

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE

Council of the County of Maui

MINUTES

January 9, 2014

Council Chamber

CONVENE: 1:30 p.m.

PRESENT: VOTING MEMBERS:
Councilmember Stacy Crivello, Chair
Councilmember Elle Cochran, Vice-Chair
Councilmember Gladys C. Baisa
Councilmember Robert Carroll
Councilmember Donald G. Couch, Jr.
Councilmember Don S. Guzman

NON-VOTING MEMBER:
Councilmember Mike White (in 2:05 p.m.)

EXCUSED: Councilmember Michael P. Victorino

STAFF: Michele Yoshimura, Legislative Analyst
Clarita Balala, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)

Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)

Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Jo-Ann Ridao, Director, Department of Housing and Human Concerns
Danilo Agsalog, Director, Director of Finance
Patrick K. Wong, Corporation Counsel, Department of the Corporation Counsel
Edward S. Kushi, First Deputy Corporation Counsel, Department of the Corporation Counsel
Gary Y. Murai, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Vicki Higgins
Narciso Billianor, Jr.
Rebecca Woods, Chief Executive Officer, Ka Hale A Ke Ola Homeless Resource Centers, Inc.
Philip Lowenthal, Esq.

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Marc Chesick, Chair, Board of Directors, Ka Hale A Ke Ola Homeless
Resource Centers, Inc.
(14) additional attendees

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

**ITEM NO. 7: HALE MAKANA O WAIALE RENTAL REHABILITATION
FACILITY AND KA HALE A KE OLA HOMELESS RESOURCE
CENTERS, INC.** (MISC (BF CR 13-51); CC 13-204)

CHAIR CRIVELLO: . . .(*gavel*). . . The meeting of the Housing, Human Services, and Transportation Committee will now come to order. It is 1:30 p.m. on Thursday, January 9, 2014. Before we begin, may I please request that we all turn off or silence our cell phones or other noise-making devices. At this time, I'd like to introduce our voting Members. Our Committee Vice-Chair, Elle Cochran.

VICE-CHAIR COCHRAN: Aloha, Chair.

CHAIR CRIVELLO: Aloha. Our Council Chair, Gladys Baisa.

COUNCILMEMBER BAISA: Good afternoon, Chair.

CHAIR CRIVELLO: Member Bob Carroll.

COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon. Member, Don Couch.

COUNCILMEMBER COUCH: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon. Member Don Guzman and Member Mike Victorino are excused. With us today from our Department is Director of Housing and Human Concerns, Jo-Ann Ridao, and our Deputy Corporation Counsel, Gary Murai, and Corp Counsel, Pat Wong. Hello, Mr. Guzman, welcome.

COUNCILMEMBER GUZMAN: Happy New Year.

CHAIR CRIVELLO: Hauoli Makahiki Hou. And our Committee Staff, Clarita Balala, our Committee Secretary, and Michele Yoshimura, our Legislative Analyst. Members, we have one item on the agenda today, HHT-7, Hale Makana O Waiale Rental Rehabilitation Facility and Ka Hale A Ke Ola Homeless Resource Centers, Incorporated. So now we'll start with public testimony and I would like to inquire first with our interactive communications. Assisting us this afternoon from the Hana District Office is Dawn Lono.

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MS. LONO: Good afternoon, Chair.

CHAIR CRIVELLO: From the Lanai District Office is Denise Fernandez.

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai.

CHAIR CRIVELLO: And from Molokai District Office, Ella Alcon.

MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai.

CHAIR CRIVELLO: Thank you, ladies. And in regards to our public testimony, for individuals who will be testifying in the Chamber, please sign up at the desk located on the eighth floor lobby just outside the Chamber door. If you will be testifying from the remote testimony locations specified on the meeting agenda, please sign up with the Council Staff at that location. Testimony will be limited to the items listed on the agenda today. Pursuant to the Rules of the Council, each testifier will be allowed to testify for up to three minutes per item with one minute to conclude if requested. When testifying, please state your name and the name of any organization you are representing. I will check with our District Office if they have any testifiers. Hana, any testifiers?

...BEGIN PUBLIC TESTIMONY...

MS. LONO: The Hana Office has no one waiting to testify, Chair.

CHAIR CRIVELLO: Lanai District Office, any testifiers?

MS. FERNANDEZ: The Lanai Office has no one waiting to testify.

CHAIR CRIVELLO: And the Molokai District Office, any testifiers?

MS. ALCON: There's no one here on Molokai waiting to testify.

CHAIR CRIVELLO: Thank you, ladies. At this time, I'd like to call the first testifier from our Chambers, Vicki Higgins.

