

PUBLIC SERVICES COMMITTEE
Council of the County of Maui

MINUTES

November 4, 2009

Council Chamber, 8th floor

CONVENE: 9:05 a.m.

PRESENT: VOTING MEMBERS:
Councilmember Wayne K. Nishiki, Chair
Councilmember Joseph Pontanilla, Vice-Chair
Councilmember Jo Anne Johnson
Councilmember Danny A. Mateo

NON-VOTING MEMBERS:
Councilmember Gladys C. Baisa (In 9:07 a.m.)

EXCUSED: Councilmember Michael P. Victorino
Councilmember Sol P. Kaho`ohalahala
Councilmember Bill Kauakea Medeiros

STAFF: Scott Jensen, Legislative Analyst
Scott Kaneshina, Legislative Analyst
Jo-Ann Sato, Substitute Committee Secretary

ADMIN.: Lori Tshako, Director, Department of Housing and Human Concerns
Kimberly A. B. Sloper, Deputy Corporation Counsel, Department of the
Corporation Counsel

OTHERS: *(Sitting in the gallery)*
Vanessa Medeiros
David Goode
Stan Franco

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

CHAIR NISHIKI: *(gavel)*. . . Will the Public Services Committee please come to order. Let the record show the attendance of Committee Members Jo Anne Johnson; our Chair of the Council, Danny Mateo.

COUNCILMEMBER MATEO: Good morning.

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CHAIR NISHIKI: And Joseph Pontanilla, my Vice-Chair for the Committee. We have item on the agenda today - Item 2, Workforce Housing - Residential Workforce Housing. Let me introduce the Members of the Staff. We've got representing Corporation Counsel, Kimberly Ball Sloper; from the Department of Human Concerns, um . . . oh, Jo-Ann's not here, Lori Tshako is the Director, excuse me. And our Staff, Scott Jensen, Scott Kaneshina and Jo-Ann. Before we start, is there any one here that wishes to give public testimony? Mr. Franco? None. There's another lady back there - Vanessa Medeiros.

MS. MEDEIROS: . . . *(inaudible - speaking from the gallery)* . . .

CHAIR NISHIKI: Okay. Thank you.

ITEM NO. 2: AMENDMENTS TO THE RESIDENTIAL WORKFORCE HOUSING POLICY

CHAIR NISHIKI: Anyway, the Chair has before you the Workforce Housing Code. And in it, I wanted to direct, if we could keep it to the area of 2.96.040. It is the Chair's intention of looking at the number 1 - 2.A.1, When more than 50 percent of the dwelling units under or new lots in the development are offered for sale for less than \$600,000, 40 percent of that total number of units shall be sold or rented to residents within the income-qualified groups established by this ordinance. Let the record show also the presence of Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR NISHIKI: Good morning. And the reason why I think that we've been hearing from the Administration a record number of foreclosures, the record number of County buy-backs, we know the state of the economy. I think we also heard yesterday afternoon Maui Land & Pine sent back on the employees and I think when I read this morning's newspaper, again, people wondering how they're going to pay for their mortgage. So, I think one area that we need to look at is 2.A.1. I've heard from many Members that they'd like to see that 40 percent dropped to 30 percent. And it was the Chair's intention to have a discussion on this and try to, at our next meeting, pass out just this area of our ordinance to take into effect. Any comments from Administration as to this direction? And after them, Committee Members.

MS. TSUHAKO: Good morning, Chair and Members. Thank you for having me here today. *... (cleared her throat) ...* excuse me, *... (cleared her throat again) ...* excuse me. The Department has no objections to, certainly no objections to listening to the discussion today and to participate in a discussion with all of the folks who have made contributions to and suggestions to possible amendments for the Workforce Housing requirement. I think after hearing everyone's input then we'd be able to make a little more relevant comments. At this point in time though, I have no objections to having heard your objective of the meeting to going forward and simply listen to the suggestions.

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CHAIR NISHIKI: Okay. And I see that we've got Mr. Goode here also, a private representative/private developer; in case you'd like to give any testimony also, David, please feel free to come forward. Okay. The other suggestion was a suggestion from the Chair at our next meeting to suggest that we get staff also to deal with workforce housing in the area of commercial zoning, which was not included in this and I thank you, Mr. Mateo, that will direct staff to look at this. I see also Joe nodding and Gladys and Jo Anne blinking.

