14 this 21-acre parcel A, all of those lots could be  
15 expanded into 10,000 square feet.

16 COUNCILMEMBER MEDEIROS: So -- so --

17 MR. VANDERBILT: By just adding the -- the  
18 that 21 acres to the 238.

19 COUNCILMEMBER MEDEIROS: Right. So the  
20 notation on the map you provided that says, "Workforce  
21 Housing, 10,000 square foot lots," that was just what  
22 you wished they were -- would be?

23 MR. VANDERBILT: Yeah. Right now, as you can  
24 see, these are smaller than the ones above 'em by a  
25 little bit. And --



1                   COUNCILMEMBER MEDEIROS: Okay. I can't read  
2 those numbers.

3                   MR. VANDERBILT: So the point I was trying to  
4 make, it woulda taken very little to -- to balance  
5 things out. And we hear about building in balance and  
6 building it -- but everything's been out of balance for  
7 so long that, hopefully, it can get back in balance.  
8 And -- and -- and I -- I guess one of the things -- when  
9 you're talking about lot size, one of the things that  
10 the Molokai recommendations was that there's gotta be  
11 some standards. You can't just let the developers have  
12 a free reign. You have some good developers that'll do the  
13 right thing, and then you got some people that'll take  
14 advantage for business reasons. And even Na Hale O  
15 Maui, Mr. Andersen's testimony before you on February 11,  
16 he said you need standard house sizes. There's no  
17 standards. And he brings up the same thing that you'll  
18 see that Molokai says in their justification. The  
19 developer, a three-bedroom house can be 900 square feet  
20 or it could be 1,300 square feet. And -- and, you know,  
21 many guys -- as that one letter to the editor said,  
22 developers are -- are businessmen foremost. And -- and  
23 sometimes they tend to take the easy way out.

24                   And so I just think -- I just think something  
25 can work out to make it -- to make it fair. And -- and

1 -- but I -- I don't know what it is. But I'd sure like  
2 to see, during the budget, some type of committee put  
3 together where you had the development community --  
4 because David Goode and Jesse Spencer and Charlie  
5 Jencks, they got all the numbers and everything else.  
6 And -- and they can -- and you sit around a table and  
7 say, Charlie, you're -- you're -- that's not right, come  
8 on. Or the lender -- and you can get some data that can  
9 get back to you guys and say, well, here was the  
10 question, here's this and we've come to some kind of  
11 consensus that maybe you can do this, and the lender say  
12 you can do this, and HUD says they might adjust the  
13 HUD -- whatever, but --

14 COUNCILMEMBER MEDEIROS: Okay.

15 MR. VANDERBILT: Okay?

16 COUNCILMEMBER MEDEIROS: Yeah. I think you  
17 make a good point. And I appreciate the information  
18 that you've brought forward and your perspective on  
19 things. Thank you very much --

20 MR. VANDERBILT: Thank you.

21 COUNCILMEMBER MEDEIROS: -- Mr. Vanderbilt.

22 Mahalo, Mr. Chairman.

23 CHAIR NISHIKI: Any other questions for  
24 DeGray? Joe.

25 VICE-CHAIR PONTANILLA: Thank you. The price

1 that you mentioned, that is only for the building, am I  
2 correct?

3 MR. VANDERBILT: The 72,000?

4 VICE-CHAIR PONTANILLA: Yeah. Or is that --

5 MR. VANDERBILT: That -- Habitat for Humanity.  
6 A house built using licensed electric, licensed plumber,  
7 and a lot of self-help labor, too.

8 VICE-CHAIR PONTANILLA: So the lot is not --

9 MR. VANDERBILT: No. The lot -- on Molokai,  
10 they're all being built on homestead land.

11 VICE-CHAIR PONTANILLA: Okay.

12 MR. VANDERBILT: And I think, on Maui, a lot  
13 of your self-help and Habitat is up on homestead land.

14 VICE-CHAIR PONTANILLA: Yeah, right. Okay.

15 MR. VANDERBILT: But when -- when Mr. Kim can  
16 pick up acreage at \$11,000 an acre, you can get a lot  
17 for 50 or 75,000 improved with that kind of land cost.

18 VICE-CHAIR PONTANILLA: Uh-huh. I agree.

19 Okay. Thank you.

20

21 CHAIR NISHIKI: Any other questions? Gladys.

22 COUNCILMEMBER BAISA: Thank you very much,  
23 Chair.

24 I just wanted to mention, because, you know,  
25 there's talk about -- and DeGray's suggestion about

1 forming a new committee to take a look at the ordinance.  
2 I just wanted to remind the Committee that there's a lot  
3 of work that was done and that was done by the Maui Nui  
4 Housing Taskforce. And it was the precursor of this  
5 legislation. And it's gotta be on file somewhere here  
6 because it was forwarded by the Committee that spent  
7 like five years, you know -- and citizens from every  
8 walk of life. We had everybody from contractors,  
9 builders, homeowners, senior citizens, bankers, mortgage  
10 brokers, Maui Tomorrow, everybody came together to  
11 produce that document. So it might be worth hauling it  
12 out to take a look at it.

