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**M I N U T E S**  
**BUDGET AND FINANCE COMMITTEE**  
**COUNCIL OF THE COUNTY OF MAUI**  
**COUNCIL CHAMBER**  
**WAILUKU, MAUI, HAWAII**  
**MAY 25, 2011**

**APPROVED:**

  
Committee Chair

**ORIGINAL**

**Transcribed by:** Tonya McDade, CSR, RPR, CRR  
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- 1        CONVENE:    9:09 a.m.
- 2        PRESENT:    Councilmember Joseph Pontanilla, Chair
- 3                    Councilmember G. Riki Hokama, Vice-Chair
- 4                    Councilmember Gladys C. Baisa, Member
- 5                    Councilmember Elle Cochran, Member (In 9:23
- 6                                    a.m.)
- 7                    Councilmember Donald G. Couch, Jr., Member
- 8                    Councilmember Danny A. Mateo, Member
- 9                    Councilmember Michael P. Victorino, Member (In
- 10                                    9:57 a.m.)
- 11                    Councilmember Mike B. White, Member
- 12        EXCUSED:    Councilmember Robert Carroll, Member
- 13        STAFF:        Scott Kaneshina, Legislative Analyst
- 14                    Camille Sakamoto, Committee Secretary
- 15        ADMIN:        Sananda K. Baz, Budget Director, Office of the
- 16                                    Mayor
- 17                    Jeffrey T. Ueoka, Deputy Corporation Counsel,
- 18                                    Department of the Corporation Counsel
- 19        OTHERS:    Everett Dowling, Dowling Company, Inc.
- 20                    Patricia Privee (for Naomi Ashman)
- 21                    Gail Gnazzo
- 22                    Michelle Del Rosario
- 23                    Vincent Del Rosario
- 24                    Stefanie Nolette
- 25                    Robin Pilus
- Perry Artates
- Clea Semmerling
- Don Fujimoto, Dowling Company, Inc.
- Eight (8) additional unidentified attendees
- PRESS:        Akaku, Maui Community Television, Inc.

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**ITEM NO. 33:        AUTHORIZING THE PURCHASE OF THREE LOTS  
                          IN KULAMALU COMMERCIAL SUBDIVISION (C.C.  
                          No. 11-91)**

CHAIR PONTANILLA:    ...(gavel)... The Budget  
and Finance Committee meeting for May 25th, 2011 is now  
in session. Good morning, Members. The time is 9:10.

1                   Members, we do have only one item on today's  
2 agenda, but, before we go into public testimony and take  
3 action on the agendaed items -- item, the Chair would  
4 like to recognize the Members that are here this  
5 morning. We do have Member Baisa.

6                   COUNCILMEMBER BAISA: Good morning, Chair.

7                   CHAIR PONTANILLA: Good morning. Member  
8 Couch.

9                   COUNCILMEMBER COUCH: Good morning.

10                  CHAIR PONTANILLA: Good morning. Member  
11 Hokama.

12                  VICE-CHAIR HOKAMA: Chairman.

13                  CHAIR PONTANILLA: Good morning. Member  
14 White.

15                  COUNCILMEMBER WHITE: Good morning, Chairman.

16                  CHAIR PONTANILLA: Morning. And Chairman  
17 Mateo.

18                  COUNCILMEMBER MATEO: Good morning.

19                  CHAIR PONTANILLA: Good morning. Representing  
20 the Administration, at this time we do have, from the  
21 Corporation Counsel's office, Jeff Ueoka. Good morning.  
22 And our Budget Director, Mr. Sandy Baz.

23                  MR. BAZ: Aloha.

24                  CHAIR PONTANILLA: Aloha. And supporting the  
25 Committee, we do have staff, Scott Kaneshina, who is a

1 Legislative Analyst, as well as Camille Sakamoto, our  
2 Committee Secretary.

3 At this time, the Chair is gonna take public  
4 testimony. For those of you that are providing public  
5 testimony this morning, you have three minutes to  
6 provide your testimony, one minute -- the Chair will  
7 allow one minute to conclude. When you come up to the  
8 podium to provide your testimony, please state your  
9 name, organization that you represent, provide us your  
10 testimony. And once you're completed, if you can remain  
11 there for a few seconds, some of the Members may have  
12 questions for you.

13 Okay. Members, before I call up the first  
14 person, can every one of us turn off or put our cell  
15 phone to the silent mode? Thank you.

16 The first testifier this morning is Everett  
17 Dowling.

18 ...BEGIN PUBLIC TESTIMONY...

19 MR. DOWLING: Chairman Pontanilla, Council  
20 Members, my name's Everett Dowling, I represent  
21 Kulamalu. Thank you for the opportunity to testify.

22 As you know, the project is  
23 Country-Town-Business zoned. And the -- the intent of  
24 the Country Town Business zoning district is to promote  
25 a country town atmosphere of shopping and residential.

1 The -- and that's allowable under the existing zoning.  
2 This does not involve a change in zoning; it's a  
3 permitted zoning.

4 The -- we were approached by the Department of  
5 Housing and Human Concerns to see if we would be willing  
6 to cooperate with them on a affordable project within  
7 Kulamalu. We said absolutely. The necessary zoning for  
8 such a project is in place. The necessary  
9 infrastructure, water, sewer, is in place.

10 The -- I think there's -- some individuals  
11 might have a -- a concern over the term "affordable  
12 housing". And I think it's -- it's unfortunate, but I  
13 think it's a stigma maybe left over from the 1960 type  
14 housing projects, inner city housing projects. And --  
15 and there's concern about, you know, what type of people  
16 occupy affordable housing. And I think the type of  
17 people that occupy affordable housing are people just  
18 like us. I mean, it's just -- it's, you know, they're  
19 -- it's, you know, teachers, it's firemen, it's -- you  
20 know, it's just Maui working families.

21 And we've had the -- the good fortune of  
22 cooperating with the Department of Hawaiian Home Lands  
23 on a number of affordable housing projects. And I would  
24 be happy to live in any of those projects. And I think  
25 all of us would be happy to live in any of those

1 projects. They're -- they're, you know, first --  
2 first-rate good-quality construction, well-maintained  
3 projects.

4 The -- and I think we've -- we've got involved  
5 in Waiehu Kou, Phases 2, 3 and 4. And those projects  
6 have design guidelines and they have CC&Rs. And there's  
7 a marked difference between Waiehu Kou, Phases 2 -- 2  
8 through 4 and the original Waiehu Kou, Phase 1 that did  
9 not have the benefit of design guidelines and CC&Rs.

10 So it's -- doesn't matter what type of project  
11 it is, what income level the project is designed for;  
12 it's really the quality of construction and how it's  
13 maintained. So we look forward to -- to cooperating  
14 with the County to -- to accomplish this project. We'll  
15 be there to support the County in any way we can during  
16 the process.

17 And thank you for your consideration. I'll be  
18 happy to answer any questions throughout the -- the  
19 morning, if there are any.

20 CHAIR PONTANILLA: Thank you. Members, any  
21 questions for Mr. Dowling? And Mr. Dowling is gonna  
22 remain because, later on, as we go through the process,  
23 if you want Mr. Dowling to be a resource person, we have  
24 -- we'll have him for the rest of the morning. Member  
25 Baisa?

1                   COUNCILMEMBER BAISA: Just thank you, Chair.  
2                   And thank you, Mr. Dowling, for being here. And I have  
3                   no question at the moment, but, as we go through it,  
4                   I'll be glad to have you here.

5                   MR. DOWLING: Okay.

6                   COUNCILMEMBER BAISA: Thank you. Nice to see  
7                   you.

8                   CHAIR PONTANILLA: Thank you. Oh, Member  
9                   White?

10                  COUNCILMEMBER WHITE: Thank you, Chair. And  
11                  thank you for being available beyond just -- just your  
12                  testimony.

13                  A couple of the questions that I have, one  
14                  pertains to the design guidelines and whether -- and  
15                  since you've built other projects, you may have a -- a  
16                  clearer perspective on this than -- than most people.  
17                  To what degree do you think the design guidelines will  
18                  add to the cost of construction, if at all?

19                  MR. DOWLING: I think it's -- I don't think  
20                  the County would wanna do a -- an ugly project. Right?  
21                  So, I mean, would the -- do the design guidelines -- the  
22                  design guidelines assure a certain standard of design  
23                  and construction. And, quite honestly, I don't think  
24                  the County -- looking at other County projects that have  
25                  been done in recent years, I don't think the County

1 would -- would wanna go, you know, below that. So does  
2 it really add cost? I don't think so. I think what it  
3 does is really protects value.

4 COUNCILMEMBER WHITE: Yeah. I -- I would  
5 agree that it protects value, but I guess my question  
6 is, not having taken the time to read through all the  
7 design guidelines, I don't know whether there are  
8 setback requirements, offsets, things that will reduce  
9 the -- the -- the density on the project or things of  
10 that sort.

11 MR. DOWLING: No.

12 COUNCILMEMBER WHITE: I know --

13 MR. DOWLING: No.

14 COUNCILMEMBER WHITE: -- you're much more  
15 familiar with that than the rest of us.

16 MR. DOWLING: No. The design guidelines  
17 really don't address those issues. Now, the County  
18 zoning addresses all of those issues you just -- just  
19 mentioned.

20 COUNCILMEMBER WHITE: Uh-huh.

21 MR. DOWLING: And this project, of course,  
22 as -- as of -- you know, as all projects on Maui are  
23 subject to the zoning setbacks and building height  
24 limits. But the design guidelines are more an issue of  
25 color, of -- in the -- in the case of Kulamalu, making



1       sure it fits into a country town. So, for instance,  
2       Longs Drugs, when they wanted to come up there -- you  
3       know, the Longs Drugs in Kulamalu looks very different  
4       than the Longs Drugs in Kahului Shopping Center.

5                COUNCILMEMBER WHITE: Uh-huh.

6                MR. DOWLING: They're both fine -- fine  
7       stores, but just it -- you know, the Longs Drugs in  
8       Kulamalu was designed to fit into -- to a country town.  
9       So you notice that on the signage, you notice that in  
10      the colors that are used and the -- and the materials  
11      that are used. You know, there -- they appear as if  
12      they could have been in a -- in a -- in Paia or Makawao,  
13      for instance.

14              COUNCILMEMBER WHITE: Right. Then the other  
15      question I had was, with the existing County zoning for  
16      these parcels, what is the rough estimate of how many  
17      units -- I realize it depends on what sizes and what --  
18      the mix of studio, one-bedroom, two-bedroom,  
19      three-bedroom might be, but roughly how many units do  
20      you think we might be able to build there?

21              MR. DOWLING: I can -- if you give me just a  
22      moment, I can -- I can do better than that. I can show  
23      you something.

24              COUNCILMEMBER WHITE: Thanks. Sure.

25              CHAIR PONTANILLA: We -- we can have

1 Mr. Dowling come back again to provide us more  
2 information regarding the project.

3 COUNCILMEMBER WHITE: Okay.

4 CHAIR PONTANILLA: For your type of  
5 questioning.

6 COUNCILMEMBER WHITE: That's fine. Thank you,  
7 Chair.

8 CHAIR PONTANILLA: Okay. Thank you. Members,  
9 any more questions? Thank you. Mr. Dowling, thank you.

10 MR. DOWLING: Thank you.

11 CHAIR PONTANILLA: Next testify -- testifier  
12 is Patricia Privee.

13 MS. PRIVEE: My name is Patricia Privee and  
14 I'm reading a letter from a homeowner that could not be  
15 here. She is teaching.

16 "Dear Councilman Pontanilla: My name is Naomi  
17 Ashman and I'm a homeowner in the Cottages of Kulamalu.  
18 My husband and I have been homeowners here since  
19 February 2009.

20 When we purchased our home, we were told by  
21 the developer, H. R. Horton [sic], that Kulamalu was a  
22 planned development of commercial properties as part of  
23 the master plan by the Dowling Company. We looked  
24 forward to the time when the economy rebounded and there  
25 would be business right outside our front door so that

1 work, play and shopping would be closeby.

2 My concern regarding the purchase of the land  
3 from Dowling Company is that homeowners in the area were  
4 not given notice about the plan by the County. We  
5 haven't been given an opportunity to get more  
6 information about what is proposed by the County. The  
7 property is being converted from its Commercial zoning  
8 to Residential. And it appears as though this is being  
9 pushed through without public notice.

10 Questions that come to mind are: What does  
11 the development look like? What is the density? Is it  
12 rental or owner-occupied homes? Is it low-income or  
13 affordable housing? Are they single-family dwellings or  
14 apartment living? What are Dowling Company plans for  
15 the rest of the Kulamalu community? What is the  
16 timeframe? The list of unanswered questions go on.

17 I ask that you delay the decision on  
18 purchasing the property from the Dowling Company until  
19 the community at large has an opportunity to have  
20 questions and possible concerns addressed.

21 Respectfully submitted, Naomi Ashman."

22 CHAIR PONTANILLA: Thank you. Members, any  
23 questions for the testifier? Seeing none, thank you,  
24 Ms. Privee.

25 Gail Gnazzo. Gail Gnazzo.

1 MS. GNAZZO: Aloha, Chairman Pontanilla and  
2 the Members of the Maui County Council. My name is Gail  
3 Gnazzo and I'm a resident of Kulamalu Hilltop.

4 I think that my sentiments are similar to the  
5 person who just read the testimony because I found out  
6 yesterday that this was happening. And I have many of  
7 those same unanswered questions that have come up.

8 When I purchased my lot, I again -- I also had  
9 been told that this would be a planned community, that  
10 it would be a walking community, that there would be --  
11 we would have access to grocery stores, shops,  
12 restaurants, a movie theater, all up in the area that  
13 you're looking at purchasing, I believe. So that --  
14 that kind of astounded me, that what I -- I bought into  
15 was a -- a community that I could age in place in. I  
16 don't like driving into town if I don't have to, with  
17 the cost of gas and all of those things. So I was  
18 looking for some of those amenities to make my life  
19 affordable and not compromise what I had been told.

20 One of the other concerns that I do have is  
21 the traffic. There's only one way out of that Kulamalu  
22 Hilltop area. In the morning and in the afternoon, you  
23 can't walk on the street because of the exhaust from all  
24 the cars that are coming up and down the road to go to  
25 access Kamehameha School. I've also found that it's

1 very difficult to get out of Ohia Ku Street onto the  
2 Aapueo Highway [sic] because of that steady stream. And  
3 once -- if you're able to get into that, you may have to  
4 sit through three and four changes of lights to get out  
5 on the Kula Highway. Because there's also the traffic  
6 that comes from the King Kekaulike student body being  
7 picked up and delivered as well. And sometimes the  
8 actual intersection is blocked so that if there were an  
9 emergency, or if you need to be someplace, it's just  
10 impossible.

11 I -- I mean, folks here know me as being an  
12 advocate for affordable housing, for low-income housing  
13 as well. So it's not that perspective as much as this  
14 was kind of like a shock to find out. And there are  
15 some conditions that I think we need to have more  
16 answers about, like how many more people, how many more  
17 cars, how much -- those kinds of things. What -- you  
18 know, I -- I -- I love my house and we have covenants  
19 and we have a lot of rules and regulations. And I  
20 support that. But I just think there are too many  
21 unanswered questions to go ahead and make a decision  
22 right now.

23 Thank you.

24 CHAIR PONTANILLA: Thank you. Members, any  
25 questions for the testifier? Seeing none, thank you

1 very much.

2 MS. GNAZZO: Thank you.

3 CHAIR PONTANILLA: The Chair at this time  
4 would like to recognize of presence of Member Cochran.

5 COUNCILMEMBER COCHRAN: Aloha. Thank you,  
6 Chair.

7 CHAIR PONTANILLA: Good morning.

8 COUNCILMEMBER COCHRAN: Good morning.

9 CHAIR PONTANILLA: The next testifier this  
10 morning is Michele Del Rosario.

11 MS. M. DEL ROSARIO: Aloha oukou. My name is  
12 Michele Del Rosario and I'm a homeowner at the Cottages  
13 at Kulamalu.