COUNCIL MEMBERS: . . .*(laughter)* . . .

COUNCILMEMBER BAISA: Winking. . . *(laughter)* . . .

CHAIR NISHIKI: Winking. . . *(laughter)* . . . Anyway, any comments from Committee members that we just direct into this area, and then at our next meeting we look at the other venue? Mr. Mateo?

COUNCILMEMBER MATEO: Chairman, thank you very much and, yes, the policy, Chairman, was developed in a totally different sense of time. During this particular time when the policy was being crafted, we were not going through any kind of an economic downturn as we are today. During this time, the County also was not receiving as well any affordable housing considerations from many developers. It was through the creation of a policy or a real rigid directive such as this policy that affordable became top of mind. So, I think for us to start to address today's needs and it was, in fact, included as part of the policy to assure that a review of our policy occurred every two years. That did provide us with the opportunity to include appropriate changes as such. But we have passed that window and it is time for us to now address the policy in terms of its specifics. So, I am very supportive of looking at the reduction of the Chairman's recommendation and, obviously, there are other areas that the policy needs to seriously address as well. And this policy is just one part of the puzzle that we definitely need to address because as I mentioned to you earlier, Mr. Chair, the more serious part of the need for this County to address is our permitting process. And once we get rid of that nonsense, then we can seriously move forward on the realities of making things happen in this County. So, Mr. Chairman, I fully support the direction you're heading in and I thank you for this opportunity.

CHAIR NISHIKI: Thank you, Mr. Chair. I know that you were a big part of the Residential Workforce Housing in which you chaired these meetings and we thank you for the start and also the two-year review. Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you, Chairman. I also support what you're trying to achieve in the reduction of the requirements. The other thing that I just want to point out is that on number 2 we still need to deal with the 50 percent number, you know for anything in that regards. And Chairman Mateo mentioned about the two-year review and the possibility of doing something like that in this process for the next review. But let me point out to you, in the last two years we've been approving affordable housing projects

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that are being considered in Maui County and done by nonprofits. And we, in turn, as County are starting to buy land to develop affordable housing 100 percent. So, with the help of the nonprofits and the County's movement in purchasing land to create affordable housing, I agree with you, we need to take a look at what's before us and what you're trying to achieve. So, I fully support your moving forward on this here. Thank you, Chairman.

CHAIRMAN NISHIKI: Thank you, Mr. Pontanilla. Comments? Jo Anne?

COUNCILMEMBER JOHNSON: I just want to thank the Maui Housing Council, which is composed of Habitat for Humanity, Hale Mahaolu, Lokahi Pacific, MEO and Na Hale O Maui because they've also provided us with some very concrete strategies and some suggestions, which I think certainly bear further discussion because they all center around the problems that we've encountered. So, I want to thank them for doing that because I know that Chair Mateo, when he was dealing with this, one of the goals and objectives in moving with the policy was to actually get a policy implemented and then see what worked and what didn't work. And so we always intended to revisit and restructure and place incentives within the policy and yet somehow because there are so many other things on our docket we never really had the opportunity to discuss that in-depth. And plus, at that time, the climate as was noted by other Members, it was very different. The economics now are just like a 180, and I have to say that having traveled recently to the mainland I did take the opportunity to ask other people and to look in all the newspapers and see what was happening. There are record foreclosures and we are barely scratching the surface on the beginning of the foreclosures. And that's sad to report but it is a trend that is occurring nationwide. So, you know, if the truth be told, we are not in a position where we were even a year and a half ago. It's worsening and that really concerns me, Mr. Chair, so I think that now is the time to not react but proactively work towards creating something that really fits the situation and fits the current economic needs of the community and I'm pleased to see that the suggestions are coming from the community. So I want to thank you, Mr. Chair, for coming back to this and continuing to plug away at it because it's really important. We all have to focus on that. So, thank you, Mr. Chair.

CHAIR NISHIKI: Thank you. Gladys, I'm sure you want to say something because I know you mentioned about attending some of these meetings, I guess, the MEO and Na Hale and Habitat and Hale Mahaolu, and we've got some of their testimony here before us.