13 CHAIR NISHIKI: Thank you, Al -- oh --

14 COUNCILMEMBER BAISA: Thank you.

15 CHAIR NISHIKI: -- Gladys.

16 MR. VANDERBILT: Mr. Chair, maybe -- maybe --  
17 maybe that instead of what I suggested. Maybe it's just  
18 the Maui Nui Housing Taskforce members take a relook at,  
19 revisit some of the things that they looked at.

20 COUNCILMEMBER BAISA: Mr. -- Mr. Chair?

21 CHAIR NISHIKI: Yeah, go ahead.

22 COUNCILMEMBER BAISA: I -- I'm not sure if  
23 that task force still exists in the form that it was at  
24 that time, but I'm very sure that it can be reactivated  
25 very quickly, because there's a lot of records.

1 CHAIR NISHIKI: Thank you.

2 MR. VANDERBILT: And -- and one more thing,  
3 Mr. Chairman, --

4 CHAIR NISHIKI: Go ahead.

5 MR. VANDERBILT: -- if I could? It would be  
6 nice if -- a Word document, which was done with the  
7 drafts, a Word document, and it may exist, of the  
8 existing ordinance be on -- online, because it's a lot  
9 easier. And it's easier for you, if somebody testifies,  
10 they can just include it in the -- in the ordinance.

11 And the other thing is that, right now, your  
12 binders only have testimony that started this year. And  
13 the files with all the testimonies and minutes and  
14 everything are now in storage. And so if the -- it  
15 might be good to just bring 'em out if people wanna  
16 go back and refer to 'em.

17 CHAIR NISHIKI: Yeah, DeGray, staff will let  
18 you know. Go ahead.

19 MR. JENSEN: Yeah,  
20 Mr. Chair, just to let all the Members know, the current  
21 ordinance is available online through the County web  
22 page as part of the Maui County Code listing under  
23 Chapter 2.96.

24 MR. VANDERBILT: Is that in Word format?

25 MR. JENSEN: The Maui Code is

1 not available in Word format.

2 MR. VANDERBILT: Well, yeah, it's just good to --

3 CHAIR NISHIKI: Okay. Thank you, DeGray. Any  
4 other questions for DeGray? Seeing none, thank you.

5 MR. VANDERBILT: Thank you. Thank you,  
6 Members.

7 CHAIR NISHIKI: Alice, would you like to  
8 testify?

9 Just to let the Committee know, this will be  
10 the last testimony, and we'll take up another 10  
11 minutes, then we will defer this item. Okay? Thank  
12 you.

13 MS. LEE: Good morning, Mr. --

14 CHAIR NISHIKI: Alice, go ahead.

15 MS. LEE: Good morning, Mr. Chairman and  
16 Members. I'm Alice Lee, testifying as an individual.

17 My concern with restarting a complete review  
18 committee is that the matter of this ordinance will be  
19 stretched out, the review will be stretched out over a  
20 very long period of time. And I think that if this  
21 committee were to prioritize some -- some of the  
22 important areas, and then move on them as quickly as  
23 possible, I think that would be in the best interest of  
24 the community in terms of -- I know all of you are  
25 concerned about the economy. I know all of you are

1 concerned about getting people back to work. Well, if  
2 you were to key on just certain measures within the  
3 ordinance right now, I think you would be able to make  
4 those revisions very quickly and at no cost to the  
5 taxpayer. And that certainly would stimulate a lot of  
6 movement in the construction industry. Although we may  
7 not have enough water at the moment, it takes a while to  
8 get to that point, anyway. So construction can begin  
9 for some of the projects, and people can get back to  
10 work.

11 The reason why I say focus on a few items, few  
12 important items, is because this document, the current  
13 ordinance, 2.96, is filled with a lot of details. And  
14 for a complete review, line by line, page by page,  
15 that'll take you to almost the end of the year.

16 Don't forget, it took 18 months to create this  
17 document. So if you really wanna give it a thorough,  
18 thorough complete review, it's not gonna happen within  
19 the next two, three four months. It's gonna happen  
20 within six, seven, eight nine months.

21 But if, on the other hand, you are concerned  
22 about the economy and you are wanting to move this bill  
23 forward, and let people benefit from this bill in terms  
24 of employment and home ownership, then I would strongly  
25 suggest that you -- you focus on a couple of items, move

1       it out. There's lots of time to continually revisit  
2       and -- and improve this ordinance.