14 I stand before you today to give testimony in  
15 opposition of the proposed purchase of four acres at  
16 Kulamalu for development of affordable housing. Our  
17 community was not provided any direct notice that this  
18 action was being considered; no signage on the property,  
19 no direct mail to our homes.

20 This purchase action is being fast-tracked  
21 through the approval process. If a B&B wanted to be  
22 operated next door to me on a residentially-zoned lot, a  
23 large sign and notice to all adjacent homeowners is  
24 required. This four-acre proposed affordable housing  
25 project is zoned Country Town Business District and is a

1 much larger impact and change to our community. Yet, we  
2 received no notice.

3           There are approximately 60 homes in our  
4 community, 20 in the Hilltop and 40 at the Cottages. We  
5 have 12 members of our community here, 20 percent, most  
6 of whom received less than 24 hours' notice on a work  
7 morning. Our community was not engineered to absorb  
8 additional traffic and parking for more residents with  
9 only one entry/exit street, Aapueo. We already struggle  
10 with heavy traffic twice daily entering Kamehameha  
11 Schools, making it difficult and dangerous to exit our  
12 subdivision during these times of day. It is extremely  
13 dangerous for pedestrians to cross Aapueo Road [sic],  
14 either at the highway or at the entrance to our  
15 subdivision. And speeds are typically higher than  
16 posted.

17           Our community has inadequate on-site parking  
18 as approved by the County. The lots being considered  
19 for purchase and sale by Dowling Company represented, on  
20 its site plan, the Kulamalu Town Center, that these lots  
21 would be developed into town center lots for use as  
22 cafes, retail shops, offices and services to our  
23 community. The members of my community feel that we're  
24 being subjected to misrepresentation. We were induced  
25 to purchase based on certain representations. We feel

1 this is bait and switch. This is a major change to the  
2 makeup of our community.

3 Dowling represents they currently have nine  
4 L.E.E.D.-registered projects for their business, seven  
5 of which are for Kulamalu, including a Kulamalu post  
6 office and six Kulamalu mauka block buildings, A through  
7 F. None of these projects have even begun construction.

8 The renderings provided to us show green  
9 L.E.E.D.-certified modern buildings -- I've brought a  
10 picture from their website for your review -- with live  
11 green rooftops available for retail and office use.

12 Additionally, the site plan that was provided  
13 to all owners shows light green for --

14 MR. KANESHINA: Three minutes.

15 MS. M. DEL ROSARIO: -- residential use, only  
16 60 homes in the community. The remaining green area,  
17 dark green area, including the three lots in question,  
18 were represented to us to be for business use.

19 If the County elects to move forward with the  
20 purchase today, this will be a great disappointment to  
21 our community. We're asking for you to not support the  
22 purchase at this time; alternatively, to defer your  
23 action and make a site visit with representatives of our  
24 community and hold a meeting in the evening in our  
25 community so that all members can attend.



1                   Thank you for your time and attention this  
2 morning. Do you have any questions?

3                   CHAIR PONTANILLA: Thank you. Members,  
4 questions for the testifier? Seeing none, thank you  
5 very much. The next testifier is Vincent Del Rosario.

6                   MR. V. DEL ROSARIO: Aloha, Chairman  
7 Pontanilla and fellow Council Members. My name is Vince  
8 Del Rosario and I am a homeowner at the Cottages at  
9 Kulamalu.

10                   I stand here before you today to give  
11 testimony in opposition of the proposed purchase of four  
12 acres at Kulamalu for development of affordable housing.  
13 I support the Maui County developing affordable housing.  
14 This is not an issue "not in my back yard" kinda type;  
15 this is an issue of representation that are made to  
16 potential homebuyers in this community and the failure  
17 of the developer to follow through and keep his promise.

18                   When making a decision, as a disabled Vietnam  
19 combat veteran, at the Cottages at Kulamalu, the  
20 realtors and the master developer, Dowling and Company,  
21 Inc., represented that only two areas would be  
22 residential development; Kulamalu Hilltop homes that  
23 ranges in value from 8 -- 800,000 to two million, and  
24 the Cottages at Kulamalu that range in value of 350,000  
25 to 650,000.

1           This factor, along with the representation  
2           that the potential directly across from my home would be  
3           developed into office, retail shops, cafes, service --  
4           service instrumental in my decision to purchase my home  
5           and the price that I paid for this home in a very  
6           walkable community.

7           Kulamalu is a mess. We can't even have  
8           children walk on the sidewalks. There's no crosswalk,  
9           nothing. And a -- a developer put on lights that was  
10          broken. And I asked the Maui Electric people, are you  
11          guys gonna replace this. And they told me, oh, this --  
12          this light's well -- obsolete a long time ago, that's  
13          why they don't work. They don't have work -- we don't  
14          have parts, nothing. It was just put up with no  
15          lighting and wiring. So if we should put up any lights,  
16          they gonna have to change everything because they don't  
17          make this anymore.

18                 MR. KANESHINA: Three minutes.

19                 MR. V. DEL ROSARIO: I -- I expect the County  
20          Council to really help us, and -- and for only one  
21          reason. I come from Lanai. And there was -- our County  
22          Council [sic], Goro Hokama, made sure that the developer  
23          did not pull any under-the-table stuff or things we  
24          didn't know. He looked out for everybody in Lanai. No  
25          -- no deals made. Everything in the opening. And --

1 and -- and Goro told me this: He says, I don't -- I --  
2 I take care of rank and file for only one reason, I am  
3 rank and file, Vince, but I can represent you guys and I  
4 can take care of you guys in the best way I can. I take  
5 care of you guys like you guys take care -- like I take  
6 care of my family, then you can come to my house on New  
7 -- New Year's Day and -- and enjoy, and I come to your  
8 house. And -- and that's the background I come from.

9 And I expect, from all you people, the same  
10 kind of service. Because that service Goro had designed  
11 for me. And -- and this is what it's all about, that  
12 you guys take care of us. I feel that some are -- are  
13 not taking care -- care of us. And Goro always told me,  
14 a deal is being made, a deal is gonna be made. So, he  
15 says, I make sure that you guys all get taken care of.  
16 And I ask all of you to take care of us and make sure  
17 that the developer keep his word. As of right now, he's  
18 not keeping his word. He has no concern for us at all.

19 And, you know, hard times, bad times, it's a  
20 mess, so -- you know, over there. So, anyway, thank  
21 you. Have a nice day.

22 CHAIR PONTANILLA: Thank you. Members, any  
23 questions for Mr. Rosario -- Del Rosario?

24 COUNCILMEMBER COCHRAN: Chair?

25 CHAIR PONTANILLA: Member Cochran.

1 COUNCILMEMBER COCHRAN: Thank you, Mr. Rosario  
2 [sic], for your comments. Can you just give me a couple  
3 examples of where the developer has not kept his word?

4 Sorry, I haven't quite been in the loop on this project.

5 MR. V. DEL ROSARIO: The whole development is  
6 a mess. We -- we had weeds (inaudible) ankle --

7 CHAIR PONTANILLA: Mr. Del Rosario, can you --  
8 can you talk --

9 MR. V. DEL ROSARIO: We had --

10 CHAIR PONTANILLA: -- into the mic?

11 MR. V. DEL ROSARIO: -- weeds ankle high, now  
12 it's past me. It's -- it's that high. And it's  
13 encroaching onto the sidewalk, so -- on the full  
14 sidewalk. The people are using half the sidewalks now.  
15 And then they have dangerous things like plumbing pipes  
16 coming out of the ground, going over the sidewalks. And  
17 why is water being -- I can hear the water running only  
18 at nights. What's this? I only know that because I --  
19 I walk my two dogs. And -- and I can hear all of these  
20 things. And that's -- that's the issues that are -- are  
21 not -- not taken care of. That's -- and that's our  
22 little league issues. What about the big issues? Not  
23 taken care.

24 CHAIR PONTANILLA: Thank you.

25 COUNCILMEMBER COCHRAN: Thank you, Mr. Rosario

1 [sic].

2 MR. V. DEL ROSARIO: Thank you.

3 COUNCILMEMBER COCHRAN: Del Rosario.

4 CHAIR PONTANILLA: Thank you. Next testifier  
5 is Stefanie Nolette.

6 MS. NOLETTE: Hello. Good morning. My name  
7 is Stefanie Nolette. And I live at the Cottages at  
8 Kulamalu. And, again, like all the other homeowners, I  
9 just found out about this proposed deal 24 hours ago.

10 I feel like there's been much deception, must  
11 -- much misrepresentation. You folks do definitely,  
12 before you make a decision, need to come out and do a  
13 site walk and see. I mean, like Mr. Rosario [sic] said,  
14 it is a mess. I mean, I can't even walk my dog anymore.  
15 The trees that are planted are dying because they're  
16 being choked out by all the weeds. The grass is dead.  
17 I believe it's a fire hazard. I believe it's a danger.

18 I have the flyer here from D. R. Horton that  
19 nowhere in it says that there were gonna be another  
20 neighborhood built. It says shops, cafes and offices,  
21 enjoy a picnic.

22 There's absolutely nowhere you could enjoy a  
23 picnic right now. Like I said, I mean, the weeds are up  
24 to here. The plants are dead. I do think it's a fire  
25 hazard. We haven't had much rain.

1                   So, please, before you make this decision, I  
2                   would like you to put more time and thought into it.  
3                   Again, have a meeting where, you know, we have notice,  
4                   it's not during work time, that you can meet with the  
5                   other homeowners.

6                   CHAIR PONTANILLA: Thank you. Members, any  
7                   question for the testifier? Member Couch?

8                   COUNCILMEMBER COUCH: Thank you. Thank you  
9                   for coming today and thank you for taking time off work.  
10                  Just a question. Do you guys have an AOA or a HA --  
11                  HOA?

12                  MS. NOLETTE: We do. We have a HOA.

13                  COUNCILMEMBER COUCH: Okay.

14                  MS. NOLETTE: And our three board members I  
15                  don't believe are here today because I don't think they  
16                  had enough notice.

17                  COUNCILMEMBER COUCH: So you pay dues, yeah?

18                  MS. NOLETTE: Yes, we do.

19                  COUNCILMEMBER COUCH: And are those common  
20                  grounds that you're saying are not being --

21                  MS. NOLETTE: No. It's part of our whole  
22                  Kulamalu Town Center that is not being taken care of.  
23                  Our grounds are being taken of, but this is directly  
24                  across the street where we walk our dogs, we take our,  
25                  you know, babies, our children for walks. There is a

1 playing field that -- that is being maintained and I  
2 believe by -- I don't know if it's peewee football, but  
3 everything around it is completely weeds and dead. They  
4 are taking care of just, you know, the grounds that the  
5 kids practice on. But it's very unsightly. It's a  
6 shame. It's --

7 COUNCILMEMBER COUCH: Okay. Thank you.

8 MS. NOLETTE: Okay. Thank you.

9 CHAIR PONTANILLA: Thank you. Members, any  
10 more questions? Seeing none, thank you very much.

11 The next testifier, and last testifier to sign  
12 up, is Robin Pilus. And if there's anyone that wanna  
13 provide public testimony that hadn't signed up, if you  
14 could sign up with our secretary just outside this  
15 Chambers.

16 MS. PILUS: Good morning, everyone. I live at  
17 40 Ohia Lehua Place, also a resident at the Kulamalu  
18 Hilltop.

19 And like all my neighbors, it was very  
20 shocking to find out that this public hearing was being  
21 held this morning and that the neighbors have had no  
22 notice of this happening. It -- it was very shocking.

23 Also, like my neighbors, I'm very concerned  
24 about this. I don't think any one of our neighbors  
25 would be worried about the term "affordable housing" if

1       it fit into the neighborhood. We don't know if it fits  
2       into the neighborhood.

3               We certainly have a lot of concerns about the  
4       traffic problems that have been alluded to.

5               If the developer mentions any kind of a  
6       maintenance issue, it -- it is an absurd kind of a -- a  
7       question to talk about worrying about the maintenance  
8       issue, if you go up there and, again, see the level of  
9       the weeds. There's trash, there's trailers, there's all  
10      sorts of unsightly things up there. And certainly, from  
11      our standpoint, we pay a very hefty amount of dues. And  
12      we have a small block of like 11 houses. And it's  
13      absurd to think that the amount of money that we're  
14      paying is going to just maintain a small strip around  
15      the side of that. So I don't know why that property's  
16      not being maintained, but it really is a travesty and it  
17      really does need to have a site visit.

18              In terms of bait and switch, this -- this is  
19      not -- this is not the plan that we put our future in.  
20      This is a complete diversion of what we felt that we  
21      were putting our life and our property, our investment  
22      in our community here in Maui. And, again, with no  
23      notice that this is going on. I believe this needs a  
24      lot more consideration, and feels a lot like bait and  
25      switch.



1                   CHAIR PONTANILLA: Thank you. Members,  
2                   questions for the testifier? Member Baisa?

3                   COUNCILMEMBER BAISA: Thank you very much,  
4                   Chair. And thank you, Robin, for being here this  
5                   morning. And I'm sorry about the late notice. You  
6                   know, we've been involved in Budget with heads down in  
7                   trying to make money things work here. So I have to  
8                   confess, I haven't had an opportunity to read a lot of  
9                   this up. And this meeting was kinda called as a special  
10                  meeting for us, also. And we arranged our calendars to  
11                  be here today. So, you know, we also have not had a  
12                  whole lot of time to look into this. But I wanna thank  
13                  you for coming. And I wanna assure you that -- as the  
14                  area representative, that I will be asking for us to  
15                  spend a little bit of time maybe looking into this a lot  
16                  more before we make a decision. But that is something  
17                  the Members will have to decide when we get to  
18                  deliberation in the meeting. But thank you.

19                  MS. PILUS: Thank you, Councilmembers [sic]  
20                  Baisa. I appreciate it.

21                  CHAIR PONTANILLA: Members, any more question  
22                  for the testifier? Seeing none, thank you.

23                  The next testifier is Perry Artates.

24                  MR. ARTATES: Aloha, Chair Pontanilla and  
25                  Committee Members. My name is Perry Artates. I come

1 before you as an individual and I come before you for  
2 families trying to seek a home and putting a roof over  
3 their head. I'm here to support this item, you know,  
4 hearing the testimony of the various testifiers before  
5 me.

6 I'm a lessee of Hawaiian Home Lands. And when  
7 we first occupied Waiohuli Hawaiian homestead lands,  
8 there were not too many happy people because we're  
9 already labeled as Hawaiian Homes. Our neighbors and  
10 our stakeholders around us wasn't happy. And there was  
11 some point in time when I used to read the -- The Maui  
12 News editorial about the trash in the front of us, how  
13 our main streets, on Pueo and Lauie, our community got  
14 together and kinda did a -- a watch on who was dumping  
15 the rubbish there. And it -- it wasn't our lessees,  
16 because we were building new homes. We didn't have  
17 CC&Rs there, too. We monitored to make sure our  
18 community were in the guidelines of being a community.

19 I kinda clearly understand what you're --  
20 you're testifying about. Maybe some points that are not  
21 clear, but there's a lot of times points are not clear.  
22 I'm looking to -- to have some people have a roof over  
23 their head. We're in times, yeah, the economy is really  
24 bad, I understand that, but we looking now in the future  
25 of opportunities for families to live in a affordable

1 home.

2 We have an opportunity, living in Waiohuli.  
3 And, you know, our homes there -- you know, everybody  
4 kinda labeled us as just another project, Hawaiian Homes  
5 project, but some of -- some of you should take a ride  
6 in Waiohuli because the homes there are -- some that  
7 couldn't even afford. Sometimes people say we the --  
8 the himakamaka Hawaiians, that we the rich Hawaiians.  
9 You know what? We always was rich, Native Hawaiian  
10 people, no matter what walk of life we are in.

11 But my express [sic] to you is, you know, take  
12 a hard look at it. I -- I'm here to support it. You  
13 build a community how you want to build a community,  
14 with your people that lives in your community.