COUNCILMEMBER BAISA: Correct. Mr. Chair, thank you very much for the opportunity. The reason why I canceled another meeting to be here this morning is because I think this is a very relevant piece of legislation that has had far reaching effects and will continue to have far reaching effects into the future. And like it was said previously, there was an attempt to pass an ordinance because we needed one, but the time has passed and it is now time to evaluate and possibly like most ordinances that we passed do a little bit of a tweaking to try and get a better result from it. You know, the first couple years of this we have not been very successful in producing affordable housing. And it may be that, you know, we're . . . that will change in the future as mentioned by Member Pontanilla. You

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know, there are changes going on in how we do things and who's going to be doing affordable housing so we may see the results change. But I think it is a very good time to evaluate and look at this and possibly incorporate some of the ideas that are coming from the people who actually are in the trenches dealing with it. And I was just talking about this, this morning with my committee analyst. We were talking about how much our demographics have changed in a very short time. You know, when we began working on the General Plan three years ago, I mean, seriously working on it with the GPAC, we were in a very different economic situation than we are today and it seems like daily it's deteriorating. You know, I was just totally thrown off yesterday with the Maui Pine announcement. You know, it's just a devastating kind of thing. And what we have looming out there is the 800 pound gorilla of HC&S. And if that happens to us, then I think that we really have to shift gears and really look even at the work that's already been done on the General Plan as to how we will have to possibly shift the way we do things in order to really get our community back into high gear again in terms of sustainability. You know, when we were discussing sustainability, we discussed about housing and we discussed about ways to agriculture. We had all this talk about agricultural lands being converted. Well, you know, one of the reasons that I've been told by the farmers that we cannot do farming is because of the lack of employees. Nobody wants to do this kind of work. But we may have a huge work force coming down the pipe very shortly that could turn agricultural lands into different kinds of agriculture that involves sustainability because now the workforce will be available. We got to get everybody back to work and employed. So, we're at this time of change. So at this time, it's especially relevant to look at our policies and see if they're still going to produce the results we want. So I want to thank you very, very much for bringing this up. Thank you.

CHAIR NISHIKI: And again, I want to thank you, the Members of the Council that have been speaking to me in regards to the areas that we need to look at also. Again, the input from the nonprofits - Habitat for Humanity, Hale Mahaolu, Lokahi Pacific, MEO, and Na Hale O Maui, and of course, our Administration. I think that you know they, I feel like, not I feel, I know that they're working with us so this is important. So, I am going to ask the Staff to look at again just one specific area - a) 2.96.040A.1. and draft legislation as much as it may be piecemeal. I think this area all of you have mentioned your concern and so if you don't mind, we'll drop that 40 percent to 30 percent and have that legislation drafted at our next meeting. I also am going to ask that we look at the commercial end that the Chairman talked about. And if any of you have any other areas that you would like to prioritize, and let me know if it's okay that we piecemeal, because to do the entire ordinance I just find it like too much at one time. So, any other comments you can send it to me in writing and the Staff will work with your prioritization. Any other comments?

VICE-CHAIR PONTANILLA: Yeah.

CHAIR NISHIKI: Mr. Pontanilla?

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VICE-CHAIR PONTANILLA: Thank you. I'd just like to make a comment in regards to how you're going to approach this and you know although it is one step at a time, with the Water Resources Committee that's what we're doing, one step at a time. To take this whole policy and try to chew on it, we're going to be bogged down not only one month, two months, but probably the whole year. So if we take it step at a time, you know, try to address the critical side I think is most important. So, I'm --

CHAIR NISHIKI: Thank you.

VICE-CHAIR PONTANILLA: --agreeable with your movement. Thank you.

CHAIR NISHIKI: Any other comments? Jo Anne?