MS. HIGGINS: Aloha, Council Chair Crivello and Council members. Mahalo for this opportunity to testify today. My name is Vicki Higgins, and I am here today to testify on my experience as a resident, former resident, of Ka Hale A Ke Ola in Lahaina. Having relocated from Honolulu, I was grateful to have found a resource to get some traction and begin rebuilding a life for me and my son. However, it was quickly apparent that this resource center was extremely dysfunctional and obviously not fulfilling its mission of breaking the cycle of homelessness. While I was there, I was witness to numerous individuals, families, mentally ill and elderly people thrown out at all hours of the day and night. I, myself, was evicted after being roused out of bed after the

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midnight hour. I am aware that this body is deliberating a solution for the repayment of \$10 million owed by this organization, but I am here to speak about the lack of quality services and programs that should have been delivered to the community with those funds. The organization is absent of any structure to effectively advance its mission. So much is said about the rules but those are instead arbitrary control tactics. There is more focus on writing NCs and NOCs to evict residents rather than having skilled, trained professionals to provide resources to break the cycle of homelessness. There is no grievance process in existence. Time after time, residents are forced to collect their belongings and leave the site immediately. Many times this occurs at or around the midnight hour. I know of no other place where this is an accepted practice. I have obtained a copy of the rules of another homeless shelter that is very successful in truly breaking the cycle of homelessness. You will find that they are reasonable and treat people with respect rather than with disdain. At present, the programs such as computer hours, evening classes and chores are not purposeful and serve instead to create a situation for failure. Urine test and unit checks are routinely conducted after the midnight hour on consecutive nights on residents that have full-time jobs. This is unimaginable to my mind and serves only to further diminish the residents' dignity. For the life of me, I do not see these arbitrary control tactics as best practices or modeled after any successful programs with a mission to help the homeless. This is a leadership issue and anyone, including the Board members of this organization, should not condone such policies. My suggestion is to throw out these policies and obtain a successful model that will purposefully serve people in need. I have submitted my narrative highlighting the types of abuses to members of this Council, I've sent it to Legislators, numerous departments and agencies, including the Department of Housing and Human Concerns, all were unresponsive. I'm appealing to you today to look very closely at this operation, its leadership, its failed policies and practices, and pursue solutions that will better serve this community and provide greater stewardship of taxpayer dollars. I am happy to answer any questions you may have. Mahalo.

CHAIR CRIVELLO: Members...thank you. Members, any comments or questions for the testifier?
Ms. Cochran.

VICE-CHAIR COCHRAN: Thank you. And aloha, Vicki, nice to have you here, and thank you for your testimony. In your second paragraph, NC and NOCs are what now?

MS. HIGGINS: Non-compliance and notice of cause. My recollection is three NCs result in one NOC or you may just get one NOC and forced to leave immediately for petty, petty, sometimes invented accusations.

VICE-CHAIR COCHRAN: Thank you. And one follow-up, Chair?

CHAIR CRIVELLO: Yes.

VICE-CHAIR COCHRAN: And then in your last, or I guess second to last sentence in regards to narrative, submitted narrative highlighting the types of abuses, that is supposed to be attached here or it has been previously given?

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MS. HIGGINS: It was previously circulated. I do have a copy with me. I also have a copy of my eviction notice. I also have a copy of the agreement that I signed when I transitioned, which, anyway, I have a copy of it and I just find the whole thing to be --

VICE-CHAIR COCHRAN: Thank you.

MS. HIGGINS: --folly.

VICE-CHAIR COCHRAN: Thank you. If there's a way to get that narrative, Chair?

CHAIR CRIVELLO: Yes. Can we get a copy of that?

MS. HIGGINS: Yes, certainly.

VICE-CHAIR COCHRAN: Thank you, Vicki.

MS. HIGGINS: Thank you.

CHAIR CRIVELLO: Member Baisa, Chair Baisa, and then Member Couch.

COUNCILMEMBER BAISA: Thank you very much, Madam Chair. And thank you, Ms. Higgins, for being here this afternoon. I've read your letter and I know that, you know, you've talked about this before. How long, you're not there anymore?

MS. HIGGINS: No.

COUNCILMEMBER BAISA: How long have you been gone?

MS. HIGGINS: I believe the eviction date was April 22nd.

COUNCILMEMBER BAISA: Of 2013?

MS. HIGGINS: Yes.

COUNCILMEMBER BAISA: Now, to your knowledge, is this still going on?

MS. HIGGINS: Actually, reports, the reason I'm here today, 'cause I really didn't, like many other former residents, they don't want anything to do with that place again.

COUNCILMEMBER BAISA: Right.

MS. HIGGINS: But I get calls all the time because there is no grievance process and people feel like they have no recourse. And it's not like I can do anything, I mean this is it. This is all I can do. So that kinda prompted me to, you know, make certain phone calls again, because people were

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kicked out, families were separated over the Christmas holiday. So frankly, it was, I mean, unimaginable when I was there, and the reports are that it's got significantly worse.