15 And I gonna tell you an example. In our  
16 district as being rural, we had Habitat for Humanity --

17 MR. KANESHINA: Three minutes.

18 MR. ARTATES: -- we had self-help, we have  
19 middle -- middle class, and some of 'em is -- some of  
20 the homes look like the Lodge at Koele, but we able to  
21 live with each other there. So take a hard look at it.  
22 And I'm here to support it.

23 CHAIR PONTANILLA: Thank you. Members,  
24 questions for the testifier at this time? Seeing none,  
25 thank you, Perry, for being here.

1 MR. ARTATES: Mahalo.

2 CHAIR PONTANILLA: Mr. Artates was the last  
3 person to sign up for public testimony. Is there anyone  
4 that would like to provide public testimony that hadn't  
5 signed up? You already provided testimony, so --

6 MS. M. DEL ROSARIO: I have some additional  
7 information.

8 CHAIR PONTANILLA: Chair will not recognize --  
9 Chair will not recognize you. Only the ones that hadn't  
10 provided public testimony at this time. If you wanna  
11 provide public testimony, provide your name and  
12 organization that you represent, and, once you're  
13 completed, if you can sign up with the secretary just  
14 outside the door, but provide your testimony first.  
15 State your name, please.

16 MS. SEMMERLING: Good morning. My name is  
17 Cleta Semmerling. And my husband and I moved here from  
18 another island, the island of St. Thomas. And on that  
19 island, we have a -- a home in an exclusive area, which  
20 are multi-million dollar homes. And there was only one  
21 entrance into that area.

22 And my concern about this project, when I  
23 compare it to that area in St. Thomas, which we lived,  
24 they did low-income housing, HUD-assisted, you know,  
25 Government housing at the entrance of that multi-million

1       dollar development and homes. And I'm telling you, the  
2       crime went up, the break-ins. We had to put a -- a  
3       gated area and a camera on our area to secure our homes.  
4       And it was really a concern. And I think it was very,  
5       very poor planning on the part of zoning to put that  
6       development at that exclusive high-end area.

7                   And that is my concern about this project  
8       today, is because, you know, we do have, you know, a  
9       nice residential -- the Hilltops there are, you know,  
10      million dollar and up homes. And, actually, I don't  
11      live in that area, I live in the Cottages, but I can see  
12      the concern of this affordable housing.

13                   You know, I mean, let's face it, we want  
14      everyone to have a home and have a beautiful place to  
15      raise their families and things, but we have to be  
16      realistic. In -- in saying, you know, a lot of the  
17      homes are single-family and, you know, the drugs and the  
18      crime and things, children that are -- you know, that  
19      comes sometimes with that, those type of areas, is a  
20      concern, I think. And so I just wanted to -- to voice  
21      my opinion because of what I had dealt with, you know,  
22      on the island of St. Thomas.

23                   Thank you very much.

24                   CHAIR PONTANILLA: Thank you. Members, any  
25      questions for the testifier? Chairman Mateo? Excuse

1 me.

2 COUNCILMEMBER MATEO: Mr. Chairman, thank --  
3 thank you very much.

4 CHAIR PONTANILLA: Can you get back to the  
5 podium? You -- Chairman Mateo wanna ask you a question.

6 COUNCILMEMBER MATEO: Thank you very much for  
7 -- for your -- your comments. I appreciate hearing it.  
8 So the bottom line in your opposition to the project is  
9 not in my back yard because low-income homes are  
10 druggies and people that will, more or less, destroy the  
11 beautiful communities that you're familiar with?

12 MS. SEMMERLING: Well, it seemed to be the  
13 case, you know. I mean --

14 COUNCILMEMBER MATEO: Thank you. I think you  
15 just made up my mind in supporting this particular  
16 project. Thank you very much.

17 CHAIR PONTANILLA: Thank you. Is there anyone  
18 out there that would like to provide testimony that  
19 hasn't signed up yet? If not, Chair, Members, with no  
20 objections, seeing no one coming forward, would like to  
21 close public testimony at this time.

22 COUNCIL MEMBERS: No objections.

23 ...END OF PUBLIC TESTIMONY...

24 CHAIR PONTANILLA: Thank you. Good morning,  
25 again, Members. And thank you for making yourselves

1 available for this meeting. I appreciate it. The first  
2 item on the agenda is BF-33, authorizing the purchase of  
3 three lots in Kulamalu Commercial Subdivision. The  
4 Committee's in receipt of, one, a proposed resolution to  
5 authorize acquisition of three lots in Kula, Maui,  
6 Hawaii, Zone B-CT, Country Town Business District,  
7 collectively comprising of approximately 4.179 acres for  
8 \$3.850 million; and, two, a proposed bill to amend  
9 Appendix A of the Fiscal Year 2011 Budget relating to  
10 Affordable Housing Fund by deleting the provisos for  
11 Kahoma Project, \$1 million, and land purchase for  
12 affordable housing, \$2 million, and adding a proviso for  
13 three lots in Kulamalu Commercial Subdivision,  
14 \$3,850,000.

15 Again, joining this Committee is our Budget  
16 Director who will provide you answers to your questions,  
17 as well as our Corporation Counsel, Mr. Jeff Kuwada  
18 [sic]. Again, we do have Mr. Dowling as a resource  
19 person, if you do have any questions that you may wanna  
20 ask.

21 Again, Members, you know, we all are advocates  
22 for affordable housing. And, you know, what I heard  
23 this morning was pretty disturbing. You know, this  
24 affordable housing project, again, would be on the --  
25 for the gap group, which is 120 to 160 percent medium

1 [sic] income. And these are, basically, your  
2 professional people that are looking for affordable  
3 rental at this time. So with that, Members, if you do  
4 have any questions -- or I wanna call on Mr. Sandy Baz  
5 for his comments.

6 MR. BAZ: Thank --

7 CHAIR PONTANILLA: Mr. Baz?

8 MR. BAZ: -- you, Mr. Chair. And, you know,  
9 Ms. Ridao, the Director of Housing and Human Concerns,  
10 apologizes for not being able to be here this morning.  
11 And, actually, I'm very happy to -- to represent the  
12 Department and the Administration in this proposal  
13 today. I hope to be able to answer as much of your  
14 questions as possible. And Mr. Ueoka and I have  
15 reviewed the items. And Mr. Dowling is here as well.

16 The Administration takes very big concern to  
17 your direction, the Council's direction, through its  
18 Workforce Housing ordinance, through the work of Chair  
19 Mateo and the -- and past Councils, in directing this  
20 County to be more involved with affordable housing. One  
21 of its directions is to look for and acquire housing  
22 that can be built, that can be utilized for workforce  
23 housing.

24 I mean the title of the bill was changed  
25 specifically to help people to understand that this



1       isn't the public housing that was deemed to be, you  
2       know, something that, unfortunately, has been seen as a  
3       negative. This is people that live in our community,  
4       that work in our community, that really need a safe,  
5       affordable shelter over their head that they can be able  
6       to -- to live with and grow their families and be able  
7       to maybe move from.

8                 We are proposing to purchase this land, this  
9       little over four acres of land, up in Upcountry  
10       District. From our understanding, this is the only land  
11       that's available that is zoned, that has water, that we  
12       can build affordable housing on, workforce housing on  
13       currently.

14                We want to propose to you that this is  
15       something that we move forward with. There will be more  
16       discussion, I'm sure, as to the type of housing that we  
17       build on it, but at this time what we are asking for is  
18       the purchase of the land. Thank you.

19                CHAIR PONTANILLA: Thank you. I'll just go  
20       from left to right. Ms. Baisa?

21                COUNCILMEMBER BAISA: Yes. Thank you very  
22       much, Chair. And thank you, Sandy, for being here this  
23       morning. I have quite a few questions. I'm really not  
24       familiar with the project that, apparently, has been  
25       hanging around for a while. And I think my number one

1 question is why the rush, all of a sudden, to make the  
2 change in -- in the funding?

3 CHAIR PONTANILLA: Mr. Baz?

4 COUNCILMEMBER BAISA: To purchase it?

5 MR. BAZ: I'm sorry, Mr. -- Mr. Chair and  
6 Ms. Baisa. I wasn't made aware of the rush,  
7 necessarily, to get this done other than the end of the  
8 fiscal year coming up here very shortly. And so we  
9 wanted to expend the funds before June 30th.

10 COUNCILMEMBER BAISA: I think I'm referring to  
11 the fact that, you know, we weren't quite out of Budget.  
12 We're not quite out of Budget and, you know, all of a  
13 sudden, we having this meeting.

14 And, you know, I have a responsibility. Like  
15 everyone on this Council, I'm very concerned about  
16 affordable housing. I mean, I'm -- I have people in my  
17 family that need affordable housing. But I'm also very  
18 concerned that, you know, if there are questions and  
19 concerns by the community, that they be -- we spend a  
20 little time at least listening.

21 And I share the disdain for, you know, the  
22 automatic assumption that everybody who is a resident in  
23 workforce housing may be undesirable, because this is  
24 not true. I grew up in affordable housing. I grew up  
25 in a plantation. And we were very poor people, but we

1       were very ethical, good people. And, you know, you can  
2       build affordable housing and run it appropriately so  
3       that you don't run into the problems that we're hearing  
4       about. So, you know, that kind of concerns me.

5                   But sometimes a conversation with the  
6       community, just to -- so that the boogieman of what  
7       we're going to build goes away. I think part of the  
8       problem here is people are not sure what we're talking  
9       about. They may not know what the project is gonna be.  
10      They don't know what it looks like. They don't know  
11      who's gonna live there. They're not sure the impact  
12      it's gonna have. And so they automatically assume that  
13      this is a bad thing. Maybe it's a good thing if they  
14      had the opportunity to see the pictures, ask the  
15      questions, figure out how it'll interact with what is  
16      already there. Maybe we could allay some of those fears  
17      and go forward without, you know, having people feel  
18      that they haven't had an opportunity to state their  
19      concerns. For me, that's important. You know, whenever  
20      we're here discussing this kind of project, every time  
21      we have a project that is affordable, we go through the  
22      same thing. And we've had quite a few last year that we  
23      dealt with. And we've had 'em this year. And I know  
24      that Member Pontanilla knows 'cause he's led us through  
25      many of these discussions. And they're very difficult.

1 But we have been able to make decisions for and against  
2 subdivisions based -- or developments based on what we  
3 learn during the process.

4 So I think it's important that we listen to  
5 the concerns and try to keep an open mind about looking  
6 at both sides. I'd like to see us build affordable  
7 housing Upcountry.

8 I'm beginning to think that one of the things  
9 we don't have Upcountry is affordable rentals. You  
10 know, not everybody can afford to buy a home, but if we  
11 had affordable rentals, it would be very helpful, if we  
12 had a well-done project. You know, we have some perfect  
13 examples in this community, like Luana Gardens, where  
14 Hale Mahaolu does a really good job of overseeing  
15 rentals. And there are options. But until we talk  
16 about them, all we have is what people have heard, they  
17 haven't had an opportunity to ask their questions, allay  
18 their fears. And I think that's why we have what's  
19 going on this morning.

20 So that -- that was what I was wanting to  
21 know, is I don't know exactly how far this project is.  
22 Do we have any kind of a design?

23 MR. BAZ: Mr. Chair?

24 CHAIR PONTANILLA: Mr. Baz, but before you  
25 answer that question, we don't have any design as yet.

1       What we're dealing with is the purchasing of some land.  
2       And reading through the documents, basically, what the  
3       Housing and Human Concerns Department is looking at is  
4       exactly what you ask, affordable rentals. Affordable  
5       rentals for the particular gap group which you and I  
6       know are, basically, the firemen, the nurses, you know,  
7       professional people.

8                   COUNCILMEMBER BAISA: Correct.

9                   CHAIR PONTANILLA: Yeah.

10                  COUNCILMEMBER BAISA: Correct. And, Chair, I  
11       really appreciate that. And I think that that's the  
12       problem, is, you know, when people have information,  
13       then they have information. When they don't have  
14       information, their fears lead them to react poorly. I  
15       understand today is about getting the money, securing  
16       the land, and then we'll probably have to deal with the  
17       kind of a project and the details later.

18                  CHAIR PONTANILLA: Exactly.

19                  COUNCILMEMBER BAISA: Thank you.

20                  CHAIR PONTANILLA: Thank you. Mr. Baz?

21                  MR. BAZ: Thank you, Mr. Chair. I do know  
22       that Director Ridao has been in discussions with the  
23       developer for months. And we did submit something to  
24       the Council a couple -- a few months ago. So I think  
25       because of the Budget deliberation process, maybe we

1 haven't had the opportunity to, but -- and I also wanted  
2 to relate, you know, the developer -- the owner of this  
3 parcel had conceptually designed use of this as,  
4 basically, an affordable rental project back in 2007,  
5 something that, you know, he, I think, has copies of, if  
6 you'd like to -- to take a look at that as a possible  
7 option. But as Chair Pontanilla mentioned, you know,  
8 we're -- we're not saying that this is exactly what we  
9 wanna do at this point. We do know there is a dearth of  
10 affordable rentals in the Upcountry area and that we  
11 want to look at this being 100 percent affordable and  
12 100 percent rental.

13 COUNCILMEMBER BAISA: Thank you very much,  
14 Mr. Baz. I totally understand what we're trying to do  
15 here today. I do think it's important that the  
16 residents of Kulamalu, who have concerns, understand  
17 that this doesn't mean that if we were to buy these lots  
18 today that there will be a project built behind them  
19 tomorrow. And I think that's important for them to  
20 understand. This is the beginning of a process.

21 MR. BAZ: Yes. That's correct. Thank you.

22 COUNCILMEMBER BAISA: Thank you.

23 CHAIR PONTANILLA: Thank you, Ms. Baisa, for  
24 those questions. Member Cochran?

25 COUNCILMEMBER COCHRAN: Thank you, Chair. And

1 my -- I'm curious about the deletion of the proviso in  
2 this, in what we're talking about, of the Kahoma project  
3 and the purchase of that land. Are we just disregarding  
4 that or has it fallen through? Sorry.

5 CHAIR PONTANILLA: Go ahead, Mr. Baz.

6 COUNCILMEMBER COCHRAN: Just in regard to --

7 CHAIR PONTANILLA: I was gonna answer that --

8 COUNCILMEMBER COCHRAN: -- the monies that  
9 are --

10 CHAIR PONTANILLA: -- but go ahead.

11 COUNCILMEMBER COCHRAN: -- gonna be used for  
12 this Kulamalu.

13 MR. BAZ: Sure. Mr. Chair, in looking at the  
14 funds that are available for Fiscal Year 2011 for  
15 affordable housing and the priority of projects and what  
16 projects can move forward at this time, the Kahoma  
17 Stream was one of those that is not moving forward at  
18 this time. And we'd be willing to come back to Council  
19 when it is ready to move forward, to be able to ask for  
20 that provision to be either reinstated or maybe a  
21 different amount as well.

22 The other option is there is another  
23 \$2 million earmarked for families earning 81 to 100  
24 percent of the median income in the Affordable Housing  
25 Fund, the Revolving Fund. And that could be utilized as

1 well -- or a portion of that funds could be utilized as  
2 well, because this is the target group for this  
3 population.

4 COUNCILMEMBER COCHRAN: Okay. Thank you. It  
5 was just a -- kind of a concern. If there is an  
6 affordable housing project in Lahaina, we also need it  
7 there, too. But --

8 MR. BAZ: We understand. We are leaving --

9 COUNCILMEMBER COCHRAN: -- I understand.

10 MR. BAZ: Excuse me. We are leaving the 2 --  
11 over 2 million -- 2.2 million dollars set aside for West  
12 Maui projects in the proposed Revolving Fund in the --

13 COUNCILMEMBER COCHRAN: Okay.

14 MR. BAZ: -- proposed ordinance.

15 COUNCILMEMBER COCHRAN: Thank you. Thank you,  
16 Chair.

17 CHAIR PONTANILLA: Thank you. Member Couch?

18 COUNCILMEMBER COUCH: Thank you, Mr. Chair.  
19 Mr. Baz, just to, I guess, let the public know and --  
20 and everybody else, did the County come to approach the  
21 owner of the land or did the owner of the land come to  
22 the County for this one?