3                 Thank you, Mr. Chair.

4                 CHAIR NISHIKI: Thank you, Alice.

5                 Any questions? Joe.

6                 VICE-CHAIR PONTANILLA: Good morning, Alice.

7                 MS. LEE: Hi.

8                 VICE-CHAIR PONTANILLA: My only concern is  
9       that if -- if we move into that direction, looking at  
10      bits and pieces -- and I agree with you, you know, we --  
11      we should take a look at bits and pieces to make this  
12      thing fly. My -- my only question to you is that, if we  
13      did that, you know, what kind commitments do we have  
14      from the development community that they're gonna build  
15      with the present economy the way it is?

16                MS. LEE: Well, there are a few -- there are a  
17      few developers out there that still have financing.  
18      And, really, there are only a few areas that would  
19      impact a major project. It's the number of units  
20      required. You could either decide to leave it alone or  
21      lower it. Or listening to your last meeting, it sounded  
22      like several of you prefer to encourage the development  
23      of housing for the gap group housing rather than the low  
24      end, so rearrange that formula instead of 20/20 -- I  
25      mean 30/30-20/20, you could go 20/20-30/30. I mean,



1 those kinds of things could be looked at.

2 Of the 18 months that we spent on this  
3 ordinance, about 16 of those months was on the number,  
4 the number. And then the rest went by real quickly. It  
5 was the number that took so long.

6 But I'm not saying -- you know, if you feel  
7 uncomfortable about lowering that number, at the very  
8 least, you could rearrange the percentages within the  
9 categories. Because you yourselves have represented  
10 that you're -- you're not really targeting the low end,  
11 as when I was in the Department that's what we were  
12 doing, we were targeting the low end. If -- if the  
13 thinking has changed since then, well, that's one thing  
14 that you could do immediately.

15 And the other thing is what people have  
16 discussed about allowing the provision of housing  
17 outside of the Community Plan. That's two.

18 And the third one could simply be -- you  
19 talked about changing the philosophy of the County and  
20 go -- and having the Department develop housing as a  
21 possibility, then -- then you need to land bank. And if  
22 you're gonna land bank, you're gonna have to change that  
23 formula on the contribution of land to make it more  
24 reasonable, you know.

25 So those three things alone, if you were to

1 address those three things and make changes on those  
2 three measures, that would be a -- a tre -- a  
3 significant step forward and a -- a significant  
4 incentive to developers to come out and develop.

5 Now, your concern that that's not gonna do it,  
6 well, in another two years, in fact less than two years,  
7 it's time to revisit the ordinance again, you know. So  
8 it's -- this is supposed to be a living document that is  
9 subject to change. And -- and nobody considered it a  
10 perfect document to begin with. And everybody knew that  
11 we would have to make -- we would have to tweak it as  
12 time went on and -- and circumstances change. And now  
13 here we are in a deep, deep economic recession. Nobody  
14 predicted this. Nobody.

15 VICE-CHAIR PONTANILLA: Thank you for your  
16 comments. And -- and I -- I think, you know, what you  
17 say is true, but there's other places in the County that  
18 need to, you know, do their part. In other words, the  
19 permitting process. You know, we -- we hear that, you  
20 know, okay, we make all this ordinance, when come to the  
21 permitting process, as they go through the permitting  
22 process, it takes another, what, three, four years,  
23 maybe, to get it approved. So people, you know,  
24 testifying on trying to get an affordable housing, they  
25 don't see the product until maybe seven, eight years

1 down the line. So it's -- it's one thing that, you  
2 know, we talk about affordable housing, but when do we  
3 get the product is another issue. It may be, you know,  
4 like I said, seven, eight years.

5 You know, Mr. Spencer started seven years ago,  
6 and he's just about completed. Seven years. That's how  
7 long, you know, it took to provide 400 homes,  
8 Mr. Chairman.

9 And, again, thank you for your comments,  
10 Alice.

11 MS. LEE: May I comment on what you just said?

12 VICE-CHAIR PONTANILLA: Sure.

13 MS. LEE: And -- and I -- I think what you're  
14 saying is very true and it's been true for years, since  
15 Wayne and I started years ago. However, you know,  
16 that's -- if there is a plus side to this economic  
17 catastrophic environment we're in, the plus side is  
18 pushing us to prioritize. That's the plus side. And  
19 it's creating a sense of urgency, even with the County,  
20 even with the County.