COUNCILMEMBER BAISA: Thank you very much. We'll discuss it with the representative when that time comes. Thank you.

MS. HIGGINS: Thank you.

CHAIR CRIVELLO: Thank you. Any, Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Madam Chair. And thank you, Ms. Higgins, for being here. You mentioned that there's numerous people. Do you have anybody that is willing to come forward or at least write?

MS. HIGGINS: Well, first of all, the residents, some residents that I know that are currently residing there, fear being evicted, you know. They would love to, and I, you know...

UNIDENTIFIED SPEAKER (*from polycom*): Hello?

MS. HIGGINS: Hello.

COUNCILMEMBER CARROLL: That's just the remote phone.

MS. HIGGINS: Shall I?

CHAIR CRIVELLO: Yes.

MS. HIGGINS: Okay.

CHAIR CRIVELLO: Sorry.

UNIDENTIFIED SPEAKER (*from polycom*): Hello?

MS. HIGGINS: And fear of retaliation.

COUNCILMEMBER BAISA: I think we understand.

MS. HIGGINS: So they will not --

UNIDENTIFIED SPEAKER (*from polycom*): Hello?

MS. HIGGINS: --testify. People that have --

UNIDENTIFIED SPEAKER (*from polycom*): Hello?

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MS. HIGGINS: --since separated from the facility, just don't want anything to do with it. I'm here because one of the last phone calls that I got whose family was separated over the Christmas holidays, what I shared with her, that I'd share with you now, is that we need to get ahead of this so that we're not reacting when somebody gets kicked out and then time goes on and, you know, it's just not as urgent. So I feel my purposes here are just to get ahead of it so it just doesn't happen anymore.

COUNCILMEMBER COUCH: Well, thank you for that information, but my concern is, you know, this, right now it appears to be a he said, she said or she said, she said in this case. And this, this may be just one person who has an issue. We're trying to see if this is a persistent or something along those lines, so.

MS. HIGGINS: In September, I submitted a petition with almost 200 signatures.

UNIDENTIFIED SPEAKER: Right.

MS. HIGGINS: So it's not a he said, she said.

COUNCILMEMBER COUCH: Okay. Alright, and just because I'm sure this will be brought up is, can you say why you were evicted?

MS. HIGGINS: Oh, sure. I was in compliance with all the rules. I was not in agreement with everything but, like most parents, you're gonna do anything to keep shelter over your kid's head so I did all the rules and randomly tested and roused at midnight on consecutive nights, that personally happened to me. And then one night after returning to my unit after just finishing work at 11:30 at night, got pounding on my door at 12:30, and that's right where I drew the line, Councilman, you know, just coming to my unit and, not only my unit, when they pound on the door, the whole building wakes up, babies start crying, you know. So two nights in a row, one of the operations personnel that came was drunk and I happened to catch it all on video, and admitted, well, first of all she came alone, which is against their rules. Secondly, she came drunk and almost admitted it on my video. The third time I got roused up after midnight was to be urine tested and I wasn't happy about it, so I did use one bad word on the way over and I used another bad word on the way back and then I was kicked out.

COUNCILMEMBER COUCH: Is that what was said on your...

MS. HIGGINS: I don't have that on video.

COUNCILMEMBER COUCH: No, no, on your notification of eviction as the cause?

MS. HIGGINS: Oh, I have that copy right here. What it says is, what it doesn't say is that they woke me up after midnight, but it says that I was evicted for disorderly conduct...oh and I passed that urine test...disorderly conduct including profanities, hostile or intimidating behavior towards

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others or any other behavior deemed by staff to be inappropriate for community life, which in my, you know, community life does not involve rousing families up --

COUNCILMEMBER COUCH: Okay.

MS. HIGGINS: --in the early morning hours.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR CRIVELLO: Thank you. Any more comments or question? No. Thank you, Ms. Higgins.

MS. HIGGINS: Thank you.

CHAIR CRIVELLO: Our next testifier is Narciso Billianor, Jr.

MR. BILLIANOR: Hi, good evening.

CHAIR CRIVELLO: Good afternoon.