23 CHAIR PONTANILLA: Mr. Baz?

24 COUNCILMEMBER COUCH: This is -- this is the  
25 County's proposal as opposed to somebody coming, saying,



1           hey --

2                       MR. BAZ:  Yeah.

3                       COUNCILMEMBER COUCH:  -- will you build this  
4           up?

5                       MR. BAZ:  From -- from my understanding, this  
6           is the County's proposal.

7                       COUNCILMEMBER COUCH:  Okay.  So -- so I had  
8           some concerns with the bait and switch comments.

9                       MR. BAZ:  Yeah.  No.  I'm pretty sure we  
10          approached the developer and -- and --

11                      COUNCILMEMBER COUCH:  Okay.

12                      MR. BAZ:  Because, again, you know, the  
13          Department and this Administration looks very hard for  
14          affordable housing.  I mean, this has been a directive  
15          for a number of years.  The Council has directed  
16          Administrations to look for and purchase affordable  
17          housing.  And that's why we're taking this so seriously.

18                      COUNCILMEMBER COUCH:  The other concern I  
19          had -- and I'll talk -- when we bring Mr. Dowling up,  
20          I'll ask him, too, but if -- if the County were to buy  
21          this property, are we going to have Public Works or  
22          Parks Department go in there and take care of the  
23          property?  There's concerns of vacant trailers and high  
24          grass and whatnot.

25                      MR. BAZ:  Mr. Chair, I --

1 CHAIR PONTANILLA: Mr. Baz?

2 MR. BAZ: Yeah. Maybe that might be a  
3 question for Mr. Dowling. The purchase does include  
4 entrance into the homeowner -- or the -- the association  
5 that is a part of that subdivision. And it does include  
6 maintenance fees that would be -- cover the maintenance  
7 costs of that area. There is, I think, 26 original lots  
8 that a portion of the homeowner -- the association dues  
9 pay into to maintain the area.

10 The -- this subdivision is not a new  
11 subdivision. It's something that has been kind of --  
12 started a number of years ago. I think, with the  
13 economy, maybe has been delayed, so there may be  
14 construction trailers and, you know, jobs that either  
15 were stalled or delayed. Anytime you look at any  
16 subdivision in -- in the middle of its construction  
17 phase, you'll see that there are areas that pipes are  
18 sticking out, that are unmaintained. Just that's the  
19 nature of it. I think this one has been delayed  
20 again -- and maybe Mr. Dowling can mention -- you know,  
21 about either economic or whatever.

22 If the County goes in and does construct on  
23 this parcel, it'll actually clean up that area  
24 significantly.

25 COUNCILMEMBER COUCH: Okay. Thank you.

1 COUNCILMEMBER VICTORINO: Chair?

2 CHAIR PONTANILLA: Thank you. I'm gonna go  
3 right down.

4 COUNCILMEMBER VICTORINO: Oh, okay.

5 CHAIR PONTANILLA: Mr. Hokama?

6 VICE-CHAIR HOKAMA: Chairman, thank you so  
7 much. I notice in the appraisal's -- appraiser's report  
8 to the Department, they provide two scenarios to  
9 establish valuation and a proposed dollar amount for the  
10 potential acquisition. So if you look at the  
11 appraiser's report, Mr. Baz, it is interesting for me  
12 that, under scenario one, which is under what it is  
13 currently zoned as, and then, under scenario two, which  
14 is -- is stated to be solely limited to the development  
15 of an affordable multifamily rental project, that the  
16 valuation is still the same, even if -- with the  
17 restrictions on the zoning permitted uses. Can you give  
18 the Committee some type of additional comment on why is  
19 it so as you understand from the appraiser's  
20 perspective? 'Cause I know, for me, I -- I would assume  
21 that we would have a -- a better -- a price to consider  
22 under scenario two since we restricting only for one  
23 permitted use, then all of the abilities that a country  
24 business town parcel can -- can be done with.

25 CHAIR PONTANILLA: Director?

1           MR. BAZ: I am not aware of why the appraiser,  
2           the consultants, valued it the same. And they're not  
3           available this morning to --

4           VICE-CHAIR HOKAMA: Has our Housing and Human  
5           Concerns Department had a opportunity to discuss with  
6           Real Property Division whether or not this valuations  
7           is -- is supported in that they could come up with the  
8           same conclusion on value?

9           MR. BAZ: No, Mr. Chair and Mr. Hokama. I --  
10          I don't think that they have -- based on the  
11          requirements to acquire property, we contracted with  
12          this appraiser. And this is the appraisal they gave to  
13          the County.

14          VICE-CHAIR HOKAMA: Okay. Chairman, I have a  
15          lot of additional questions on the agreement itself, but  
16          I'm happy to relinquish my opportunity at this time to  
17          allow other Members any -- and for you to complete this  
18          round of questioning.

19          CHAIR PONTANILLA: Thank you, Mr. Hokama.  
20          Staff just provided me with the Real Property Tax  
21          information. And -- and according to Real Property Tax,  
22          the value of the property is like 3.9 mil.  
23          Mr. Victorino?

24          COUNCILMEMBER VICTORINO: Thank you, Chair.  
25          Mr. Baz, you know, we're talking about this appraisal.

1 Who ordered the appraisal? Was it the County or was it  
2 the landowner?

3 MR. BAZ: Mr. Chair? Mr. Victorino, it was  
4 ordered by former Director Tsuhako of the Department of  
5 Housing and Human Concerns on behalf of the County.

6 COUNCILMEMBER VICTORINO: And -- and so the  
7 appraised value that came back, despite the two  
8 different scenarios, was 4.2?

9 MR. BAZ: Yes, that's correct. And I also did  
10 confirm on the Real Property Tax website the values of  
11 those three parcels as \$3.925 million.

12 COUNCILMEMBER VICTORINO: Yeah. It's right  
13 here. And -- and the other question I had, we're  
14 getting about 21,000 gallons per day water source credit  
15 from -- from this purchase, according to this, 20,895.  
16 Did that factor in, in the appraisal? Do you know if  
17 that factored into the appraisal?

18 MR. BAZ: I'm not aware of that.

19 COUNCILMEMBER VICTORINO: Okay. Maybe we'll  
20 ask Mr. Dowling, when he comes up, if, you know -- you  
21 know, it was that and was any value put to that.  
22 Because you know and I know how difficult it is to get  
23 water sources, right. I mean, you know, come on,  
24 somebody would know that one. And so in my mind, you  
25 know, really, with this agreement -- and I think

1 Mr. Hokama will cover a few other items -- but from what  
2 I read, this -- this source -- this water credits would  
3 automatically give us water there for development  
4 purposes. And it's like this would be actually free  
5 water for the County.

6 So, Mr. Ueoka, you looking like you have an  
7 answer. Mr. Chair, if you don't mind?

8 CHAIR PONTANILLA: Okay. Corporation Counsel?

9 MR. UEOKA: Thank you. I believe it was taken  
10 into account --

11 COUNCILMEMBER VICTORINO: It was.

12 MR. UEOKA: -- in the appraisal. It's  
13 mentioned in the appraisal that --

14 COUNCILMEMBER VICTORINO: Because I saw it  
15 there, but I just wanted to ask you guys if that had  
16 been --

17 MR. UEOKA: Yeah, I would assume so. Public  
18 utilities are available to the property and provided as  
19 follows. And --

20 COUNCILMEMBER VICTORINO: Yeah.

21 MR. UEOKA: -- goes down the line.

22 COUNCILMEMBER VICTORINO: Right. Okay. Okay.  
23 Chair, I have other questions, but I'll yield to other  
24 Members, and when we come to second round.

25 CHAIR PONTANILLA: Okay. Thank you.

1 Mr. White?

2 COUNCILMEMBER WHITE: Thank you, Mr. Chair.

3 I have some of the same concerns about the  
4 appraisal, looking at the property tax rolls. The --  
5 the price that we're being asked to pay is similar to  
6 many of the commercial properties in the -- in the  
7 neighborhood and in Kahului. But I -- and I realize  
8 appraisals are based on sales. But looking at the  
9 appraisals in -- for, I believe, it's the Gardens,  
10 Upcountry Gardens, which is in -- on -- just off Makawao  
11 Avenue, it's a 1.75-acre parcel that's valued at  
12 \$985,000, which is about \$565,000 per acre. So it just  
13 gives me pause that maybe the -- maybe we've not looked  
14 real exhaustively at the -- at the various challenges of  
15 -- of property values Upcountry. Do you have any  
16 concerns about the valuations in the appraisals?

17 MR. BAZ: From my review of the appraisal and  
18 the knowledge of Upcountry area and available land that  
19 has zoning and water to develop workforce housing, I'm  
20 comfortable that this is a price that we can live with.

21 If you look at Page 69 of 93 of the appraisal,  
22 it does relate to Mr. Hokama's question about the  
23 valuation difference and why a scenario two, which would  
24 be 100 percent restricted affordable would be similar  
25 or -- or the same valuation as the amount for a

1 commercial or anything else in that zone. Basically,  
2 the -- the gist of it is that -- it says, today,  
3 however, Maui is in the midst of an economic recession.  
4 Within the last few years, the County has been  
5 experiencing declining real estate and has reached a  
6 point where affordable rental guidelines now exceed the  
7 market-driven rental rates for similar properties. The  
8 appraisers surveyed rentals in the subject area, which  
9 included Pukalani and Makawao, Kula, and the appraiser  
10 notes that there are no apartment complexes in the  
11 Upcountry neighborhoods. As such, the rents were  
12 gleaned and -- from single-family residences and  
13 attached, and it -- it goes on. But basically saying  
14 that whether this was gonna be a market project or an  
15 affordable project, the value is gonna be about the same  
16 because that's -- as -- from a development perspective,  
17 the return on investment would be similar.

18 COUNCILMEMBER WHITE: Chair, I have a number  
19 of other questions, but I'll --

20 CHAIR PONTANILLA: Okay.

21 COUNCILMEMBER WHITE: -- allow Mr. Mateo --

22 CHAIR PONTANILLA: Mr. Mateo?

23 COUNCILMEMBER WHITE: -- to --

24 COUNCILMEMBER MATEO: Mr. Chairman, I have no  
25 specific questions other than just interested in waiting



1 to have the developer come down. Because I think the  
2 concerns expressed by the residents, you know, are valid  
3 concerns that needs to be addressed. And, you know,  
4 going through situations with affordable housing  
5 projects, it is always consistent. We heard the same  
6 thing when an affordable housing project tried to enter  
7 Maui Lani, with the Legends. And it just goes on. And,  
8 you know, sometimes for me, you know, who -- you know,  
9 like Ms. Baisa, I'm a product of the plantations. Until  
10 today, I live in a County project. So, you know,  
11 oftentimes, I take offense at newcomers who comes with  
12 assumptions, because it is not always true. And  
13 sometimes it becomes a little more difficult because our  
14 purpose and the intent is to help. And today's business  
15 is to look at the acquisition.

16 You know, the discussion is gonna come when --  
17 when the design comes forward, the Department presents  
18 the -- the project to us. Because they're gonna have to  
19 jump through the multitude of permits and requirements  
20 that'll -- that'll drag this project out for a number of  
21 years. So it's at that time that the specifics of the  
22 project can be discussed. But, for now, I think it is  
23 important that the residents, you know, hear from  
24 Mr. Dowling in terms of, you know, some of the concerns  
25 that they've already expressed.

1 Thank you, Mr. Chair.

2 CHAIR PONTANILLA: Thank you. Member Baisa,  
3 any more questions?

4 COUNCILMEMBER BAISA: No, sir. I'm ready to  
5 wait for Mr. Dowling so we can ask him some of the  
6 questions.

7 CHAIR PONTANILLA: Thank you.

8 COUNCILMEMBER BAISA: Thank you.

9 CHAIR PONTANILLA: Member Cochran?

10 COUNCILMEMBER COCHRAN: Not at this time.

11 CHAIR PONTANILLA: Thank you. Member Couch?  
12 Member Hokama?

13 VICE-CHAIR HOKAMA: Yes. For -- for the  
14 Department -- well, Mr. Baz representing -- and I know  
15 it's difficult, Mr. Baz, because you're not the Director  
16 per se of the Department that is proposing this to the  
17 body this morning, but if you'd look at the agreement,  
18 please, or the one that has been sent to us dated May  
19 24, under the signature of Ms. Ridao, which is the  
20 proposed contract, there's an Attachment A. And what I  
21 would like to ask, to get a sense from the Department's  
22 perspective, please, is under -- on Page 3, under  
23 Subdivision Improvements, 3-A, it says that the buyer  
24 shall be required to pay sewer hookup charge of \$15 per  
25 gallon of sewer service sewer capacity agreed to by

1 buyer. And that is subject to annual CPI increases.  
2 Are you able to give us some -- some comment on is this  
3 to pay for already capacity that has been built into  
4 the -- the service provider from the Department's  
5 standpoint, or is this to pay for -- I mean -- and how  
6 do you come up with this \$15 per gallon per day rate,  
7 too, also?

8 MR. BAZ: Sure.

9 VICE-CHAIR HOKAMA: Is that the standard for  
10 the current subdivision?

11 MR. BAZ: Mr. Chair, Mr. Hokama, thank you. I  
12 did have a brief discussion on this specific item. And  
13 based on the County's Wastewater Reclamation Division  
14 amount of wastewater flow standards, what we're looking  
15 at for this project, it -- basically, looking at a  
16 possibility of up to 54,000 gallons per day of  
17 additional capacity. Now, the -- the owner of the  
18 property has already purchased -- the Upcountry system  
19 is a private system, correct?

20 VICE-CHAIR HOKAMA: Understood.

21 MR. BAZ: Pukalani STP Company. And though --  
22 that, basically, was, a number of years ago, the -- the  
23 Pukalani treatment plant asked, you know, developers or  
24 those that are in the community what their future needs  
25 would be so that they could upgrade the capacity of the

1 system and asked them to prepay those upgrades. And so  
2 this parcel has prepaid that use. And so what we would  
3 be doing is, basically, reimbursing the owner for that  
4 use.

5 VICE-CHAIR HOKAMA: Okay. And, again,  
6 Mr. Baz, I -- I know I put you in a difficult position,  
7 you're not the Department itself, and you may not have  
8 been part of the team that put this proposal together,  
9 but -- but at the bottom of 3A, Mr. Baz, what caught my  
10 eye was this additional standby charges component that  
11 the Hawaii Water Service Company may impose upon the  
12 County should we purchase this. And, again, if part of  
13 the Department's potential future is to go out and seek,  
14 through an RFP, a qualified housing company to -- to  
15 plan and -- and construct, and, also, looking for a  
16 Government financing, whether it be from the Federal  
17 Government, the County, whatever, that nine months can  
18 go by in a blink of couple eyes. And -- and so I'm --  
19 I'm thinking what additional cost is the County gonna  
20 absorb under additional standby charges. Is -- is that  
21 something quantifiable at this time? That, also, we are  
22 gonna agree that we will not oppose any effort to recoup  
23 those standby charges?

24 CHAIR PONTANILLA: Director?

25 MR. BAZ: Yeah. Mr. Chair, from my

1 understanding -- and -- and I apologize for not having a  
2 specific answer for you -- these would be PUC-regulated  
3 charges. And maybe the developer or the owner can --  
4 can express a little bit more information on what those  
5 are currently and what we might be expected to pay after  
6 a certain period of time.

7 VICE-CHAIR HOKAMA: Okay.

8 MR. BAZ: And we maybe also ask him if -- if  
9 that time period could be either extended or -- I don't  
10 know if that's under his control or under Hawaii Water  
11 Service's control.

12 VICE-CHAIR HOKAMA: And, again, you know, when  
13 Mr. Dowling comes, you know, we'll give him his  
14 opportunity to share his comments to the questions we  
15 pose, but I'm trying to get the Department's  
16 perspective, as much as possible, Mr. Baz, through you.  
17 Again, I understand. But one of the things that -- and,  
18 Chairman, you know, if you would allow me -- that really  
19 caught my eye is component number 16 -- and maybe  
20 Mr. Ueoka would also like to look at that -- and my  
21 concern about the seller's lender, priority over the  
22 buyer, which would be the County. Can -- Mr. Ueoka, you  
23 have some comment you could share with the Committee, if  
24 the Chairman would allow it?