21 And I see and I hear from you -- all of you  
22 that you're making the -- improving and expediting the  
23 permitting process a priority. And I've heard that  
24 Mr. Victorino and the rest of you are making water a  
25 priority. So those are really the ingredients that

1 would contribute to successful housing projects. So if  
2 you -- you -- if you can move all of it together, you  
3 know, forward together, then I think there's gonna be  
4 some tremendous, tremendous strides made by the end of  
5 this year. I really believe it.

6 CHAIR NISHIKI: Any other questions for Alice?  
7 Seeing none, thank you, Alice.

8 MS. LEE: Thank you.

9 ...END OF PUBLIC TESTIMONY...

10 CHAIR NISHIKI: The Chair would like to lead  
11 you to the February 25th letter from the Administration  
12 entitled "Affordable Housing Fund Applicants." Are all  
13 of you on that same page? If not, I'll wait.

14 This was a request from the Committee. And  
15 the Director sent us the list, if you turn the -- to the  
16 back of the page, of the Affordable Housing Program.  
17 And this is scheduled to begin on March 18th. In the  
18 back, you see projects by different applicants,  
19 totaling --

20 COUNCILMEMBER VICTORINO: Here.

21 CHAIR NISHIKI: Saw 13 of 'em. Totaling  
22 \$18,970,850.

23 MS. RIDAO: Mr. Chair, can I make one  
24 correction on that list?

25 CHAIR NISHIKI: Yeah, go ahead.

1 MS. RIDAO: I just noticed that the ARC of  
2 Maui was requesting \$1 million. And I believe that that  
3 request is -- it's not one million. It's either 569,  
4 which is the total project, or 350. So I -- I don't --  
5 that's an incorrect number, one million. I think it's  
6 569 request.

7 CHAIR NISHIKI: Okay. Thank you. We can get  
8 that from you later on, Jo-Ann.

9 MS. RIDAO: Yes.

10 CHAIR NISHIKI: Would you like to enlighten us  
11 in regards to this housing application and fund?

12 MS. RIDAO: Yes. As -- as you know, the fund  
13 is 2 percent of the real property taxes collected in  
14 the prior year. And we believe that this fund this year  
15 will be \$4 million. There is a project last year that  
16 pulled out, which was Family Life Center. So that was  
17 about another million. So there'll probably be about \$5  
18 million in the fund to distribute this year.

19 The process is that we sent out -- or we did a  
20 publication in -- I know *The Maui News* for sure, I  
21 believe *The Molokai Times*, for proposals. And the  
22 deadline for proposals, I believe, was at the end of  
23 January, January 23rd. And we have asked for volunteer  
24 committee members. And the committee members right now  
25 are Herman Andaya, Rudy Esquer and Wayde Oshiro. We

1 asked Stan Franco if he would be interested in serving,  
2 and Stan declined at this time. He indicated that he  
3 was too busy.

4 The timeline is that -- I know you mentioned a  
5 March 18th review date. And that date has been moved to  
6 March 25th because one of the members has a conflict.  
7 But we're right now in the process, including myself, of  
8 reading all of these 13 applications.

9 CHAIR NISHIKI: And -- and -- and the -- the  
10 question has to be, Jo-Ann, as spoken by Mr. Pontanilla.  
11 And I would think that this is going to come to the  
12 budget process. And, of course, this is for the 2  
13 percent that is required by the Charter, not workforce  
14 housing, is this correct, Jo Anne?

15 MS. RIDAO: Correct.

16 CHAIR NISHIKI: None of this is --

17 MS. RIDAO: Yes.

18 CHAIR NISHIKI: -- workforce housing.

19 MS. RIDAO: This is the Affordable Housing  
20 Fund.

21 CHAIR NISHIKI: Yeah. And -- and -- and the  
22 question brought up by Mr. Pontanilla, which I think  
23 is -- is valid because it's been also mentioned by other  
24 Members, is, are you going to look at using that money  
25 perhaps for land purchase, also? And only because the

1 Chair, from listening to Members' requests, is also  
2 talking about speaking with major landowners as far as  
3 asking them or seeing if they've got any land for  
4 purchase. And so is this something that you will look  
5 at as you pursue this?

6 MS. RIDAO: You know, Mr. Chair, today is the  
7 first time that I heard that the County Council would  
8 like for us to look at land. And I think, for this  
9 go around, it's kind of premature in that we haven't even  
10 started looking. So I did not -- or Lori and I did not  
11 discuss looking for vacant property for the County to  
12 purchase.

13 CHAIR NISHIKI: Yeah. I -- I just wanted to  
14 mention that just so that it could be on the table,  
15 because this will be coming through the budget and  
16 perhaps this is where we may want to look at that as a  
17 venue.

18 MS. RIDAO: I will bring that to the attention  
19 of the Director as well as to the committee.

20 CHAIR NISHIKI: Okay. Any other questions  
21 from Committee Members in regards to this list? Would  
22 you like to know more about each project? Mr. Medeiros.