MR. BILLIANOR: My name is Narciso Billianor, Jr. First of all, I was staying at the shelter back in the year 2013. The only reason why we left the shelter is because, first of all, I had a little argument with them about my electrical bill, which I think that what they doing from \$23 to \$144, I don't know where they get that bill from but it's not even a month and they charged me that much. So I tried to talk to Mr. Victorino about it. I went down to see Mr. Lowenthal, which I couldn't get no response. I went to Maui Electric to show them and they were confused because they didn't know where the reading was. First of all, I wanna know, all these people that works for the shelter, number one, are they licensed to read the meter? Number two, the operation, are they licensed to run the place, like the shelter, like how the private security is? The operation is known as security anyway, and I think it's fair enough that they do the same testing as an ordinary security so that way they know what's going on. And second of all, I want to know where is their bylaws, because I haven't even seen a bylaw, because it ran across a problem with me and my son. My son don't go to school but he did take his GED, which I'm proud that he got, but the thing is, we were harassed by that too, my son especially is that because he was looking for a job they said that he needed a worker's paper to go to work. Number two, and this was brought up by Rebecca, that if she knew about the child labor law and they stated they knew. But if they knew, then why are they asking my 16-year-old boy that he needed a General Excise License. You don't need that. Like Mr. Victorino told me on the phone, I talked to him on the phone, he said your son can stay home, sleep all day, he don't need none of those. But just to respect, and I think you folks all know what's going on at the shelter, I think this shelter thing is good. I used to work for the first shelter that was in Puunene under _____ and Mr. DeFranco and we never did have this problem. We would sit down, talk to people, help them, work them out, and try to get them back on the foot. That's the main part of this whole thing. They talk about trying to get all these people, the homeless people, off the beach, off the road. Well I think it's time that everybody work together and try to make some

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kind of floor plan to get all these people out instead taking 'em into the shelter and they throw 'em right back out.

MS. YOSHIMURA: Three minutes.

MR. BILLIANOR: Okay, thank you.

CHAIR CRIVELLO: Thank you. Any comments or questions for the testifier? Not. Thank you, sir. Our next testifier is Rebecca Woods.

MS. WOODS: Good afternoon, Council, Members and Council Chair. I'd like to respond to the malicious accusations made by the individuals that just stood before you. As far as Vicki Higgins is concerned, she was at the shelter for I believe about four or five months at which time she failed to follow all program rules and regulations and she, she would gather information --

CHAIR CRIVELLO: Excuse me, Ms. Woods --

MS. WOODS: --about other clients.

CHAIR CRIVELLO: --would you address instead --

MS. WOODS: I'm sorry.

CHAIR CRIVELLO: --what's on the agenda.

MS. WOODS: I'm nervous.

CHAIR CRIVELLO: Yeah.

MS. WOODS: What would you like me to do?

CHAIR CRIVELLO: We're not here to rebuttal other --

MS. WOODS: Oh, I'm sorry.

CHAIR CRIVELLO: --testifiers.

MS. WOODS: I thought you wanted, okay, I thought I could.

CHAIR CRIVELLO: Yeah.

MS. WOODS: Then I have nothing else to say.

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CHAIR CRIVELLO: Okay. Chair Baisa. Ms. Woods.

COUNCILMEMBER BAISA: Madam Chair, when we get into deliberations, with no objections from yourself or the Members, would it be possible for us to ask Ms. Woods to answer questions?

CHAIR CRIVELLO: Would you be willing and --

MS. WOODS: Of course, I would love...

CHAIR CRIVELLO: --to be here --

MS. WOODS: Yes.

CHAIR CRIVELLO: --for deliberations --

MS. WOODS: Yes.

CHAIR CRIVELLO: --in case, as a resource?

MS. WOODS: Yes, I will.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR CRIVELLO: Members, I will be checking further with the District Office, which I doubt that they do have any more testifiers, any testifiers. Hana District, any testifiers?

MS. LONO: The Hana Office has no one waiting to testify.

CHAIR CRIVELLO: Thank you. Lanai District, any testifiers?

MS. FERNANDEZ: There's no one waiting to testify on Lanai.

CHAIR CRIVELLO: And Molokai District?

MS. ALCON: There's no one here on Molokai waiting to testify.

CHAIR CRIVELLO: Thank you, ladies. Is there anyone in the gallery or who would like to testify further? Members, as there are no further individuals in the Council Chamber or District Offices wishing to testify, without objection, I will now close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR CRIVELLO: Thank you.

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...END OF PUBLIC TESTIMONY...

CHAIR CRIVELLO: On the agenda, HHT-7, Hale Makana O Waiale Rental Rehabilitation Facility and Ka Hale Ke Ola Homeless Resource Centers, Incorporated, the Committee is in receipt of the following: Miscellaneous Communication dated April 22, 2013, from the County Clerk, relating to a review of the management of the Hale Makana O Waiale Rental Rehabilitation Facility; 2. County Communication 13-204 from the Chair of the Committee relating to the operation and management of Ka Hale A Ke Ola Homeless Resource Center. So today, we may discuss the status of the operations of Ka Hale A Ke Ola Homeless Resource Centers, Incorporated, the organization's outstanding debt to the County and other topics related to the management of the facilities. The Committee may also consider filing of the Miscellaneous Communications and County Communication and other related action. At this time, I'd like to allow the Department of Housing and Human Concerns and Corp. Counsel to provide background on this matter and make comments. But before I do so, I'd like to also thank our Finance Director, Mr. Agsalog, for being here. So at this time, I'd like to turn the agenda over to our, Jo-Ann Ridao.