25 CHAIR PONTANILLA: Go ahead, Mr. --

1 MR. UEOKA: Thank you.

2 CHAIR PONTANILLA: Corporation Counsel.

3 MR. UEOKA: My understanding of it is, upon  
4 escrow closing, essentially this -- the seller's lender  
5 goes away. They'll be paid off in full. So their  
6 priority practically extinguishes. I think we could  
7 negotiate to have that removed if it is a sticking  
8 point.

9 VICE-CHAIR HOKAMA: So regardless of whether  
10 Mr. Dowling owns the property or the lender owns the  
11 property, the County is still willing to go through with  
12 the purchase, it doesn't matter who owns the land? Is  
13 that the Department's position?

14 MR. BAZ: Yeah. That's -- from our  
15 understanding, that's -- yeah. It'd be like us making  
16 sure -- or him making sure that the loan gets paid off  
17 before we actually take ownership of the property.

18 VICE-CHAIR HOKAMA: Okay. And -- and then  
19 this last question, Mr. Baz, as best you can respond, at  
20 the top of Page 5, this two-months assessment, onetime  
21 fee to establish a reserve, could you give us some  
22 comment on what is this reserve for and what is its  
23 intended use, please, as you understand it?

24 MR. BAZ: Mr. Chair and Mr. Hokama, I'm sorry,  
25 the -- maybe language that is in kind of a template

1 language in there to make sure that the association has  
2 the dues that would be payable to them ahead of time,  
3 should a new owner not pay, you know, appropriately or  
4 timely, so that they have some kind of a reserve account  
5 for -- to make sure that there's timely payment of the  
6 dues. It'd be similar to when you go rent a home and  
7 you have to pay first month's and last month's and  
8 deposit and all that kind of stuff ahead of time.

9 VICE-CHAIR HOKAMA: My -- my only concern is  
10 that the County as -- as the potential property owner  
11 still gets the hook. So if our tenant doesn't pay, if  
12 we do a rental, the County still has the hook as the  
13 owner, the new owner, to take care of all this  
14 requirement, so -- and I'm just trying to understand the  
15 proposal as best I can.

16 Thank you, Mr. Chairman.

17 CHAIR PONTANILLA: Thank you. Mr. Victorino?  
18 Oh, you had -- okay. Mr. Victorino?

19 COUNCILMEMBER VICTORINO: Yeah. Thank you  
20 very much. I -- I guess some of the questions that are  
21 being asked really would be questions that we need to  
22 ask the developer, yeah. 'Cause we're asking Mr. Baz  
23 questions that sometimes puts him in a position. And  
24 then again, I agree with Mr. Hokama, Mr. Baz is not the  
25 Department. And I thank him for being here.

1           Unfortunately, Ms. Ridao cannot. So it makes it a  
2           little bit more difficult. But most of these -- in --  
3           in reviewing this -- and I'll ask this to Corp Counsel.  
4           In reviewing most of these agree -- most of the  
5           agreement, it seems like standard -- pretty standard  
6           language in -- in purchasing property between entities.  
7           You know, like, for example, making sure that the loan  
8           is paid off before I buy it. You know, I don't wanna be  
9           stuck with somebody else's loan. Sewer, you know,  
10          because if you buy the sewer hookup charges that -- I  
11          mean, these -- I don't see 'em as being very abnormal.  
12          In fact, I -- I see this in -- even a standard buying of  
13          one house, some -- some of the similar things I just  
14          recently was involved in, in a purchase agreement. And  
15          so I understand. I didn't realize things had changed,  
16          because the last time I purchased a house was some 19  
17          years ago. So all of a sudden, I learned some new  
18          things, the way the laws have changed. But what I'm  
19          trying to ask you, Mr. Ueoka, is this more or less  
20          standard language? I'm trying to find something that's  
21          abnormal or something that's special. Is most of this  
22          language standard language that we would use if you're  
23          just purchasing property on your own?

24                       CHAIR PONTANILLA: Corporation Counsel?

25                       MR. UEOKA: Yes, Councilmember Victorino, this



1 is very standard. The seller has been very up front  
2 with us on the various costs and charges. And he's been  
3 honest and forthcoming on a lot of this.

4 COUNCILMEMBER VICTORINO: Yeah. Well, no, I  
5 wasn't questioning --

6 MR. UEOKA: Or all of this, I should say.  
7 Sorry.

8 COUNCILMEMBER VICTORINO: -- anybody's  
9 honesty. I just questioning the language itself.  
10 Because I -- I was trying to figure out, you know --  
11 I've heard some -- some -- some questions about the --  
12 the agreement. And so I'm just trying to figure out if  
13 there's anything special about this agreement.

14 MR. UEOKA: Standard, yeah.

15 COUNCILMEMBER VICTORINO: Okay. Okay. Thank  
16 you, Chair.

17 CHAIR PONTANILLA: Thank you. Mr. White?

18 COUNCILMEMBER WHITE: Thank you, Chair. I --  
19 I agree with Mr. Victorino, it's probably getting close  
20 to the time to have Mr. Dowling come up. I have just a  
21 couple more questions. And I wish -- I wish Ms. Ridao  
22 was here, but you -- you may have information on this,  
23 but I guess one of my questions is whether we've  
24 evaluated where the true demand is for affordable  
25 housing. Is it Upcountry? Or do we really need it in

1 -- need it more in Kahului or Wailuku or Kihei? And is  
2 this the -- the best place to be investing our  
3 affordable housing dollars at this time.

4 CHAIR PONTANILLA: Mr. Baz?

5 MR. BAZ: Thank you, Mr. Chair and -- and  
6 Member White. I don't know exactly when the last study  
7 was done -- I think it was done two or three years  
8 ago -- where they actually go and do an evaluation of  
9 the needs of the community, what the current market  
10 looks like. And that's how they come up with the -- the  
11 valuations and things, you know, where the need is for  
12 affordable housing. I can tell you that there has not  
13 been any affordable housing built Upcountry. And a lot  
14 of local residents are -- are having to move from the  
15 Upcountry area as their families grow and things like  
16 that. And this will provide them with an opportunity to  
17 remain in the Upcountry area.

18 COUNCILMEMBER WHITE: Okay. Thank you. Thank  
19 you, Chair.

20 CHAIR PONTANILLA: Thank you. Mr. Mateo?  
21 Okay. Members, any more questions for the Department?  
22 Member Couch?

23 COUNCILMEMBER COUCH: One quick question, I  
24 guess, for Corporation Counsel. On Page 5 of that same  
25 agreement that Mr. Hokama mentioned, May 24th, Number

1 15, exemption from Disclosure Act, is that -- I don't  
2 know that that would be standard, because I know, in any  
3 real estate transaction, the seller needs to disclose  
4 stuff. So I'm just curious about Number 15.

5 CHAIR PONTANILLA: Corporation Counsel?

6 MR. UEOKA: Not 100 percent sure, but our  
7 understanding it's a realtor's disclosure, more or less,  
8 rather than a seller's disclosure.

9 CHAIR PONTANILLA: Okay. Member Baisa?

10 COUNCILMEMBER BAISA: Yes. Thank you very  
11 much, Chair. I just wanted to make a statement in  
12 regards to the issue about the need for housing  
13 Upcountry. You know, one of the problems that is unique  
14 to Upcountry, of course -- and everybody's aware of  
15 it -- is that we have been very pressed to try to have  
16 affordable housing Upcountry. And the problem is that  
17 many of the people who would be building affordable  
18 housing are longtime residents who have property who  
19 want to build for their families. And this would be  
20 truly affordable housing. But with the problem with the  
21 lack of water meters being available, we can't build.  
22 And so this, of course, adds impetus to the idea that if  
23 you can identify a place that has the infrastructure,  
24 that has the water, they can build, that maybe this is  
25 something that we really need to look at seriously,

1 because we don't know if and when this water meter  
2 situation is ever going to clear. Meanwhile, we keep  
3 having babies and we keep growing. And where are our --  
4 our children going to live? Thank you.

5 CHAIR PONTANILLA: Thank you. Members, any  
6 more questions for the Department or Corporation  
7 Counsel? If not, if there's no objection, Chair is  
8 gonna call Mr. Dowling.

9 COUNCIL MEMBERS: No objections.

10 CHAIR PONTANILLA: Mr. Dowling, please?

11 MR. BAZ: Excuse me, Mr. Chair?

12 CHAIR PONTANILLA: Yes.

13 MR. BAZ: While Mr. Dowling is coming down, we  
14 did look up the applicability of the 508D and it's for  
15 residential real property only.

16 CHAIR PONTANILLA: Okay. Again, I'll start  
17 with Mr. Mateo, Chairman Mateo. Questions, Mr. Mateo?

18 COUNCILMEMBER MATEO: Thank you, Mr. Chairman.  
19 Mr. Dowling, good morning.

20 MR. DOWLING: Good morning.

21 COUNCILMEMBER MATEO: Throughout the morning,  
22 during the testimony, there were questions and concerns  
23 by the -- the residents regarding general information in  
24 the potential sale of the three parcels to the County in  
25 terms of a change in use for the properties. Can you

1 share information with us as to whether there's been any  
2 discussions with the -- the residents, whether  
3 information on the potential sale was in fact made known  
4 to the residents? Or just shed some light on some of  
5 the issues that you have heard this morning regarding  
6 the residents' testimonies.

7 MR. DOWLING: Yes, I'd be happy to. The -- I  
8 think a -- a -- the majority of the -- the resident  
9 comments came from residents of the Kula -- the Cottages  
10 at Kulamalu. And the Cottages at Kulamalu, that's a --  
11 a parcel -- as you enter Kulamalu, it's the parcel on  
12 the right-hand side. And we designed that. We hired  
13 Clifford Projects to design that project and -- and we  
14 -- we actually finished the -- finished the plans, we  
15 got it permitted. And Horton came to us and -- and  
16 offered to buy the -- buy the project. And we said,  
17 well, you know, this is the design, will you go ahead  
18 and -- and build this design. And they agreed to build  
19 the project as we designed it. So we -- we sold it to  
20 them. And -- and they developed that parcel and they  
21 hired real estate brokers and -- and they sold -- sold  
22 out the project. I believe it sold out. I'm not -- not  
23 sure it sold out, but they sold the majority, if not  
24 all, of the units. So I can't -- I'm unaware of what  
25 comments Horton made or their brokers made as they were

1 selling those units. I don't know what representations  
2 they made in terms of what was gonna be across the  
3 street.

4 But we've been involved in Kulamalu for -- we  
5 started the process on Kulamalu before my daughter was  
6 born. And she's about to celebrate her 18th birthday.  
7 So we -- we -- you know, our -- we've been involved with  
8 Kulamalu since the very beginning. And the concept was  
9 always a place where -- you know, to build a town  
10 center, to make it fit in -- to design it such that it  
11 would fit into Upcountry, where people could live, work  
12 and play. And that was the concept from the very origin  
13 of -- when we first started going through the CAC back  
14 in 1992. The -- so it's -- that -- in terms of our  
15 representations to the CAC, to the County Council, to  
16 the Planning Commission, it was always going to be a  
17 place where you could live, work and play. And the  
18 Country Town Business ordinance -- and this property is  
19 zoned Country Town Business -- allows for a mix of  
20 residential, office and retail. So it -- it fits in --  
21 it fits into our original concept and it fits into the  
22 Zoning Ordinance.

23 In terms of representations that were made by  
24 another company or by -- by -- perhaps not even that  
25 company, by brokers, I can't -- I -- I have no control

1 or -- or knowledge what they might have said or -- or  
2 not said.

3 COUNCILMEMBER MATEO: Thank you, Mr. Dowling.  
4 And can you tell -- can you tell me when you entered  
5 into negotiations with the County that expressed  
6 interest to purchase at the time?

7 MR. DOWLING: I think -- I think we were first  
8 approached probably last -- last fall.

9 COUNCILMEMBER MATEO: Last fall. Thank --  
10 thank you very much. Thank you, Mr. Chair.

11 CHAIR PONTANILLA: Thank you. Mr. White?

12 COUNCILMEMBER WHITE: Thank you, Chair. There  
13 was a mention earlier about the fact that, on these  
14 parcels, there was a design for affordable housing, or a  
15 conceptual design, back in 2007. Was -- if -- if that's  
16 correct, was that design communicated to the neighbors  
17 in any way?

18 MR. DOWLING: You know, once again, I'm not  
19 sure what -- what Horton passed on or -- you know, to  
20 the neighbors. We've looked at -- and we've -- you  
21 know, over the course of that 18-year period, we've  
22 looked at a lot of different concepts, including skilled  
23 nursing, on the Public/Quasi-Public parcel, a zoo,  
24 petting zoo, on the Public/Quasi-Public parcel. I mean,  
25 we've probably gone through, I don't know, you know, 50,

1 60 concepts. And this was -- you know, the -- the  
2 affordable housing component was certainly one of those  
3 concepts. So I -- once again, I'm not sure what -- what  
4 Horton shared, what -- what they didn't share.

5 COUNCILMEMBER WHITE: But -- but was there any  
6 effort on your company's part to disseminate that  
7 information to the owners?

8 MR. DOWLING: To -- to Horton's buyers, no,  
9 not at all. And for a lot of reasons. One, it's -- you  
10 don't know what -- you don't know what's gonna go  
11 through. I mean, you know, you don't know if the -- you  
12 know, if Maile and John's petting zoo is gonna go  
13 through or not or if it's gonna -- you know, you just --  
14 you know, there -- there are concepts and -- and you --  
15 you don't know what the market's gonna be, you know,  
16 what -- what's -- what's the demand gonna be. The --  
17 and we're still playing with -- with probably half dozen  
18 different concepts for different portions of Kulamalu.  
19 But you need -- in order for a community to be a country  
20 town and -- and in order for it to be  
21 pedestrian-oriented, you need a certain -- you need a  
22 certain body count in order for it to really function  
23 well. In order for those cafes, restaurants and -- and  
24 stores to be busy, you need people -- and for it to be a  
25 pedestrian-oriented community, you need enough people



1 within walking distance. And they -- they determine  
2 walking distance between no more than 10 minutes to --  
3 to sustain those businesses.

4 COUNCILMEMBER WHITE: And to my earlier  
5 question, what would your estimate be of the capacity of  
6 that four-acre parcel to -- and the number of affordable  
7 units?

8 MR. DOWLING: We -- we, actually, have a -- we  
9 have a -- a design I can -- I can pass out. I just  
10 wanna represent that this is -- this is our design. It  
11 was done by the same architect and land planner who did  
12 Kula -- Cottages at Kulamalu in the same -- same flavor.  
13 But in talking with the Director of the Housing  
14 Department, I think her concept is -- and -- is to put  
15 it out to RFP, to developers, have developers -- similar  
16 to the Department of Hawaiian Home Lands, have  
17 developers submit proposals, you know, this is the --  
18 this is the design that we would develop if -- if given  
19 the opportunity, this is the design, this is the floor  
20 plan, this is the pricing. And this is the management  
21 company that -- a nonprofit management company that we  
22 would partner with to -- to handle the management. So  
23 I'll be happy to share it, but I don't wanna represent  
24 that it's -- I just wanna clarify it's not the  
25 Department's plan; it's our plan. And the Department

1           might come up with a --

2                       COUNCILMEMBER WHITE:  It's up to the -- up to  
3           the Chair.

4                       CHAIR PONTANILLA:  Okay.  Staff, if you could.

5                       MR. DOWLING:  But to answer your question,  
6           this plan has -- has 80 units and it's a combination of  
7           studios, one-bedroom and two-bedroom units.

