

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE

Council of the County of Maui

MINUTES

July 31, 2014

Council Chamber

CONVENE: 1:35 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Stacy Crivello, Chair
Councilmember Gladys C. Baisa
Councilmember Robert Carroll
Councilmember Donald G. Couch, Jr.
Councilmember Don S. Guzman (out 2:10 p.m.; in 2:31 p.m.)
Councilmember Michael P. Victorino (in 1:37 p.m.)

EXCUSED: Councilmember Elle Cochran, Vice-Chair

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
Gary Murai, Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the gallery:

Mark Walker, Deputy Director, Department of Finance (Item 7)

Wayde Oshiro, Housing Administrator, Department of Housing and Human Concerns (Item 7)

Clyde "Buddy" Almeida, Assistant Housing Administrator, Department of Housing and Human Concerns (Item 7)

OTHERS: Jud Cunningham, Chief Executive Officer, Maui Youth and Family Services, Inc.

Rick Collins, Clinical Director, Maui Youth and Family Services, Inc.

Christina Andersson, Clinical Director, Maui Youth and Family Services, Inc.

Kathleen Couch, Therapeutic Foster Parent, Maui Youth and Family Services, Inc.

Tim Williams, Foster Parent, Maui Youth and Family Services, Inc.

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Teena Rasmussen, Board Member, Maui Youth and Family Services,
Inc.

Rory Frampton

Steve Miller, Board Member, Ka Hale A Ke Ola Homeless Resource
Centers, Inc.

(6) additional attendees

PRESS: *Akaku: Maui Community Television, Inc.*
Melissa Tanji, The Maui News

CHAIR CRIVELLO: . . .(*gavel*). . . The meeting of the Housing, Human Services, and Transportation
Committee will now come to order. It is 1:35 p.m. on Thursday, July 31st already, 2014.

COUNCILMEMBER BAISA: Wow.

CHAIR CRIVELLO: 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 Committee
members. Excused for today is Committee Vice-Chair Elle Cochran. With us today is Council
Chair Gladys Baisa.

COUNCILMEMBER BAISA: Good afternoon, Chair.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: Councilmember Bob Carroll.

COUNCILMEMBER CARROLL: Good afternoon.

CHAIR CRIVELLO: Aloha. And Member Don Couch.

COUNCILMEMBER COUCH: Aloha and good afternoon, Chair.

CHAIR CRIVELLO: Member Don Guzman, thank you for being here.

COUNCILMEMBER GUZMAN: Good afternoon, Chair.

CHAIR CRIVELLO: And Member Mike Victorino is excused at the moment. I would like to also at
this time introduce our representatives from the Administration, Director of Housing and Human
Concerns, Jo-Ann Ridao.

MS. RIDAO: Good afternoon, Chair and Members.

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CHAIR CRIVELLO: And with us from Deputy Corporation Counsel, Mr. Gary Murai.

MR. MURAI: Good afternoon, Madam Chair.

CHAIR CRIVELLO: And my right, left hand and everything else, Committee Secretary, Clarita Balala and Legislative Analyst, Michele Yoshimura are here with me today. Members we have two items on the agenda: HHT-7 Hale Makana O Waiale Rental Rehabilitation Facility and Ka Hale A Ke Ola Homeless Resource; and also on the agenda is HHT-20 Grant of a Lease of Real Property to Maui Youth and Family Services. At this time I'd like to start with public testimony and I'd like to also at this time recognize this afternoon from the Hana District we have Dawn Lono.

...BEGIN PUBLIC TESTIMONY...

MS. LONO: Good afternoon, Chair. This is Dawn Lono at the Hana Office.

CHAIR CRIVELLO: You have anyone to testify at the moment?

MS. LONO: There is no one waiting to testify.

CHAIR CRIVELLO: From our Lanai District Office, Denise Fernandez.

MS. FERNANDEZ: Good afternoon, Chair this is Denise Fernandez on Lanai and there is no one waiting to testify.

CHAIR CRIVELLO: Thank you, Denise, and from the Molokai District office, Ella Alcon.

MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai and there is no one waiting to testify.

CHAIR CRIVELLO: Thank you. And for individuals who will be testifying in the Chamber, please sign up at the desk located in 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 Council Staff at that location. Testimony will be limited to the items listed on the agenda today, and 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 if you are representing any organization, please say so and please state your name and the name of the organization. Ladies from the Districts, I'd like to continue with our, begin with our testifiers in the Chamber, and please e-mail Staff if you have any testifiers in between what we have here. So at this time I'd like to call on our first testifier, Jud Cunningham.

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MR. CUNNINGHAM: Chair Crivello and members of the Maui County Council Committee on Housing, Human Services, and Transportation, aloha and thank you for the opportunity to speak on behalf of Maui Youth and Family Services and our request to renew the lease of County property located at 200 Ike Drive, at 1931 Baldwin Avenue. My name is Jud Cunningham and I'm the CEO for Maui Youth and Family Services.

CHAIR CRIVELLO: Excuse me, Mr. Cunningham. I'd like to at this time introduce our Committee member, Councilmember Mike Victorino, thank you for being here.

COUNCILMEMBER VICTORINO: Yeah. Thank you, Madam Chair.