MS. RIDAO: Thank you, Chair. Good afternoon, Committee members. I'm going to read you a short statement that I have prepared. After soliciting bids from several property management services firms, the Department of Housing and Human Concerns hired Cirrus Asset Management, Inc. to perform a management and operations review of Hale Makana O Waiale. Cirrus is one of the largest apartment management firms in the United States, headquartered in Calabasas, California. Cirrus manages projects in Colorado, Florida, Wyoming, Washington State and Hawaii. In Hawaii, Cirrus manages properties on all of the major islands. On Maui, Cirrus currently manages the Weinberg Court and Front Street Apartments, both tax credit properties in Lahaina. The Department assignment for Cirrus was to identify current property management practices at Hale Makana O Waiale, prepare a written report that recommends reasonable and appropriate changes to improve the properties' financial outlook and ensure its viability as a multi-family, affordable housing property. Mr. Dan Gavin, Vice-President, assigned to the Cirrus Hawaii operations met two of my Housing staff, Corporation Counsel, Gary Murai, and myself to review the methodology that will be used to conduct this review. Mr. Gavin and his staff spent the last four days at the Hale Makana site reviewing operations, examining the property and management practices, financial statements, rent rolls, policies and procedures, staffing, and maintenance schedules. I was hoping that Mr. Gavin would have been able to join us this afternoon; however, he took an early morning flight out this morning back to California. I was able, however, to speak with him on the telephone. Primarily, indications are that with some operational changes and training, Hale Makana O Waiale can become a viable, self-sufficient operation. Mr. Gavin will have a final written report for the Department by the first week of February. Since he is in Hawaii on a monthly basis, I have contacted him to see if it would be possible for him to join us at one of the Housing, Human Services and Transportation Committee meetings. But because he's on the plane, I'm sure he wasn't able to get back to me. That is my report to you for this afternoon.

CHAIR CRIVELLO: Members...thank you, Ms. Ridao. Members, we also have, hopefully we can have background on the information on the limited partnership agreement and the expiration of

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agreement and information on loan repayment. So at this time, I'd like to open the floor for discussion or questions for the Department. Ms. Cochran.

VICE-CHAIR COCHRAN: Thank you, Chair. And thank you, Ms. Ridao, for your report. So you only have a report on Makana O Waiale not Ka Hale A Ke Ola?

MS. RIDAO: Not.

VICE-CHAIR COCHRAN: Is that, I'm sorry.

MS. RIDAO: Not Ka Hale A Ke Ola. But if I may, I'd like to let the Committee know that in response to that petition, we notified the State of Hawaii and the State did do a review of the complaint, an unannounced review of the Lahaina facility, and the report that I received back was that there are no substantial violations in the operations of the transitional shelter. And I'd be happy to share that report with you.

VICE-CHAIR COCHRAN: Okay, yeah, that would be wonderful --

MS. RIDAO: Okay.

VICE-CHAIR COCHRAN: --if we can get that. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Madam Chair. And thank you for that statement, Ms. Ridao. Do you have that in writing that we can put in our binders, the statement?

MS. RIDAO: My statement?

COUNCILMEMBER COUCH: Yeah.

MS. RIDAO: No, I just brought my copy, but I'd be happy to give it to the...

COUNCILMEMBER COUCH: Thank you. One of the things on the statement, you said, what are the recommendations again? Can you just read...

MS. RIDAO: Oh, okay. His report primarily was that with some operational changes and training of some of the staff that he felt that Hale Makana could become a very viable operations.

COUNCILMEMBER COUCH: Okay.

MS. RIDAO: I was very encouraged by that.

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COUNCILMEMBER COUCH: And he didn't, he didn't do, as Ms. Cochran asked, Ka Hale A Ke Ola was not audited?

MS. RIDAO: No, because those are two completely different kinds of operations. One is a transitional shelter --

COUNCILMEMBER COUCH: Uh-huh.

MS. RIDAO: --which can enforce certain rules, and Hale Makana is an independent, long-term facility that you would rent like any other apartment complex.

COUNCILMEMBER COUCH: Okay.

MS. RIDAO: Yeah.

COUNCILMEMBER COUCH: Is there a group similar to his that would do that kind of audit, if you will, of a transitional facilities?

MS. RIDAO: You know, I have not researched that but after what he is doing with Hale Makana and the encouraging report I got, I have been seriously thinking about that, trying to find maybe an organization that can do the same thing for a transitional living facility.

COUNCILMEMBER COUCH: And, Madam Chair, I don't know if it needs to be a formal or anything, but that sounds like a good idea. I don't know if it needs to be a formal recommendation from everybody or not, but that sounds like a good idea, just so we have an independent...