23 COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.  
24 Yes. Ms. Ridao, so the list that you -- is provided on  
25 this communication, this letter, the committee that you

1 mentioned reviews these as eligible applicants or they  
2 review it to make a selection and -- and establish --  
3 I'm trying to find out if -- if the applicant is  
4 requesting a certain amount of money, is that what the  
5 review is about, or can -- do you folks lower that or --

6 MS. RIDAO: Primarily, the -- the processes  
7 that we -- we have a list of criteria, some of which are  
8 project readiness, other matching funds into the  
9 project, we look at the organization's capabilities,  
10 that kind of stuff. So it's not only on the number.  
11 There has been occasion, I believe, that in -- for  
12 instance, in other funding, like the CDBG funding, you  
13 -- we may have a little bit left over that we could  
14 offer to another project.

15 What we do is we rank the projects according  
16 to a score sheet. And so then it'll come out, you know,  
17 first, second through number 13.

18 COUNCILMEMBER MEDEIROS: Okay. And -- but the  
19 total requested, according to this information, is like  
20 almost \$19 million?

21 MS. RIDAO: Yes.

22 COUNCILMEMBER MEDEIROS: So you're not gonna  
23 be able to fund all the projects, correct?

24 MS. RIDAO: Right.

25 COUNCILMEMBER MEDEIROS: So you're gonna



1 select the amount of projects that the allowable funding  
2 can --

3 MS. RIDAO: Correct.

4 COUNCILMEMBER MEDEIROS: -- provide?

5 MS. RIDAO: We're gonna rank them.

6 COUNCILMEMBER MEDEIROS: Okay.

7 MS. RIDAO: And then when we reach \$4 million,  
8 that would be the top projects that we would recommend  
9 to the Council.

10 COUNCILMEMBER MEDEIROS: Okay. And -- and I  
11 don't know if we asked the last time if we could have a  
12 copy of the criteria that these projects are selected  
13 on.

14 MS. RIDAO: I'd -- I'd be happy to provide  
15 that.

16 COUNCILMEMBER MEDEIROS: Upon your request,  
17 Mr. Chairman.

18 CHAIR NISHIKI: Yeah.

19 COUNCILMEMBER MEDEIROS: If that is, you know,  
20 all right.

21 CHAIR NISHIKI: Yeah. I just wanted to let  
22 the Council Members know, because this is a big question  
23 that I feel -- and I think a lot of other Members, one  
24 or two, have mentioned about -- is the Council sets the  
25 policy.

1 COUNCILMEMBER MEDEIROS: Right.

2 CHAIR NISHIKI: Okay. So if you want to get  
3 active in setting this policy, it'll come to the budget  
4 process. And -- and you may want to just see land  
5 purchased or -- or whatever. Right now, there's a  
6 concern about all the nonprofits getting it. And I'm  
7 not saying it's good or bad, but this is something that  
8 you, the Council, may wanna get involved with. And so  
9 I'm just bringing it up in that manner, Mr. Medeiros.

10 COUNCILMEMBER MEDEIROS: Thank you,  
11 Mr. Chairman.

12 CHAIR NISHIKI: Yeah.

13 COUNCILMEMBER MEDEIROS: And, Ms. Ridao, so is  
14 there a possibility for people to lobby to encourage the  
15 Department on certain projects?

16 MS. RIDAO: No.

17 COUNCILMEMBER MEDEIROS: No.

18 MS. RIDAO: Not at the Department level.

19 COUNCILMEMBER MEDEIROS: So the Department  
20 that -- the review process and selection process you  
21 have, that's like set in stone, then?

22 MS. RIDAO: Well, we -- yeah, because what  
23 we're trying to accomplish is being fair.

24 COUNCILMEMBER MEDEIROS: Uh-huh.

25 MS. RIDAO: And I -- I think when you get the

1 criteria and the score sheet, you will see, you know,  
2 how that -- how we try to accomplish that. It doesn't  
3 -- you know, it doesn't prevent people from coming to  
4 you as Council Members to ask the -- the Coun -- the  
5 Department to change the cri -- I mean the rankings.

6 COUNCILMEMBER MEDEIROS: I see. Okay. And so  
7 is it similar to CDBG, where you're gonna come up with  
8 so many projects that amount to the amount of funding  
9 you have, and then the Council will review it and vote  
10 up or down on all, that we can't separate any projects?

11 MS. RIDAO: I believe the way the Affordable  
12 Housing Fund is written is that we present you with a  
13 plan for the use of those funds. I don't recall it  
14 saying that you cannot change it. I -- I don't recall  
15 that.