8                       COUNCILMEMBER WHITE:  Okay.  Thank you.  Thank  
9           you, Chair.

10                      MR. DOWLING:  You're welcome.

11                      CHAIR PONTANILLA:  Thank you.  Mr. Baz?

12                      MR. BAZ:  Thank you, Mr. Chair.  Just the  
13           opportunity, yes, the Department, as Mr. Dowling has  
14           expressed, is interested in doing a request for proposal  
15           for a developer to develop the project on behalf of the  
16           County.  And -- and whether or not it's a development  
17           and management contract or a development first and then  
18           a management contract later, that would be something  
19           that the Department would decide at a later date.  But  
20           that's definitely the direction that we're looking  
21           forward.  The County is not necessarily in the business  
22           of building and managing housing, but we just wanna make  
23           sure that it's done properly.

24                      CHAIR PONTANILLA:  Thank you.  Mr. Victorino?

25                      COUNCILMEMBER VICTORINO:  Thank you.  And so

1 the Department is not -- not endorsing this particular  
2 plan, it's just --

3 MR. BAZ: No.

4 COUNCILMEMBER VICTORINO: -- one of maybe many  
5 that might --

6 MR. BAZ: That's correct. We are expecting  
7 similar to Department of Hawaiian Home Lands.  
8 Basically, what they do is put out requests for  
9 proposal. And interested developers, whether they be  
10 for-profit or nonprofit, propose certain projects. You  
11 review them based on certain standards, and then, you  
12 know, give the developer the go ahead to do that. Part  
13 of that includes financing of the project and how, you  
14 know, the developer plans, you know -- if it's a -- what  
15 I've seen in the past sometimes is a developer will  
16 propose to build the project and, basically, their  
17 return on the investment is the -- the rents that they  
18 would receive. Or, on the contrary, we could pay for  
19 them to develop it and then the County could retain the  
20 -- the rents that are received for that, minus the  
21 management costs.

22 COUNCILMEMBER VICTORINO: Okay. Thank you.  
23 And thank you, Mr. Dowling. And I do apologize,  
24 Mr. Chair, too. I -- I missed the public testimony  
25 'cause I had a commitment at Waihee School. And I had

1 made this commitment a month and-a-half ago and I could  
2 not change it. So I don't know. I've heard something  
3 about public testimony, public testimony. And I  
4 apologize I don't really know. And I won't even go  
5 there. I agree with Mr. Mateo, all too often, whenever  
6 we've had affordable projects in any area, the -- it  
7 seems like the residents somehow don't think it's a good  
8 idea, for whatever reason. And the old cliché "not in  
9 my back yard" seems to crop up all the time. Whether  
10 this is true or not, you know, I -- you know, just one  
11 of those things that I will put out there, Mr. Chair.

12 As I was asking the Department earlier,  
13 Mr. Dowling, you know, you've included -- or are  
14 including water with this development, all the  
15 infrastructure and water credits for this development.  
16 Is that correct, Mr. Dowling?

17 MR. DOWLING: Yes, we are. Just -- just one  
18 clarification on the --

19 COUNCILMEMBER VICTORINO: Yeah.

20 MR. DOWLING: -- on the appraisal.

21 COUNCILMEMBER VICTORINO: Yes.

22 MR. DOWLING: The appraiser valued the  
23 property assuming that water and sewer would be  
24 available.

25 COUNCILMEMBER VICTORINO: Right.

1                   MR. DOWLING: But -- and the -- the Department  
2                   and Corp Counsel might wanna check with the appraiser,  
3                   but the appraiser did not include the value of that  
4                   water in the appraised value. The -- so don't take my  
5                   word for that, but -- but check with the -- check with  
6                   the appraiser. And -- and he'll be happy to -- happy to  
7                   confirm that. Because that was -- that was a point of  
8                   negotiation with the Department. Originally, we had --  
9                   we had the -- similar to the sewer fee, because we -- we  
10                  paid for the water.

11                  COUNCILMEMBER VICTORINO: Right.

12                  MR. DOWLING: We had that as a separate  
13                  charge. And that -- during the course of the  
14                  negotiations, that was -- that was taken out of the  
15                  agreement. But the value of that approximately 21,000  
16                  gallons of water is about \$600,000 based on what we're  
17                  selling water for. So that's -- but that is not  
18                  included in the 4.2-million-dollar --

19                  COUNCILMEMBER VICTORINO: Valuation.

20                  MR. DOWLING: -- face value of the property.

21                  COUNCILMEMBER VICTORINO: And then, you know,  
22                  600,000, that's per year, more or less?

23                  MR. DOWLING: Just -- just onetime fee.

24                  COUNCILMEMBER VICTORINO: Oh, onetime fee.  
25                  Oh, that hookup fee like you're referring to?

1 MR. DOWLING: It's a source -- it's a  
2 source --

3 COUNCILMEMBER VICTORINO: Source --

4 MR. DOWLING: -- fee that when you -- when you  
5 buy a water meter from the County, you --

6 COUNCILMEMBER VICTORINO: Right.

7 MR. DOWLING: The -- it's source transmission  
8 and storage. And we've -- we, basically, prepaid all of  
9 the source by drilling a well and -- and --

10 COUNCILMEMBER VICTORINO: So the bottom line  
11 in all of this, this properties are ready to be "built  
12 on", whatever and whichever way we decide to go as far  
13 as the County and what -- however the design or whoever  
14 the RFP is awarded to, but it's ready to go?

15 MR. DOWLING: That's correct. It's -- it's  
16 got the zoning, it's got the water, it's got the sewer  
17 and it's already been mass graded.

18 COUNCILMEMBER VICTORINO: So -- and I know the  
19 need of Upcountry -- and -- and all parts of our island,  
20 for affordable housing, Mr. Chair, is needed. I mean,  
21 there's no one side of this island that needs more than  
22 the other. Central Maui has the same thing. You and I  
23 both face the same challenges. However, I know because  
24 of Upcountry's unique situation with water meters, it's  
25 -- it is more profound. So, you know, I -- I like what

1 I see, but I'll listen to other questions and see if  
2 there's other issues that are brought up.

3 Thank you, Mr. Chair.

4 CHAIR PONTANILLA: Mr. Hokama?

5 VICE-CHAIR HOKAMA: Thank you, Chairman.

6 Mr. Dowling, so on your conceptual, I -- I notice you  
7 used the whole acreage, the four-point-something acres.

8 MR. DOWLING: Correct.

9 VICE-CHAIR HOKAMA: And, yet, what is being  
10 proposed to us is three -- three lots. So this was  
11 before it was subdivided into three lots? Because to do  
12 this, we would have to do a lot consolidation process.

13 MR. DOWLING: That's correct.

14 VICE-CHAIR HOKAMA: Which, Members, you know  
15 takes time. But, currently, as of today, if you had  
16 the -- the Department's approvals, you could construct  
17 today?

18 MR. DOWLING: Well, we would -- we've done  
19 conceptual -- we've got the site plan, we've done some  
20 surveying, we've done some conceptual architectural, but  
21 we would have to -- we -- we don't have working  
22 drawings. We would still have to go through the  
23 construction drawings itself and submit those. So if --  
24 if the County were to -- to select a developer and --  
25 from today until groundbreaking, I would -- I would

1 guess probably -- probably looking at 18 months.

2 VICE-CHAIR HOKAMA: Okay. Did the Department  
3 ever talk to you about anything -- or the County  
4 Administration ever talk to you about anything besides  
5 affordable housing, since it does have Business Country  
6 Town zoning? Did the County ever say we would be  
7 interested in acquiring this and do some housing and  
8 maybe do some commercial to recoup our potential  
9 investment in acquisition?

10 MR. DOWLING: The only -- there were only two  
11 brief mentions of -- of something other than affordable  
12 housing. And that was the Director mentioned, well, it  
13 may be there's -- maybe there's a need for some daycare,  
14 you know, since a lot of -- of lot of these might be  
15 single parents.

16 VICE-CHAIR HOKAMA: Uh-huh.

17 MR. DOWLING: And in order to -- to free up  
18 the parent to -- to have a job, maybe -- maybe a daycare  
19 element would be a possibility. And she asked if -- if  
20 we thought that could -- this property could accommodate  
21 that because the Kulamalu Park is -- is so close.

22 VICE-CHAIR HOKAMA: Under Business Country  
23 Town -- and, again, I'm sorry -- would that be part of  
24 the conditional permitted uses?

25 MR. DOWLING: That's -- that would be a



1 permitted use.

2 VICE-CHAIR HOKAMA: Okay. Okay. Okay.

3 Mr. -- Mr. Dowling, my -- my -- not concern, but my  
4 question regarding that component 16, lender's priority,  
5 is that something that you would be willing to consider  
6 and reworking with the County regarding that -- those  
7 conditions?

8 MR. DOWLING: If that is of concern to you or  
9 -- or the -- any other Council Member of the -- or the  
10 Department, or Corp Counsel, we'll be happy to delete  
11 that provision in its entirety.

12 VICE-CHAIR HOKAMA: Okay. And then,  
13 Mr. Dowling, on that -- did the County ask regarding  
14 that exemption from -- from the Disclosure Act?

15 MR. DOWLING: That is -- they did ask. And  
16 that -- that relates to -- to houses, to residential.  
17 So if there's something wrong with the house, well, you  
18 just have to disclose whatever the --

19 VICE-CHAIR HOKAMA: Uh-huh. Uh-huh.

20 MR. DOWLING: -- you know, issues are with  
21 the -- with the home or house.

22 VICE-CHAIR HOKAMA: Okay. Great. So it's --

23 MR. DOWLING: So since this is raw land, it  
24 doesn't apply.

25 VICE-CHAIR HOKAMA: It doesn't really apply.

1 MR. DOWLING: Right.

2 VICE-CHAIR HOKAMA: Okay. Understood.

3 Chairman, thank you for my opportunity.

4 CHAIR PONTANILLA: Thank you. Mr. Couch?

5 COUNCILMEMBER COUCH: Thank you. Mr. Dowling,  
6 thank you for being here. Question for you -- couple  
7 questions. The testifiers mentioned that the -- the  
8 upkeep in the area is pretty -- pretty bad. Who's  
9 responsible for -- for that whole section? Not only  
10 those three lots, but it looks like you've got pretty  
11 much -- or Kulamalu Association -- or LLC has the whole  
12 area there surrounded by Aapueo Road [sic] and Ohia  
13 [sic] Street?

14 MR. DOWLING: The -- with the exception of the  
15 grounds of the Cottages at Kulamalu, with the exception  
16 of the Kulamalu Hilltop, well, definitely with those --  
17 those two exceptions, and perhaps the roadway itself.  
18 I'm -- I'm not sure who's responsible for that. I'm not  
19 sure at this point if it's KSB, the County, or us. But  
20 I'll -- I'll -- I think my biggest take away from this  
21 morning's meeting is we gotta do a much better job.

22 COUNCILMEMBER COUCH: Gotta get a weed-eater  
23 out there?

24 MR. DOWLING: Yeah, we gotta do a --

25 COUNCILMEMBER COUCH: Okay.

1 MR. DOWLING: -- much better job at  
2 maintenance. And -- and -- and -- and I've already sent  
3 that text message off during the meeting. And --

4 COUNCILMEMBER COUCH: Okay. All right.

5 MR. DOWLING: And I -- I appreciate that  
6 feedback. And -- and you'll see a noticeable difference  
7 right away. But in terms of the associations, we have  
8 not activated the association.

9 COUNCILMEMBER COUCH: Okay.

10 MR. DOWLING: So the -- in other words, the  
11 Longs Drugs, for instance, Cottages at Kulamalu, for  
12 instance, we have not activated the master Kulamalu  
13 Association. So there -- no one's paying into that at  
14 this point. So they -- they might have -- the Hilltop  
15 has its own association, the Cottages has its own  
16 association, but there's also a -- a -- a Kulamalu  
17 Association, which we have not been charging dues.

18 COUNCILMEMBER COUCH: Okay. What are the  
19 plans for the -- for that area that I just mentioned,  
20 you know, Kupaoa Street, Ohia [sic] Street and Aapueo  
21 Street [sic], that whole triangle in there, what are the  
22 plans for that?

23 MR. DOWLING: The property -- across from  
24 Longs Drugs, that property we've got -- and we've been  
25 in for plan check on six buildings there, to do six

1 commercial buildings on that property. The property  
2 across the street from that -- so as you pull in, Longs  
3 would be on your left-hand side, the property on the  
4 right-hand side -- we're in negotiations with a -- I  
5 don't wanna say grocery store, but more of a market, to  
6 go into a couple of lots there. And then the property  
7 next to the Institute of Astronomy, which would be  
8 directly across the street from the property that the  
9 County's considering, we're in negotiations with a -- an  
10 office building user, kind of a -- a educational  
11 institution to build a building there.

12 COUNCILMEMBER COUCH: So it kinda conforms to  
13 the representations that were given, not that you know  
14 exactly what they were by D. H. Horton [sic], that  
15 there's gonna be markets and commercial areas and  
16 whatnot?

17 MR. DOWLING: Correct. And -- and the -- the  
18 concept -- we -- we haven't wavered from the concept.  
19 It's live, work, play. And we've got a -- we've got  
20 more of a vested interest in making sure that this --  
21 this comes off as planned and -- and high quality than  
22 anybody because we still -- even after the County's  
23 acquisition, we'll still have the largest investment in  
24 the area.

25 COUNCILMEMBER COUCH: And the biggest question

1 that always comes with affordable housing projects, or  
2 any development, is traffic mitigation. You have one --  
3 one street going into Kula Highway, and it doesn't look  
4 like potential for other streets to go -- go into Kula  
5 Highway. So you've got somewhat of a bottleneck because  
6 you've got Kamehameha School down at the bottom and  
7 gonna put however many more -- we, the County, are gonna  
8 put however many more cars in that spot. So what kind  
9 of traffic studies have been done in that area and what  
10 kind of mitigation do you see happening? I know you  
11 have a roundabout, which thank you for doing that, down  
12 in that area. But as the testifiers were saying,  
13 especially at school, you know, school comes in, school  
14 goes out, it's gridlock there. What kind of things are  
15 you working with, the State, County, and whomever, to  
16 free that up? Because King Kekaulike is just across the  
17 street and up the road a little bit. So there's a lot  
18 of traffic at -- at school times.

19 MR. DOWLING: Agreed. And -- and,  
20 fortunately, that's really the only time there is a lot  
21 of traffic. It's -- you know, the beginning of school  
22 and the end of school. And the project was -- was  
23 designed with that, taking that into account. And it's  
24 functioning as designed. The -- recognizing it's --  
25 it's busy in the morning, it's busy in the afternoon.

1 And -- and it's really no different than Kahului in that  
2 sense, or any other areas, that, you know, starting time  
3 and quitting time, it's busy. And it's -- that's just  
4 the case.

5 COUNCILMEMBER COUCH: Okay. And one last  
6 question, and I'll pass on, is the buyer agrees -- on  
7 Page 3 of the agreement, Number 3A -- Mr. Hokama brought  
8 it up and we never did really talk about it with you --  
9 is the buyer agrees that buyer shall not oppose any  
10 efforts by Hawaii Water Service Company, Inc. to obtain  
11 Public Utilities Commission approval for such standby  
12 changes -- charges. Sorry. Is that something you're  
13 still requiring in there? It's, basically, saying that  
14 the County can't oppose any possible standby charges or  
15 whatever from the water service company, if the Public  
16 Utilities Commission wants to increase or decrease or  
17 whatever.

18 MR. DOWLING: That's something as we -- when  
19 the -- the owner of the wastewater treatment plant came  
20 to us, and they -- as was mentioned earlier, they  
21 surveyed all vacant landowners within their PUC  
22 designated service area and said, what are your plans --  
23 we're considering expanding our plant, what are your  
24 plans and what -- what are your estimated future  
25 demands. So we gave him that. And they said, well,

1       it's -- in order to accommodate you -- we'll design the  
2       plant to accommodate you, but we're gonna -- you're  
3       gonna have to pay now to fund that expansion, which we  
4       did. And this language, this last sentence, was -- was  
5       part of that agreement.