CHAIR CRIVELLO: Right. Sir, I'm sure Ms. Ridao will look into it. Will you be able to look into it for us --

MS. RIDAO: Yes. I will definitely.

CHAIR CRIVELLO: --and come back with a report?

COUNCILMEMBER COUCH: Thank you.

CHAIR CRIVELLO: And thank you.

COUNCILMEMBER COUCH: One last follow-up --

CHAIR CRIVELLO: Sure.

COUNCILMEMBER COUCH: --if I may. Did he say what kind of operational changes? What does he mean by operational changes? That's pretty broad.

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MS. RIDAO: You know, he was a little bit sensitive about me providing too much information until he did his complete analysis.

COUNCILMEMBER COUCH: Okay.

MS. RIDAO: But he is, he is comparing the operations at Ka Hale A Ke Ola with three other facilities so that you guys can get a really good financial analysis as well as operational analysis.

COUNCILMEMBER COUCH: Thank you. Thank you, Chair.

CHAIR CRIVELLO: Any more questions or comments? Chair Baisa and Mr. Guzman.

COUNCILMEMBER BAISA: So, today, the subject that we're talking about and we're gonna confine any discussion to is Hale Makana O Waiale?

CHAIR CRIVELLO: Yes.

COUNCILMEMBER BAISA: Now I want to be very clear because I need to go back to, to my, to make sure we're talking about the right thing. We had a testifier and she was talking about Ka Hale A Ke Ola in Lahaina. So this has nothing to do with, with the subject that we're discussing today?

CHAIR CRIVELLO: But we also have Ka Hale A Ke Ola Homeless Resource.

COUNCILMEMBER BAISA: You have both?

CHAIR CRIVELLO: Yes.

COUNCILMEMBER BAISA: So the allegations that are made by the testifier are something that we can discuss today?

CHAIR CRIVELLO: I don't see why not, yes.

COUNCILMEMBER BAISA: Good. 'Cause I think, yeah, well, I just wanna make sure, because, you know, we're very, we get mixed up around here about we can and cannot talk about. And, you know, I understand that we have somebody looking at it. I understand that it's been a while. You know, I've received letters, I've received phone calls, I've received visits, and I have tried to put these into the right format and to refer them to the right people as I receive them, because I think it's really important that any allegations be looked at appropriately and I don't like he said, she said, I said, or, you know, allegations that go all over the place and do a lot of damage unless they're handled appropriately. But, you know, when this is brought up in a venue like this, even though somebody is looking into it, I don't know, Chair, it's your call, this is your kuleana, but you know, serious allegations are made and Ms. Wood, of course, tried to say that they're false

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and I don't know how far we want to go with any of this or is the proper thing just to wait until we have an investigative report, that can be your call.

CHAIR CRIVELLO: I would lean towards the Department and basically in my mind I would think we'd await for substantial documentation and substantial evidence and that would have to involve an outside party or an investigative report. And according to Ms. Ridaao, it was, all these complaints supposedly was referred to the State. And when you say the State, whose office would that be?

MS. RIDAEO: The State Homeless, the current Director there is Lori Tsuhako, and it's the Homeless...they are the entity of the State that, that monitors all of the State and Federal funding that goes through programs to do homeless, to entities that do homeless programs. So the assessment or review that was done was after the receipt of the 200, the petition, and the, it was an unannounced visit and they did do, they met with clients, they met with staff, they did give the clients opportunity to respond to a survey kind of thing. They went there during the day, they went there in the evening, and I was provided a detailed report of what they did, and based on the values that they have to comply with for the Federal and State government, there was no substantial violations. So I would be happy to share that with you. At the same time, I will research a possible firm that can help us with an analysis of the transitional centers.

COUNCILMEMBER BAISA: And, Chair, I think that that's very important, that we get to see it and that also that we look at the other piece because we have a responsibility. And when you have the public publicly making statements, I think that we have a responsibility to check them out and make sure and be able to say yeah, we know, we heard, and we checked and this is the fact, and that puts it to bed. Thank you.

CHAIR CRIVELLO: Thank you, Chair. Any other comments, Mr. Guzman.

COUNCILMEMBER GUZMAN: Thank you, Chair. Just a few questions. In regards to the, I guess, the report from the State regarding the homeless programs when they came for a one day on an unnoticed visitation.

MS. RIDAEO: I think they came in one day. They were there in the evening and the next day.

COUNCILMEMBER GUZMAN: And the next...

MS. RIDAEO: So it wasn't a continuous kind of check.

COUNCILMEMBER GUZMAN: Were they able to meet with the 200 individuals that signed the petition?

MS. RIDAEO: No. I know they met with the staff. They had a questionnaire, I guess, for the people that live at the transitional shelter, and they distributed those to people that were there during the day,

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and then they went back at the meal hour at night, I guess, when they had meals served, and that was distributed again. And then they went back the next day to collect them.