16 COUNCILMEMBER MEDEIROS: Okay. Thank you very  
17 much for that information.

18 Mahalo, Mr. Chairman.

19 CHAIR NISHIKI: Yeah. Mr. Mateo.

20 COUNCILMEMBER MATEO: Chairman, thank you very  
21 much.

22 Ms. Ridao, good -- good -- good morning.

23 MS. RIDAO: Good morning.

24 COUNCILMEMBER MATEO: Just to get some  
25 information, because the policy does provide that

1 flexibility in terms of utilization of the funds. And  
2 the list that we show in the FY 10 applications, you --  
3 I -- I still have concerns because, in an earlier  
4 testimony, we heard from a former director who indicated  
5 that the priority of the County was to address the --  
6 the low income group. That is not -- that is not the  
7 purpose and the intent of the Residential Workforce  
8 Housing Policy. Contrary.

9           And for me, I look at all of these units, and  
10 I need to ask the Department who are we building houses  
11 for. I think we need to, once again, return to the  
12 intent of the policy. Because I wish the Department  
13 would start creative designing in looking at the  
14 potential with a possibility of utilizing, you know, in  
15 this particular scheme of things, 18, almost \$19  
16 million.

17           If we are true to our intent of building  
18 affordable housing, unfortunately, we need to build it  
19 ourselves. We need to purchase land. We need to  
20 utilize the affordable housing funds to take care of  
21 infrastructure development. And then we need to do RFPs  
22 with the private sector so they can build homes that are  
23 250 and below. Because we have absorbed the shock of  
24 the cost of land and the infra -- the cost of  
25 infrastructure. I mean, it just seems to be realistic.

1                   Instead of targeting a specific group, the  
2 policy does provide for special interest needs, special  
3 interest groups. It does not say it has to be the focus  
4 of our funds. And, unfortunately, that has been the  
5 focus of our funds. And I believe we have missed the  
6 boat. And we cannot continue to miss the boat.

7                   And I'm really glad, Chairman, that the  
8 policy's up for review, because, as stated, it was just  
9 a foundation that we now need to build on. We now know  
10 where the pukas are. We now know which puka we gotta  
11 put our finger in the dike to stop the bleeding. And we  
12 need to -- we need to continue with the original intent.  
13 And by us refocusing, I think it'll help us achieve that  
14 -- that particular purpose and intent.

15                   And, you know, my challenge to the Department  
16 is we need to rethink this. \$19 million targeted to one  
17 specific area is not doing the rest of the people of  
18 this County fairness. So we -- we need to balance it  
19 out. And this is not a balanced, I think, spread of how  
20 we should spend these funds.

21                   So I ask the Department to consider those  
22 possibilities of potential land acquisition planning for  
23 use of the affordable housing funds, for infrastructure  
24 development. And I -- we can ask the Chairman -- as,  
25 you know, indicated, perhaps we can meet with the large

1 landowners, Mr. Chairman, and we can perhaps talk to  
2 them about the potential of purchasing land from them so  
3 we can help our people achieve the dream of  
4 homeownership.

5 So I just needed to bleed a little bit. So  
6 thank you very much for the opportunity, Chairman, and  
7 Ms. Ridao.

8 CHAIR NISHIKI: Yeah. We -- we thank you for  
9 your input, Chairman Mateo.

10 Mr. Pontanilla.

11 VICE-CHAIR PONTANILLA: Thank you, Chairman.  
12 And I agree with you -- with you and Mr. Mateo in  
13 regards to how to utilize this 2 percent Affordable  
14 Housing Fund.

15 Question that I have, I -- I -- I look at the  
16 first one, ARC of Maui. And yesterday, we just approved  
17 half a million dollars from CDBG.

18 MS. RIDAO: 350,000.

19 VICE-CHAIR PONTANILLA: 350,000.

20 MS. RIDAO: Yeah.

21 VICE-CHAIR PONTANILLA: So this is the  
22 remaining thousands that is required?

23 MS. RIDAO: No. This is the total project.  
24 So what we would probably do as a committee, knowing  
25 that they are going to receive CDBG funding, is look at

1 that and consider -- I mean, we would probably lower it  
2 by at least 350 or -- or decide if this project is a go  
3 or not for this fund.

4 VICE-CHAIR PONTANILLA: Okay, fine. And then,  
5 yesterday, we also took action on one of the other  
6 projects over here, Lokahi Pacific Honokowai Rental  
7 Project, 1.5 million that you show over here. And  
8 Member Johnson from West Maui had made a proviso in  
9 regards to that of 4.2.