6                       So in order for them to agree to expand the  
7       plant to accommodate our future needs, we had to -- we  
8       had to agree to this and -- and -- and pass it on to  
9       future -- future owners. But it is -- the good news is  
10      it is PUC-regulated and it is a large service area. So  
11      even if one landowner, for instance, the County, didn't  
12      -- didn't object, I think, within that service area,  
13      there would be a lot of other people to probably object.

14                      COUNCILMEMBER COUCH: Okay. Thank you.

15                      CHAIR PONTANILLA: Thank you. Ms. Cochran?

16                      COUNCILMEMBER COCHRAN: Thank you, Chair.

17      Good morning, Mr. Dowling.

18                      MR. DOWLING: Good morning.

19                      COUNCILMEMBER COCHRAN: Thank you for promptly  
20      addressing the concerns that you heard this morning  
21      about the tall weeds and -- and, hopefully, you also  
22      heard about the -- you know, the pipes sticking out of  
23      the ground or what-have-you and things of that nature.  
24      But, you know, I'm -- I'm trying to -- I hear the  
25      concerns of the surrounding communities with this

1 development. It sort of reminds me what happened in  
2 Honolulu, where I'm from, when there was a huge master  
3 plan 20 years in the making, then it was just sorta, oh,  
4 my God, where did this come from, you know, the people  
5 that lived there. So, for me, I'm asking do you feel  
6 it's -- it has not been your responsibility or sort of a  
7 high priority to -- to reach out to the surrounding  
8 community members to let them know what's -- what's in  
9 the -- you know, what's coming down the pipeline,  
10 perhaps, that are gonna affect them directly? At this  
11 point, I know you've been mentioning Horton builders or  
12 developers. So is it their -- should it have been their  
13 responsibilities to notify their residents?

14 MR. DOWLING: I think it would have been  
15 presumptuous on my part to -- to go to the community and  
16 say, you know, the County's considering doing this  
17 project on these -- on these lots. I don't think -- I  
18 don't -- I think that would have been kind of  
19 overstepping my -- my authority. Because, one, I don't  
20 know what the County's gonna -- I mean, no one knows at  
21 this point. The Department doesn't know what it's gonna  
22 -- what it's gonna do on this project -- or do on these  
23 properties. And I don't think it would be -- I don't  
24 think it would have been proper of me to -- to go to  
25 people and say, well, you know, this is what the



1 County's considering doing.

2 COUNCILMEMBER COCHRAN: But it wasn't -- I  
3 mean, you -- your intention decades ago wasn't to sell  
4 it to the County, this -- this just came about?

5 MR. DOWLING: It's to sell every property to  
6 somebody. The -- and I don't know who -- I don't know  
7 who the buyers are gonna be. We didn't know it was  
8 gonna be Longs Drugs when we started. And we're in  
9 negotiations now with -- with three different -- three  
10 different entities, but all of those uses fit into the  
11 original concept. And the original concept is a place  
12 where people can live, work and play. And so have we --  
13 have we gone to the residents and said, well, we're  
14 thinking about selling this to this person or we're in  
15 discussions or negotiations to sell this lot to this  
16 company, we haven't. I don't know if those are gonna  
17 work out. I think once those -- if those transactions  
18 were to -- to -- to close, you know, the projects -- the  
19 assurance that the neighbors have is that there are  
20 design guidelines. And all of the projects will fulfill  
21 those design guidelines just like the projects they live  
22 in have design guidelines.

23 COUNCILMEMBER COCHRAN: Okay. Yeah, thank  
24 you. I guess I was mainly looking towards the -- the  
25 bigger picture of the entire town center. And I -- I'm

1 hearing that the neighbors were well aware of that  
2 particular -- the overall big picture of the entire  
3 area.

4 MR. DOWLING: Right.

5 COUNCILMEMBER COCHRAN: I guess. Okay. Thank  
6 you, Mr. Dowling.

7 MR. DOWLING: It's work -- work in --

8 COUNCILMEMBER COCHRAN: Yeah.

9 MR. DOWLING: Work in progress.

10 COUNCILMEMBER COCHRAN: Right. Thank you.

11 CHAIR PONTANILLA: Thank you. Ms. Baisa?

12 COUNCILMEMBER BAISA: Yes. Thank you very  
13 much, Chair. And thank you, again, Mr. Dowling, for  
14 being here this morning. Before I get into the project,  
15 I did want to take the opportunity, I've been waiting to  
16 publicly thank you for allowing the farmers market to  
17 happen where it is. It's really an important addition  
18 to our community. And I, for one, take advantage of it  
19 Saturday mornings. And I wanted to say thank you. I'm  
20 glad it found a home.

21 MR. DOWLING: You're welcome.

22 COUNCILMEMBER BAISA: That's really an  
23 appropriate use for that kind of area.

24 MR. DOWLING: I agree.

25 COUNCILMEMBER BAISA: Thank you.

1                   You know, if the County goes ahead to buy this  
2                   and does the RFP, and there is a person who is  
3                   successfully chosen, I just wanna make sure that  
4                   everybody knows and is assured that this Council Member  
5                   is gonna make very sure that there are meetings with the  
6                   community before I am willing to support it. Because I  
7                   think it's important the communities know what's going  
8                   on. And I do know, because, you know, I've worked with  
9                   you for a very long time and I know your style, you like  
10                  to work with community and you're very open. And I --  
11                  I'm sorry, I didn't realize that the Horton had taken  
12                  over the Cottages. And that, really, once you sold it  
13                  to them, it would have been their kuleana to deal with  
14                  these people's concerns. Is that correct?

15                  MR. DOWLING: Well, I think -- yes and no. I  
16                  think we could -- when it comes to maintenance on  
17                  Kulamalu, that's my responsibility. And -- and I,  
18                  obviously, have not done a good enough job on that. And  
19                  we will correct that immediately. In terms of -- of  
20                  what -- what things could possibly be -- be developed  
21                  within Kulamalu Town Center, I think, evidently, that  
22                  could have been better communicated by the developer of  
23                  that project.

24                  COUNCILMEMBER BAISA: Yeah. Well, I certainly  
25                  hope so. You know, it's really sad that, you know,

1       these things get out and people get very concerned and  
2       there's a lot of angst.  And, you know, sometimes it  
3       could all be mitigated if we just did a little bit  
4       better job at communicating.

5                 And, again, thank you for jumping on the weed  
6       issue.

7                 About the traffic issue, you know, I go there  
8       a lot because it's really convenient to have that Long's  
9       up there.  And, of course, we all pass the school and,  
10      you know, we drive by there all the time.  But you are  
11      correct, that issue about traffic during school happens  
12      everywhere.  You know, whether it's Makawao School,  
13      Kalama School, Pukalani School, it's the same issue  
14      every morning when we try to get to work.  We're going  
15      to work and everybody's going to school, and there's  
16      those periods where you're in a long line and you're  
17      frustrated and mad.  And then you come by a couple hours  
18      later and it's like, where are they, they're all gone.  
19      So I don't know how we deal with that.  And I don't know  
20      if you can deal with that.  It's probably a -- a problem  
21      everywhere in the country.

22                MR. DOWLING:  I believe it is.  It's just cost  
23      prohibitive to design for those peaks.  You know,  
24      just -- if we -- if we did that, it's -- you know, when  
25      I say "we", as a community, you know, any community, if

1 we were to do that, it's just -- it would be a huge  
2 amount of tax dollars going in just to address an issue  
3 just during those few hours.

4 COUNCILMEMBER BAISA: You may or may not be  
5 aware that, you know, one of the things that I've been  
6 trying to do to mitigate some of the concern about the  
7 traffic and the pedestrian traffic there is to get a  
8 sidewalk study done so that we can construct a sidewalk  
9 from the front of King Kekaulike High School down to  
10 Pukalani Superette so that we can take -- keep our kids  
11 a little safer. It's kind of dangerous now. They're  
12 walking on the highway. And, unfortunately, that money  
13 was removed from the Budget yesterday, \$100,000. So  
14 we're going to have to find a way to do that. Because  
15 if we're gonna put more housing in there, we're gonna  
16 have more children and we're gonna have an even bigger  
17 problem. And because it takes so long to get anything  
18 built and to do the study, then to get the money, then  
19 to do it, it would be nice if we could start now so  
20 that, if this happens, we would at least have that  
21 sidewalk. Any comments?

22 MR. DOWLING: I'm not quite sure what the --  
23 how the property's gonna be developed. But the property  
24 right above Bullock's, the old Bullock's on -- on that  
25 side of the highway, I believe that's gonna be developed

1 fairly soon. We owned that property, we sold it. And I  
2 think that property is gonna be developed fairly soon.  
3 And -- and perhaps there will be a sidewalk on that side  
4 of the -- the old Haleakala Highway.

5 COUNCILMEMBER BAISA: We certainly need  
6 something 'cause having our children walking that  
7 traffic is really, really dangerous. And it's gonna be  
8 too late after somebody gets hurt.

9 But, anyway, I also wanted to thank you for  
10 your kind of sharing your conceptual sketch with us.  
11 You know, it does give us an idea of what might be. And  
12 we all know that this is just, you know, a very  
13 preliminary thing. But it's important to be able to  
14 look at something to chase the boogieman away. So thank  
15 you very much.

16 MR. DOWLING: And I -- I will share this with  
17 the community, also, and with -- you know, just to let  
18 'em know, no guarantees, this is not -- you know, this  
19 is just a concept.

20 COUNCILMEMBER BAISA: Thank you very much.  
21 And I think this is really important. Thank you.

22 MR. DOWLING: You're welcome.

23 CHAIR PONTANILLA: Thank you. Members, any  
24 more questions for the developer? Mr. Mateo?

25 COUNCILMEMBER MATEO: No.

1 CHAIR PONTANILLA: Mr. White? Mr. Victorino?

2 COUNCILMEMBER VICTORINO: No, not at this  
3 time.

4 CHAIR PONTANILLA: Mr. Hokama?

5 VICE-CHAIR HOKAMA: Not for Mr. Dowling.

6 CHAIR PONTANILLA: Mr. Couch?

7 COUNCILMEMBER COUCH: No, thank you.

8 CHAIR PONTANILLA: Ms. Cochran?

9 COUNCILMEMBER COCHRAN: Yeah. Mr. Dowling,  
10 this -- this sketch that you gave us, the 9.11.07, is  
11 that the date of this rendering at the --

12 MR. DOWLING: Yes.

13 COUNCILMEMBER COCHRAN: -- bottom?

14 MR. DOWLING: Yes.

15 COUNCILMEMBER COCHRAN: Oh, okay. So since  
16 '07 --

17 MR. DOWLING: Right.

18 COUNCILMEMBER COCHRAN: -- you had this drawn  
19 up?

20 MR. DOWLING: Right.

21 COUNCILMEMBER COCHRAN: Thank you.

22 MR. DOWLING: And this -- and this was done by  
23 the same --

24 COUNCILMEMBER COCHRAN: Clifford.

25 MR. DOWLING: The same firm that did the

1 Cottages at Kulamalu.

2 COUNCILMEMBER COCHRAN: Thank you.

3 CHAIR PONTANILLA: I'm sorry. Are you done --

4 COUNCILMEMBER COCHRAN: Yes.

5 CHAIR PONTANILLA: -- Ms. Cochran?

6 COUNCILMEMBER COCHRAN: Yes.

7 CHAIR PONTANILLA: Ms. Baisa?

8 COUNCILMEMBER BAISA: Not at this time.

9 CHAIR PONTANILLA: Okay. Thank you. Any more  
10 questions for Mr. Dowling? Mr. Couch?

11 COUNCILMEMBER COUCH: I don't know if this is  
12 for Mr. Dowling, for Mr. Baz, or for the Chair, but the  
13 other concern was the notice. Who in this case would be  
14 giving the notice to the surrounding community? Would  
15 it be --

16 CHAIR PONTANILLA: A notice to purchase?

17 COUNCILMEMBER COUCH: Yeah, the notice for  
18 this meeting. I know we normally give notice for the  
19 meeting, but --

20 CHAIR PONTANILLA: Mr. Baz?

21 MR. BAZ: Mr. Chair, I guess, from my  
22 understanding, this -- this meeting was publicly  
23 noticed, and maybe the staff could confirm that, in the  
24 newspaper. I saw it in the newspaper, and that's for  
25 sure, and it's been on the website and things, as far as



1 public notice for this meeting and the actions that  
2 would be held at this meeting.

3 CHAIR PONTANILLA: Thank you. And all  
4 meetings are noticed. Okay. Any more questions,  
5 Members, for Mr. Dowling? If not, Mr. Dowling, thank  
6 you very much --

7 MR. DOWLING: Thank you.

8 CHAIR PONTANILLA: -- for being here.

9 MR. DOWLING: Thank you.

10 CHAIR PONTANILLA: Members, any questions for  
11 the Departments at this time? Member Baisa?

12 COUNCILMEMBER BAISA: No. No, Chair. Thank  
13 you.

14 CHAIR PONTANILLA: Thank you. Member Cochran?

15 COUNCILMEMBER COCHRAN: No.

16 CHAIR PONTANILLA: Mr. Couch?

17 COUNCILMEMBER COUCH: Again -- and,  
18 unfortunately, Ms. Ridao isn't here -- should -- should  
19 this go as -- whenever it needs to go, what's -- what's  
20 the Department's plans on getting this built? I mean,  
21 are we going to -- he -- he said, in 18 months, he  
22 thinks it could be built. I can't see that -- that the  
23 Department's ready for that.

24 MR. BAZ: Mr. Chair?

25 CHAIR PONTANILLA: Mr. Baz?

1                   MR. BAZ: From my understanding, the  
2                   Department is currently developing -- you know, if this  
3                   Council moves forward with the purchase, would be  
4                   developing a request for proposal and spelling out the  
5                   specifications of what type of housing we'd be looking  
6                   for, you know, the developer's recommendation, you know,  
7                   the -- basically, the specifications as a normal  
8                   construction bid kind of a -- a item. But, basically,  
9                   the idea to, you know, design it and/or build it and/or  
10                  manage it, they would be developing these -- I know they  
11                  have had preliminary discussions about that. They know  
12                  that they want it to be 100 percent workforce housing,  
13                  100 percent rental.

14                  And, you know, from Mr. Dowling's previous  
15                  work with Clifford Projects, you know, this is a -- a  
16                  concept that, you know, we're not opposed to,  
17                  necessarily, but we're not, also, married to it. So,  
18                  you know, it'd be something that we'd look at. You  
19                  know, this is 80 units, that would be something maybe  
20                  probably similar to that, that we'd be requesting as far  
21                  as the carrying capacity and density that we'd like for  
22                  that parcel.

23                  Before we do development -- and maybe  
24                  Corporation Counsel can confirm -- but I'm pretty sure  
25                  we'd have to go through some kind of environmental

1 assessment process, because it is Government funds that  
2 would be utilized to construct this. And that would  
3 include, you know, meeting with the community and  
4 notices and things like that, and discussions and public  
5 hearings and all kinds of different items. And I think  
6 the 18 months' timeline is pretty optimistic. You know,  
7 this is something that we're planning for the future.  
8 And this is something that, you know, may take a number  
9 of years to accomplish. But this is the first step in  
10 accomplishing that goal of providing more workforce  
11 housing units in the Upcountry area.

12 COUNCILMEMBER COUCH: Okay. Thank you, Chair.

13 CHAIR PONTANILLA: Thank you. Mr. Hokama?

14 VICE-CHAIR HOKAMA: I don't see any  
15 prohibition, so I would assume, should County acquire  
16 this real property, you know, the Council is allowed to  
17 sell it, you know, at a future date. So is that your  
18 understanding, Mr. Ueoka, if, down the road, for reasons  
19 that the County believes is to its advantage, there's no  
20 prohibition for us to sell the property?

21 CHAIR PONTANILLA: Corporation Counsel?

22 MR. UEOKA: Thank you. That would be my  
23 understanding. The Council does have the authority to  
24 dispose of County property. Because we are using funds  
25 from the Affordable Housing Fund, I'm sure something

1 would need to be worked out to replenish the fund with  
2 this money.