COUNCILMEMBER JOHNSON: Yes, and just reviewing and I know it was mentioned by Chair Mateo, one of the things, it's number 7 on the list from the Maui Housing Council, which is the entitlement and building permit process. If I have heard anything from the nonprofits and, you know, we've talked about it repeatedly, we have to do something. Even on our 201G we try and do the best we can but, to me, this is a huge impediment. If you have the money in place and that's oftentimes what's happening, Mr. Chair is the money, everything is there but the permits, you know, it just seems we need to find the bottlenecks and we need to address that as soon as possible. And to me, I think there should also be a prioritization that when any application comes in that has either a 100 percent affordable housing or a substantial affordable housing component to it, I think that what we should do is somehow draft legislation that moves that to the top of the list. Maybe it's called line jumping, but you know what, if that gets top priority, if they can have the meeting with all the various departments, I think Member Pontanilla talked about that yesterday with regard to County projects, there's no reason why, if this is a priority, then let's be consistent and make it a priority. So, to me, that is one of the biggest things that I think we need to address is that expediency and moving those things forward. And even the release of the monies to the nonprofits, there should be no delay. I know many times it's Corporation Counsel has so many things on their plate they can't draft everything right away. Every single component though of either releasing the money, getting the land entitlements which we can do as a Council we can approve or we can propose land use changes, we need to make a list, a short list of all the things that we can do right now to put that as the top priority. And then I would really like to hear the comments from the Administration. So I'd like Members to kind of think about what can we do. We cannot direct Administration except through our legislative authority. But if we're going to really push it, then it has to be at the top. So that's my only comment. Thank you.

CHAIR NISHIKI: Thank you, Jo Anne. Gladys?

COUNCILMEMBER BAISA: Yes, thank you much, Chair. I certainly would like to agree with Member Johnson about the permitting issues that we're dealing with and the impact that they have. And it's not only with nonprofits. And I know today we're talking about the

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housing policy which you know is another thing but it's a partnership between private people and us. And I think we're all affected whether we're for profit or nonprofit. But this problem with permitting is pervasive. And it is the biggest thing that I get talked about all the time. Even before I became a Council member people were talking about and we have made very little strides in trying to move things faster. I'll give you an example. When I left MEO at the end of 2005, that was four years ago, we had purchased the Cabebe property in Wailuku on Vineyard Street, which is affordable housing to the max. The people that are going to live there are certainly gonna be affordable housing. And it's taken all this time. It is finally being renovated and a lot of the stops have been permitting stops along the way. So, you know, if we can just help move projects along. I think the big goal, of course, is to get people back to work, number one; number two, to get our economy going. You know, every time somebody starts building a house they start helping ... the building providers, the building supply providers sell stuff it affects their jobs, it's affecting our economy, the taxes. I mean, it's just a snowballing thing, so we need to get out of the way. Government needs to get out of the way. We need to be facilitators, not impediments. And I think that this is a very creative Council that has worked very hard to do innovative things. I think we can do this. I think we can. But we just have to pass the right kind of laws. And thank you very much for taking the leadership. I agree let's bite-away. Like somebody told me the other day, how do you eat an elephant, one piece at a time, well, let's eat this elephant one piece at a time and let's go for it. Thank you.

CHAIR NISHIKI: Thank you so much. Any other comments? If not, we'll see you around the next time blinking, winking, whatever, and . . .

VICE-CHAIR PONTANILLA: Oh, I get one comment.

CHAIR NISHIKI: Oh, I'm sorry.

VICE-CHAIR PONTANILLA: I've got a very short comment. You know, as we look through the policy, 30 percent sounds like a good number but we still need to ensure that those homes are built and, you know, provide provisions in this policy so that we get those homes and not wait 10, 15, 20 years. So, Chairman, I will be providing some information towards that end. Thank you.

CHAIR NISHIKI: Okay, thank you. Danny?

COUNCILMEMBER MATEO: Chairman, and just as a closing remark. The original housing policy did not fail. I think I need to remind people that when the policy was created, we went through the creation of, and I'm just thinking of projects off-hand. For example, 670 there was 700 units; Wailea Project - 500 units; Kapalua Mauka - over 130 units; Hale Mua - 300 units, and I can't remember at this point the other projects that we went through. And granted, the majority of these units including the 201G unit all ended up in court. That is not the policies' kuleana. That is a legal kuleana. So, whether or not this policy work, let me tell you, we're talking about 1,600 units here. It did work. But the

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time that we had mentioned, this is a changing time, we got to be real at this point. So I look forward to additional changes and I look forward to the crafting of a policy that will benefit everybody in the community -- both our residents and the development community. Time has come for us to partner and this is what we need to do so, imua, Nishiki.

CHAIR NISHIKI: Thank you so much, Mr. Mateo. Seeing that there are no other comments, this meeting is adjourned. Thank you.

ACTION: Recommending DEFERRAL pending further discussion.

ADJOURN: 9:30 a.m.

 APPROVED:

WAYNE K. NISHIKI, Chair
Public Services Committee

ps:min:091104

Transcribed by: Jo-Ann C. Sato