COUNCILMEMBER GUZMAN: But to your knowledge, did they contact any of the individuals that signed the petition?

MS. RIDAO: I, no, I don't know that.

COUNCILMEMBER GUZMAN: Okay.

MS. RIDAO: I'm thinking they're assuming that some of those that signed were, you know, people living there.

COUNCILMEMBER GUZMAN: Okay. And then you mentioned that they reported that there was no substantial violation?

MS. RIDAO: Yeah.

COUNCILMEMBER GUZMAN: So --

MS. RIDAO: I think the gist, I'm sorry.

COUNCILMEMBER GUZMAN: --so were there minimal violations?

MS. RIDAO: I think the gist of the report was that there were a lot of complaints and that the program part of the operation, you know, was not one that people were happy with --

COUNCILMEMBER GUZMAN: Uh-huh.

MS. RIDAO: --but that was not a violation of the Federal and State rules.

COUNCILMEMBER GUZMAN: Oh, it doesn't fall under that criteria --

MS. RIDAO: Correct.

COUNCILMEMBER GUZMAN: --for them to, I guess, to have authorization or jurisdiction to change --

MS. RIDAO: Yeah.

COUNCILMEMBER GUZMAN: --or even recommend. Do they have the authority to recommend changes --

MS. RIDAO: Oh, yeah, they do.

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COUNCILMEMBER GUZMAN: --in this type of policy?

MS. RIDAO: Yeah.

COUNCILMEMBER GUZMAN: Okay.

MS. RIDAO: And then I know they reviewed several of the files so.

COUNCILMEMBER GUZMAN: Thank you, Chair. I also would prefer that if you were to consider having an independent analysis --

UNIDENTIFIED SPEAKER: Sure.

COUNCILMEMBER GUZMAN: --done as well. Thank you, Chair.

CHAIR CRIVELLO: Members, any more comments or questions in regards to this particular item in discussion right now? Or else I would like to, if Committee agrees, recommend to the Department to outsource some sort of independent analysis on the homeless transition area. Yes, Mr. Couch.

COUNCILMEMBER COUCH: Yeah, I certainly support that recommendation. But this kind of has, may have some bearing. In a June 24, 2013 e-mail or letter to you from Corp. Counsel, one of the things that it says in here is some of the things that we might want to do is a query should be done to see if the recommendations were followed and performed by the respective parties, and that's referring to a 2009 audit that was done and there were a substantial number of recommendations, both, that, some that the County had to do, some that the entity had to do and some that somebody else had to do, I forget what it said. But have we looked into all those recommendations and where everybody is on those yet?

CHAIR CRIVELLO: I would like to have Corporate...Mr. Murai, can you respond?

MR. MURAI: You're asking whether there was any follow-up on the recommendations, I believe there was. And I think, I saw, I believe there was a follow-up and I believe Ka Hale A Ke Ola themselves submitted it to the Council and the materials are in your binder. I don't know which tab they're under though.

COUNCILMEMBER COUCH: Okay, just, in the letter it says the auditor's report listed 20 recommendations for MECC to perform, 5 for the Department of Housing and Human Concerns and 2 for the "County". So, and I looked at the report, and I saw the recommendations. I just was wondering, I couldn't find the responses but maybe I'll look again.

MR. MURAI: Mr. Couch, if you'll give me a minute, I'll see if I can find them, unless...

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COUNCILMEMBER COUCH: And, you know, while he's looking, we can continue on.

CHAIR CRIVELLO: Right. Any more comments or questions? Also from, yes, Ms. Cochran.

VICE-CHAIR COCHRAN: Sorry, Chair. So in regards to the, you know, the loan or whatever we are calling it at this point, I guess the idea that Ms. Ridao says this report, the final report we're waiting on, is giving the recommendations and initially it's stating that it looks very favorable that they can be viable and, you know, it can be feasible to run, I guess. Are we just going to leave it at that then and no more discussion on that?

CHAIR CRIVELLO: No, there will be discussion. As part of this meeting today is to discuss the loan repayment and if we can reference from the Department of Corporation Counsel, memo dated December 30th in your binder. It's just about the, towards the end before you come to Tab 1. And so at this time, you know, I would ask Mr. Murai, Corp. Counsel, do you have any comments in relation to Ms. Cochran's inquiry and the loan repayment?

MR. MURAI: Before I get to that, I'm sorry, Mr. Couch, I can't find it right now and perhaps, I know I saw Ms. Woods nodding when I mentioned that it's in here.

COUNCILMEMBER COUCH: Okay.