3 VICE-CHAIR HOKAMA: Understood. Understood.  
4 But at this time there's no prohibition?

5 MR. UEOKA: Not that I can see.

6 VICE-CHAIR HOKAMA: Okay. So since the  
7 consideration is under the Affordable Fund program, any  
8 projects that we would consider that -- well, the County  
9 -- the Department would consider in a potential RFP  
10 would be required to be an affordable proposal back to  
11 the Department? Right? Since we using a -- from a  
12 specific fund, the only thing we can consider  
13 constructing is what qualifies to justify the  
14 expenditure from that Special Fund?

15 MR. UEOKA: Yes, that would -- thank you.

16 MR. BAZ: Mr. Chair, I could add, just the  
17 Affordable Housing Fund has restrictions, requirements  
18 to the use of those funds. And the -- the County would  
19 have to comply with that fund uses. Thank you.

20 VICE-CHAIR HOKAMA: Okay. I just wanted to  
21 make sure the County retains its option of potentially  
22 reselling this property if it's -- down the road makes  
23 sense for the County to consider such a -- such an  
24 option.

25 MR. BAZ: Yeah. Correct. I think, Mr. Chair,

1 just to elaborate a little bit on the use of the funds,  
2 it's required to be a majority, not 100 percent, as far  
3 as use of the funds for affordable housing.

4 CHAIR PONTANILLA: Thank you.

5 VICE-CHAIR HOKAMA: Okay. Thank you,  
6 Chairman.

7 CHAIR PONTANILLA: Mr. Victorino?

8 COUNCILMEMBER VICTORINO: Thank you. And most  
9 of the questions have been asked and I'm satisfied in  
10 moving ahead with this. Again, we have options. And  
11 that's important. You know, again, this is a  
12 opportunity to take care of a area that needs affordable  
13 housing. Hasn't had much affordable housing built up  
14 there in many, many years. I agree, traffic is a  
15 traffic problem, but drive Main Street in the morning,  
16 go by Iao School, Wailuku El., I don't care what  
17 community, between 7:30 -- 7:00, 7:30 'til about 8:00,  
18 8:15, gridlock. And we can't -- I agree, like  
19 Mr. Dowling -- can't build enough passageways,  
20 thoroughfares, or whatever, so that we can miss a lot of  
21 this. It's just a way of life. I don't care what  
22 community. Even when -- actually, when I was there, in  
23 the early morning, streets were full of cars. Come  
24 9:00, there were hardly any cars moving around. So I  
25 don't care where you live in America, there are certain

1 times of the day traffic's gonna be a problem. So I  
2 don't see that. And I think they've done a good job  
3 with the traffic light and some other mitigation up  
4 there. So I can address that with -- and I go up there  
5 often. I like the facilities, I like the park area and  
6 I like the shopping complex. Very nice for the  
7 Upcountry area.

8 We have water ready to go. We have other --  
9 you know, sewer. Everything's ready to go.

10 I agree, 18 months is optimistic, you know.  
11 And I'll agree with that. But it's a step in the right  
12 direction. And I think these opportunities don't come  
13 every day. So I can support that.

14 And to the -- the people who live in the area,  
15 you know, I think we're going to try to put quality in  
16 there. We're not just gonna build tract housing, we're  
17 not gonna build projects. We're gonna build affordable  
18 quality housing, which we've tried all over the place.  
19 'Til today, I think all of us agree, we haven't seen one  
20 building yet, but we always trying to make it  
21 affordable, but with quality involved so that there's a  
22 dignity of life that's involved in anything we do. Just  
23 not projects. You don't see that around Maui. And  
24 we've worked real hard to make sure. In my community, I  
25 have what you would consider projects, but the State has

1 worked real hard. If you've gone by Kahekili, they have  
2 worked real hard to improve all around the area. And so  
3 I'm happy to say that Maui County has really stayed away  
4 from projects and has made quality living available to  
5 our residents, affordable and otherwise.

6 So, Mr. Chair, I'll wait for your  
7 recommendation. I thank you for this opportunity.

8 CHAIR PONTANILLA: Thank you. Mr. White?

9 COUNCILMEMBER WHITE: Thank you, Chair. The  
10 sewer hookup fee, what is that? What would that  
11 calculation be? And is the Department requesting  
12 approval for those funds at this time? And would those  
13 -- I am assuming those would come out of the Affordable  
14 Housing Fund as well?

15 CHAIR PONTANILLA: Corporation Counsel?

16 MR. UEOKA: When you say the sewer hookup  
17 fees, do you mean that --

18 COUNCILMEMBER WHITE: This fifteen dollar per  
19 gallon.

20 MR. UEOKA: Okay. That would be a total of  
21 \$306,000. But that would be due at construction time,  
22 basically, not at this point. Not at the purchase.

23 COUNCILMEMBER WHITE: Okay. So this is not  
24 part of -- the approval is not inclusive of that cost at  
25 this time?

1 MR. UEOKA: Correct.

2 COUNCILMEMBER WHITE: I came up with a  
3 different number, but I'll -- I'll compare numbers  
4 afterwards. Thank you, Chair.

5 CHAIR PONTANILLA: Thank you. Mr. Mateo?

6 COUNCILMEMBER MATEO: Chairman, I'm satisfied  
7 and will be awaiting the Chairman's recommendation.

8 CHAIR PONTANILLA: Thank you. Any more  
9 questions, Members? Okay. Thank you. If not, the  
10 Chair's ready to make his recommendation.

11 COUNCIL MEMBERS: Recommendation.

12 CHAIR PONTANILLA: Thank you. Members,  
13 Chair's recommendation is passage of bill and the  
14 adoption of the resolution. The Chair will entertain a  
15 motion to recommend passage on first reading of the  
16 proposed bill transmitted by correspondence dated May  
17 3rd, 2011, from Council Chair Danny A. Mateo,  
18 transmitting correspondence dated April 29, 2011, from  
19 the Budget Director entitled a Bill for an Ordinance  
20 Amending Appendix A of the Fiscal Year 2011 Budget for  
21 the County of Maui as it Pertains to Part II, Special  
22 Purpose Revenues - Schedule of Revolving/Special Funds  
23 for Fiscal Year 2011, Affordable Housing Fund, Kahoma  
24 Project, Purchase of the Land to be used for Affordable  
25 Housing, and Kulamalu Commercial Subdivision.



1                   VICE-CHAIR HOKAMA: Chairman, I would be very  
2 happy to make that motion for you, but may I have just a  
3 very short, short recess?

4                   CHAIR PONTANILLA: Sure. Can I have a second?

5                   COUNCILMEMBER MATEO: Second.

6                   CHAIR PONTANILLA: Thank you. Chair is gonna  
7 call for a short recess. Members, please stay, five  
8 minutes.

9                   UNIDENTIFIED SPEAKER: Thank you.

10                  CHAIR PONTANILLA: Return at 11:20. Meeting  
11 is in recess. ...(gavel)...

12 RECESS:        11:14 a.m.

13 RECONVENE:    11:20 a.m.

14                  CHAIR PONTANILLA: ...(gavel)... The Budget  
15 and Finance Committee meeting is now reconvened.  
16 Members, we have a motion and a second. At this time  
17 the Chair would like to ask Corporation Counsel whether  
18 the Affordable Housing Fund can be used to cover \$15,000  
19 in closing costs?

20                  MR. UEOKA: Yes.

21                  CHAIR PONTANILLA: Thank you. And, again,  
22 Corporation Counsel, whether the amount of appropriation  
23 can be increased by Council or must be represented by  
24 the -- requested by the Mayor?

25                  MR. BAZ: Mr. Chair, from my understanding,

1 the Budget amendment is introduced by the Mayor for a  
2 specific amount. And the Mayor is willing to adjust  
3 that amount. And we can ratify that with a  
4 communication from the Mayor related to that change.

5 CHAIR PONTANILLA: Thank you. Members, at  
6 this time the Chair would like to entertain a motion to  
7 amend the proposed bill to increase the amount of the  
8 appropriation by \$15,000 to \$3,865,000.

9 COUNCILMEMBER VICTORINO: So moved.

10 COUNCILMEMBER BAISA: Second.

11 CHAIR PONTANILLA: Moved by Member Victorino,  
12 second by Member Baisa. Any discussion, Members? All  
13 in favor of the motion, please say "aye".

14 COUNCIL MEMBERS: Aye.

15 VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama,  
16 and Councilmembers Baisa, Cochran,  
Couch, Mateo, Victorino, and White.

17 NOES: None.

18 ABSTAIN: None.

19 ABSENT: None.

20 EXC.: Robert Carroll.

21 MOTION CARRIED.

22 ACTION: APPROVE amendment to main motion.

23 CHAIR PONTANILLA: Okay. Back to the main  
24 motion as amended. Members, any more discussion on the  
25 main motion? If not, the Chair will entertain -- call

1 for the -- call for the vote. All in favor of the  
2 motion, please say -- main motion, please say "aye".

3 COUNCIL MEMBERS: Aye.

4 CHAIR PONTANILLA: Any opposing?

5 VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama,  
6 and Councilmembers Baisa, Cochran,  
Couch, Mateo, Victorino, and White.

7 NOES: None.

8 ABSTAIN: None.

9 ABSENT: None.

10 EXC.: Robert Carroll.

11 MOTION CARRIED.

12 ACTION: Recommending FIRST READING of revised  
13 bill.

14 CHAIR PONTANILLA: Seeing none, motion is  
15 carried. Eight ayes; one excused, Member Carroll.

16 Okay. Oh, let's see. Short recess.

17 ... (gavel) ...

18 RECESS: 11:23 a.m.

19 RECONVENE: 11:24 a.m.

20 CHAIR PONTANILLA: ... (gavel) ... The Budget

21 and Finance Committee meeting is now reconvened.

22 Members, the Chair will entertain a motion to recommend  
23 -- recommend adoption of the revised proposed resolution  
24 transmitted by correspondence dated May 24th, 2011, from  
25 the Director of Housing and Human Concerns entitled

1 Authorizing the Purchase of Three Lots in the Kulamalu  
2 Commercial Subdivision pursuant to Chapter 3.44, Maui  
3 County Code, and to file County Communication No. 11-91.

4 COUNCILMEMBER BAISA: Chair, so moved.

5 COUNCILMEMBER VICTORINO: Second, Mr. Chair.

6 CHAIR PONTANILLA: Moved by Member Baisa,  
7 second by Member Victorino. The Chair would like to  
8 entertain a motion to -- to amend resolution by  
9 attaching Exhibit 1, the Revised Sales Contract  
10 transmitted by correspondence, dated May 24th, 2011,  
11 from the Director of Human Concerns. At this time --

12 COUNCILMEMBER VICTORINO: So moved.

13 COUNCILMEMBER BAISA: Second.

14 CHAIR PONTANILLA: Moved by Member Victorino,  
15 second by Member Baisa. Any more discussion, Members?  
16 All in favor of the motion, please say "aye".

17 COUNCIL MEMBERS: Aye.

18 VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama,  
19 and Councilmembers Baisa, Cochran,  
Couch, Mateo, Victorino, and White.

20 NOES: None.

21 ABSTAIN: None.

22 ABSENT: None.

23 EXC.: Robert Carroll.

24 MOTION CARRIED.

25 ACTION: APPROVE amendment to main motion.

1                   CHAIR PONTANILLA: Thank you. Chair would  
2                   like to entertain a motion to amend resolution by  
3                   attaching as Exhibit 2 and 3 the exhibits attached as  
4                   Exhibit 2 and 3 to the original Proposed Resolution  
5                   transmitted along with the County Communication.

6                   COUNCILMEMBER BAISA: So moved.

7                   COUNCILMEMBER VICTORINO: Second.

8                   CHAIR PONTANILLA: Moved by Member Baisa,  
9                   second by Member Victorino. Any more discussion,  
10                  Members? If not, all in favor of the motion, please say  
11                  "aye".

12                  COUNCIL MEMBERS: Aye.

13                  CHAIR PONTANILLA: Any opposed?

14                  VOTE:        AYES: Chair Pontanilla, Vice-Chair Hokama,  
15                                and Councilmembers Baisa, Cochran,  
                              Couch, Mateo, Victorino, and White.

16                  NOES: None.

17                  ABSTAIN: None.

18                  ABSENT: None.

19                  EXC.: Robert Carroll.

20                  MOTION CARRIED.

21                  ACTION: APPROVE amendment to main motion.

22                  CHAIR PONTANILLA: Seeing none, motion's  
23                  carried. Eight ayes; one excused, Member Carroll.  
24                  Members, that's all we have for today.

25                  MR. KANESHINA: Excuse me, Mr. Chair?

1 CHAIR PONTANILLA: I'm sorry. Members, the  
2 Chair will entertain, one more time, a motion to file  
3 County Communication No. 11-91.

4 COUNCILMEMBER BAISA: So moved.

5 COUNCILMEMBER VICTORINO: Second.

6 CHAIR PONTANILLA: Moved by Member Baisa,  
7 second by Member Victorino.

8 COUNCILMEMBER COUCH: Excuse me, Mr. Chair.  
9 Point of order. I don't know that we actually -- we  
10 amended the motion a couple of times, the -- the  
11 resolution a couple times, but we never actually voted  
12 on the actual resolution.

13 VICE-CHAIR HOKAMA: Main motion as amended.

14 COUNCILMEMBER COUCH: The main motion as  
15 amended, we never --

16 CHAIR PONTANILLA: Oh, okay. Okay. I'll come  
17 back to that, then. Before I take action on -- short  
18 recess. ...(gavel)...

19 RECESS: 11:25 a.m.

20 RECONVENE: 11:26 a.m.

21 CHAIR PONTANILLA: ...(gavel)... The Budget  
22 and Finance Committee meeting is now reconvened.  
23 Members, all in favor of the motion, please say "aye".

24 COUNCIL MEMBERS: Aye.

25

1 VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama,  
2 and Councilmembers Baisa, Cochran,  
Couch, Mateo, Victorino, and White.

3 NOES: None.

4 ABSTAIN: None.

5 ABSENT: None.

6 EXC.: Robert Carroll.

7 MOTION CARRIED.

8 ACTION: FILING of communication.

9 CHAIR PONTANILLA: Okay. Going back to the  
10 main motion as amended -- amended. Members, any more  
11 discussion? If not, all in favor of the motion, please  
12 say "aye".

13 COUNCIL MEMBERS: Aye.

14 VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama,  
15 and Councilmembers Baisa, Cochran,  
Couch, Mateo, Victorino, and White.

16 NOES: None.

17 ABSTAIN: None.

18 ABSENT: None.

19 EXC.: Robert Carroll.

20 MOTION CARRIED.

21 ACTION: Recommending ADOPTION of revised  
22 resolution and FILING of communication.

23 CHAIR PONTANILLA: Okay. Motion is carried.

24 Thank you very much, Members, for being here  
25 this morning. I know we worked long and hard during the

1 Budget process. I really appreciate all of you being  
2 here this morning.

3 So with that, I'd like to thank the  
4 Administration, Mr. Baz, Mr. -- our Corporation Counsel,  
5 Jeff Kuwada [sic], as well as staff for supporting the  
6 Committee.

7 The Budget and Finance Committee meeting is  
8 now adjourned. ...(gavel)...

9 ADJOURN: 11:27 a.m.

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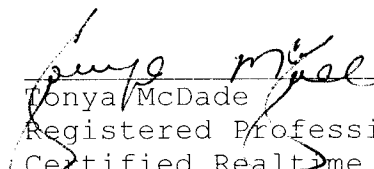
**CERTIFICATE**

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I, TONYA MCDADE, Certified Shorthand Reporter,  
do hereby certify that the electronically-recorded  
proceedings contained herein were, after the fact, taken  
by me in machine shorthand and thereafter was reduced to  
print by means of computer-aided transcription;  
proofread under my supervision; and that the foregoing  
represents, to the best of my ability, a true and  
accurate transcript of the electronically-recorded  
proceedings provided to me in the foregoing matter.

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

DATED this 17th day of June, 2010.

  
\_\_\_\_\_  
Tonya McDade  
Registered Professional Reporter  
Certified Realtime Reporter  
Certified Broadcast Captioner  
Hawaii Certified Shorthand Reporter #447