10 MS. RIDAO: Yes.

11 VICE-CHAIR PONTANILLA: So I don't know how  
12 this gonna affect your Affordable Housing Fund.

13 MS. RIDAO: But I think that will also be  
14 taken into consideration by the committee, yeah. I -- I  
15 just wanted to mention -- and appreciate Council Chair  
16 Mateo's comments -- as you know, Councilmember  
17 Pontanilla, we have the 50 acres in Kahului that we are  
18 working on. And I will be -- the Department will be  
19 coming to the Council for funds to start the planning on  
20 the -- on that 50-acre parcel.

21 VICE-CHAIR PONTANILLA: Yeah. Thank you for  
22 that piece of information. Maybe, this is the first raw  
23 land that we have, that, you know, we can somehow  
24 provide affordable housing for all the groups that we  
25 mentioned in the Workforce Housing Policy. And I

1 understand that we are trying to do the same thing on  
2 Lanai, to provide affordable housing for the community,  
3 looking at all of the median income groups. So, you  
4 know, it -- it's a start. And -- and, yeah, I agree  
5 with both Chairman Nishiki as well as Member Mateo. And  
6 my comments to Mr. Vanderbilt this morning that, yeah,  
7 we should be looking at the possibility of purchasing  
8 raw land from some of these large landowners.

9 Thank you, Chairman.

10 MS. RIDAO: I will take that back to the  
11 committee.

12 CHAIR NISHIKI: Yeah. And -- and I see  
13 Mr. Chubby Vicens back there, but I'm sure that he wants  
14 to fill us in on more food.

15 Jo Anne, go ahead.

16 COUNCILMEMBER JOHNSON: Yes. And -- and,  
17 Jo-Ann, just to clarify, the money that's in this is  
18 just from the 2 percent that's coming from our Housing  
19 Fund. The money we were dealing with at a previous  
20 meeting is from our Residential Workforce Housing. So  
21 those were two different pots of money, is that correct?

22 MS. RIDAO: No. This money is from the  
23 Affordable Housing Fund and the -- the discussion  
24 yesterday on the 4.2 million --

25 COUNCILMEMBER JOHNSON: Uh-huh.



1 MS. RIDAO: -- that is from a developer's  
2 requirement that he had to contribute.

3 COUNCILMEMBER JOHNSON: Okay.

4 MS. RIDAO: Or they had to contribute.

5 COUNCILMEMBER JOHNSON: So -- but the money  
6 that we spoke about at the previous meeting, is that now  
7 coming into this fund?

8 MS. RIDAO: Yes. That's our recommendation.

9 COUNCILMEMBER JOHNSON: Okay.

10 MS. RIDAO: Yes.

11 COUNCILMEMBER JOHNSON: Okay. I understand.

12 MS. RIDAO: Yes.

13 COUNCILMEMBER JOHNSON: And then because this  
14 Affordable Housing Fund, because of some of the earmarks  
15 and other requirements for monies that would have in the  
16 past come in or would in the future be coming into this  
17 fund from those development agreements, when they have  
18 specific provisos attached to them for community  
19 planned regions. Because some of that money was  
20 generated in the Community Plan, it comes into that  
21 Community Plan where the housing should be created.  
22 Those will further restrict how these allocations are  
23 done, is that correct?

24 MS. RIDAO: That's correct.

25 COUNCILMEMBER JOHNSON: Yeah. Okay. I just

1 wanted -- because I -- I wanted to be clear because,  
2 somehow, I was thinking there were two separate pots of  
3 money that we had. But this is the only one?

4 MS. RIDAO: Correct.

5 COUNCILMEMBER JOHNSON: Okay. With regard to  
6 the -- I -- I guess it would be the -- I guess movement  
7 towards land purchase, have you also looked, or have you  
8 had any conversations with possibility of maybe not  
9 buying land outright, but leasing it? Kind of on the  
10 lines -- along the lines of the DHHL model where you  
11 have actual -- if -- if we have a certain amount of  
12 capital and that will get us more acreage on a lease  
13 basis, and then when we turn that over, either for  
14 self-help projects on leased land or whatever, with  
15 having the recipient whose got the house on that land  
16 then paying the freight for the -- I guess the monthly  
17 lease of that land. Has that been something that we  
18 have, as a County, looked at?

19 MS. RIDAO: Member Johnson, that is not  
20 something that the Department has looked at. Like I  
21 said, today was kind of the first time I heard that we  
22 should be looking at -- the Council is interested in us  
23 looking at purchasing land.

24 But I think what you're mentioning is very  
25 close to the Land Trust model. And, you know, I -- I

1 believe after people hear this meeting and listen to  
2 this meeting, people like John Andersen will probably  
3 start looking for land that the Land Trust can purchase  
4 with these funds and do -- I mean, that's exactly the  
5 Vermont model.