MR. MURAI: Perhaps she could provide you the direction to which tab it's under. With regard to the information regarding the outstanding loans, a few months ago, the Department, you know, became concerned and was curious to know what would happen come December 31, 2013 and the limited partnership which was formed to operate the Hale Makana O Waiale and to take advantage of the tax credits, what would happen to them after the expiration of the limited partnership? Would the partnership simply wind down and Ka Hale A Ke Ola resume, well, continue in their general operating partner capacity? And if so, what would become of the outstanding loans to, that were, you know, held by the partnership? So we began by first of all making sure that we had all of the relevant documents and that took us a while to assemble the entire file. I'm not confident that we, I'm fairly confident that we have most of it, but I can't say with certainty that we have all of it. But in the meantime though, the Ka Hale A Ke Ola Board and their Director, they've been cooperative as much as, as they could be as far as providing us with whatever information they had. We met in November and the Ka Hale A Ke Ola Board informed us that, well, one of our concerns was whether the limited partner, SunAmerica, would be seeking any, whether they were seeking any money, you know, whether they had any equity interest in the partnership and would want to be paid off in, you know, have their partnership interest reimbursed. I understand that from the Ka Hale A Ke Ola Board that SunAmerica is not expecting any money and they're willing to simply walk away from the project. And so we asked them if they could confirm that and I believe that the Board has made efforts to seek that confirmation, but, you know, being the holidays and whatnot, they have not heard back yet. Another thing that the Board told us was that they were going to propose a repayment plan for the outstanding debt. We don't have that proposal yet, but in the meantime, the Department has been working with Mr. Aagsalog and Finance in trying to craft from our side what we believe a

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fair and reasonable and doable repayment plan would be. Now this is all kind of dovetailing because one of the goals of Ms. Ridao's efforts to seek this outside consultant to review the operations was to see whether money could be freed up to service the County's debt. Although it's very preliminary, it's looking optimistic that, that may be possible, you know, depending on what the recommendations are whether they can be implemented. We do believe that with the rental income, there should be sufficient cash flow. One of the things that also expired with the limited partnership is the County's, you know, obligation to assist financially. So with regard to, you know, any remedies the County may have with regard to the default, if the Committee is interested in discussing those, then those matters may be best discussed in an executive session, but I don't believe we've exhausted all of our efforts to try to find a workable solution to this yet. The Department, as I can see, is very encouraged by the, a possibility of being able to, to work things out and to come up with a reasonable repayment plan. As we speak right now though, my understanding is that the limited partnership has expired. That means that, to me, that I'm presuming that they are in a winding up phase.

CHAIR CRIVELLO: So, Mr. Murai --

MR. MURAI: Yeah.

CHAIR CRIVELLO: --so my understanding is if we want to have further discussion in regards to loan repayment or a possible loan repayment and to consult with legal counsel, we would necessitate an executive session.

MR. MURAI: That would be my recommendation, Madam Chair.

CHAIR CRIVELLO: Chair Baisa.

COUNCILMEMBER BAISA: Thank you very much, Madam Chair. Madam Chair, I think that this matter is of such importance because we're talking about a lot of money and we're talking about an institution that is very important to this community. I mean, we don't have an alternative. Things go bad there and we're gonna have a major mess here with folks that don't have a place to go. I would strongly recommend that we do the executive session so that we can ask the questions we need to know and deal with these legal matters that we should deal with. So I'm all for it.

CHAIR CRIVELLO: So you're putting in a motion for us to have an executive session?

COUNCILMEMBER BAISA: If you're calling for a motion, yes, you got one.

CHAIR CRIVELLO: Yes. Yes, I would. May I hear a second?

VICE-CHAIR COCHRAN: Second.

COUNCILMEMBER COUCH: Second.

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CHAIR CRIVELLO: . . .(*gavel*). . . Thank you, Members, I'd like to reconvene our Housing, Human Services, and Transportation Committee meeting of January 9, 2014. We've had our discussion and if, I would like to present my recommendation in the Committee. But before I do that, I would just like to extend to the Executive Director of the organization who tried to, you may respond to any of the allegations. Please feel free to respond in writing, and we'll be having other opportunities for you to do presentations. So, thank you. At this time, I would like to recommend that we defer this item, if there are no objections.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: MPV)

ACTION: DEFER PENDING FURTHER DISCUSSION.

CHAIR CRIVELLO: Thank you, Members. Members, we have completed today's agenda and I'd like to thank the representatives from the Administration and Committee Staff for assisting us today. With that, the January 9, 2014 meeting of the Housing, Human Services, and Transportation Committee is now adjourned. . . .(*gavel*). . .

ADJOURN: 3:43 p.m.

APPROVED:



STACY CRIVELLO, CHAIR
Housing, Human Services, and Transportation
Committee

hht:min:140109:ap

Transcribed by: Annette L. Perkett

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CERTIFICATE

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

DATED the 27th day of January, 2014, in Haiku, Hawaii.


Annette L. Perkett
Annette L. Perkett