6 COUNCILMEMBER JOHNSON: Uh-huh.

7 MS. RIDAO: They buy land, they -- and then it  
8 turns into a land trust. And then the land cost is  
9 eliminated from the construction of the homes.

10 COUNCILMEMBER JOHNSON: Yeah. And even if --  
11 if you took \$1 million -- and what I'm saying is -- is  
12 even a little -- it's even a little bit different from  
13 -- and -- and I do like the Vermont housing model, don't  
14 get me wrong. I think that's great. But if you have \$1  
15 million and that would buy you X number of acres of  
16 land, what would the same million dollars buy, let's say  
17 the County of Maui or another entity, in terms of a  
18 lease? If you could lease that land for a long period  
19 of time --

20 MS. RIDAO: Uh-huh.

21 COUNCILMEMBER JOHNSON: -- how far would the  
22 million dollars go. Because if it increases the acreage  
23 that you actually can then construct housing on and  
24 having the recipients or having the -- whether it's  
25 Habitat for Humanity or the actual owner then pay for

1 the carrying charges on that leased land. That, to me,  
2 gives us an additional tool that we would be able to get  
3 a little bit more bang for our buck, maybe get more  
4 acreage. So that -- that, I think, is something that --  
5 other than outright purchase, just to look at --

6 MS. RIDAO: Uh-huh.

7 COUNCILMEMBER JOHNSON: -- actual leasing of  
8 lands to improve, I guess, the number of options that we  
9 have.

10 MS. RIDAO: Thank you for that. I -- I took a  
11 note on that.

12 COUNCILMEMBER JOHNSON: Okay. Thanks very  
13 much.

14 CHAIR NISHIKI: Any other questions? Sol.

15 COUNCILMEMBER KAHO'OHALAHALA: Not a question,  
16 but just to add to Member Johnson. While you're looking  
17 at that as a potential scenario, the financing of that  
18 becomes another area of -- of concern that you must also  
19 consider because --

20 MS. RIDAO: Right.

21 COUNCILMEMBER KAHO'OHALAHALA: -- it is the  
22 experience of the recipients and beneficiaries of  
23 Hawaiian Homelands, having in -- been placed in a  
24 situation like that, financing becomes a major  
25 challenge.

1 MS. RIDAO: Yeah.

2 CHAIR NISHIKI: Any other questions, comments?

3 Seeing none, the Chair is going to defer this item.

4 COUNCIL MEMBERS VOICED NO OBJECTIONS. (Excused: MPV)

5 ACTION: DEFER PENDING FURTHER DISCUSSION.

6

7 CHAIR NISHIKI: If any Members have any more  
8 questions about this, we will meet with you after the  
9 Budget session. But I'm sure that we will have a good  
10 discussion during the Budget session, also, on these  
11 items.

12 So, anyway, thank you so much, Jo-Ann. And --  
13 and, hopefully, now there is more food for you to chew  
14 and digest on and -- and look at various ways in which  
15 we can use --

16 MS. RIDAO: Yes.

17 CHAIR NISHIKI: -- monies that we're getting  
18 for the Affordable Housing Fund.

19 Joe, did you have something to say?

20 VICE-CHAIR PONTANILLA: Yeah. I -- I -- I  
21 don't know if the Department has any information  
22 regarding fore -- foreclosure. What I found out from  
23 the last meeting that one of the areas that -- in fact,  
24 on Maui, Kahului has the most fore -- foreclosure in  
25 Maui County. And I was just wondering how many of those

1 foreclosures are people that don't live on Maui.

2 MS. RIDAO: Oh, I -- I don't know that answer.

3 But I -- I may be able to get it. Of the foreclosures

4 on Maui, how many are not Maui residents?

5 VICE-CHAIR PONTANILLA: Yes.

6 MS. RIDAO: Okay.

7 VICE-CHAIR PONTANILLA: Thank you. Thank you,

8 Chairman.

9 CHAIR NISHIKI: You're welcome.

10 Any other questions, comments? Seeing none,

11 meeting is adjourned and the item deferred. Thank you.

12 ...(gavel)...

13 ADJOURN: 12:00 p.m.

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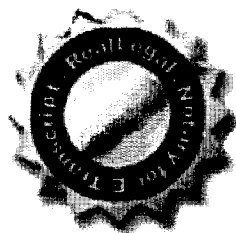
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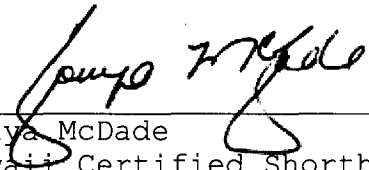
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I further certify that I am not an attorney for any of the parties hereto, nor in any way concerned with the cause.

DATED this 26th day of March, 2009.



  
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