MR. CUNNINGHAM: MYFS was established in 1978 by the County of Maui as the Maunaolu Youth Residential Shelter, and it incorporated as a private nonprofit agency in 1982. Its motto is, "Building Better Lives with Hawaii's Families". We do this by providing a range of behavioral programs that work together to wrap appropriate services around children and families. By providing services that emphasize prevention MYFS focuses on developing stronger families and youth who become responsible and contributing members of the community. MYFS provides a comprehensive continuum of services from non-restrictive emergency community-based shelter and foster care services, including the provision of mental health and substance abuse treatment, teen pregnancy and substance abuse prevention, outreach and advocacy, independent living skills and other services for youth in Maui County. We are both State and nationally accredited. During the current lease period, MYFS made significant improvements to the property including the construction of two new buildings which were used primarily for community-based residential care for adolescents with serious emotional disturbance. These services were provided through contracts with State Departments of Health, Human Services and the Judiciary. Over the last few years, however the State has moved from a residential model of intervention for most youth to a model which involves expanded use of therapeutic foster homes with professional wraparound services provided in home and community settings. This means that presently these facilities are used for housing administrative staff and is a center or hub from which the staff reach out to the youth and their families in various community settings including public schools. The facilities and grounds do continue to serve as a gathering place for group activities on a daily basis including our adolescent intensive outpatient substance abuse treatment program and programs aimed at preventing substance abuse and other behavioral health issues. In 2008, MYFS formed a partnership with two other nonprofit agencies, Aloha House and Malama Family Recovery Center. An important aspect of this partnership has been the proportion sharing of administrative expense resulting in substantial cost savings. The facility located 200 Ike Drive that formerly housed only Maui Youth and Family Services administrative staff for many years, for the last five plus years it has served as administrative headquarters for all three organizations. In order to provide these services at this location due to zoning it is necessary to maintain Special Use and Conditional Use Permits. A permit is for ten-year periods and was most recently renewed in 2011 by approval of the Planning Commission. We are here today requesting your approval to renew the lease for an additional 25-year term through June 30, 2040. Thank you.

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CHAIR CRIVELLO: Members, any questions or clarification for the testifier? If not thank you, Mr. Cunningham.

MR. CUNNINGHAM: Thank you.

CHAIR CRIVELLO: Our next testifier is Rick Collins. Following Mr. Collins is Christina Andersson.

MR. COLLINS: Good afternoon, Madam Chair and Committee members. My name is Rick Collins and I'm the clinical director at Maui Youth and Family Services, I'm one of two clinical directors and I oversee the prevention services and what we call intervention services. We serve about roughly 1,000 youth a year. Our prevention services include things like reducing teen pregnancy, we go in the intermediate schools and do that as well as helping them educate on STD, STDs and sexual health awareness in education. We also have a number of community-based activities after school to help the youth with the target of giving them positive activities in reducing substance use in our community. I also oversee our Independent Living Program for former foster youth as well as our current therapeutic foster home. These programs are based out of our property there, and we've utilized that property not for the residential purposes but we use it also for individual and family therapy services there for these youth as well as for foster parent meetings and things of that nature, so as Jud Cunningham said I'm here to request that lease as well.

CHAIR CRIVELLO: Thank you. Members, any clarification, questions or rephrasing for the testifier? Thank you.

MR. COLLINS: Thank you.

CHAIR CRIVELLO: Christina Andersson. Following Christina is Kathleen Couch.

MS. ANDERSSON: Aloha and good afternoon, Chair Crivello and members of the Committee on Housing and Human Concerns and Transportation.

CHAIR CRIVELLO: Good afternoon.

MS. ANDERSSON: My name is Christina Andersson and I'm the other clinical director for Maui Youth and Family Services that oversees substance abuse treatment programs and the intensive monitoring and also the intensive outpatient program. Thank you so much for this opportunity to speak on behalf of Maui Youth and Family Services and our request to renew our lease. Today I want to leave you with one word, hope. At MYFS we provide hope to youth and families in our community. MYFS Substance Abuse Treatment Programs have ten counselors that are in the high schools, almost all the intermediate schools including Lanai, and our counselors conduct afterschool intensive outpatient programs on campus for youth and their families on a weekly basis. Over the past year, our Adolescent Substance Abuse Counselors served over 340 adolescents and completed approximately 1,500 client contact hours. They provided approximately 330 Substance Abuse Assessments in over 8,000 individual counseling sessions.

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We are the only outpatient program on Maui for adolescents dealing with drugs and alcohol. Our intensive monitoring program provides services in the community in conjunction with juvenile probation, we call it ho`ala mai, which means to rise up and awaken. Last year we served 40 clients, all of them were guided, mentored and encouraged to make changes in their lives to prevent them from being incarcerated on Oahu at the Hawaii Youth Correctional Facility. Thirty-seven of those adolescents this year were kept from being locked up. This is the hope that MYFS provides in our community. Please consider our request to renew our lease with the County. Thank you.

CHAIR CRIVELLO: Thank you Ms. ...(*inaudible*).... Just a moment, any questions or comments for the testifier? Thank you. Our next testifier is Tim, I'm sorry, Kathleen Couch. Following Kathleen is Tim Williams.

MS. COUCH: Good afternoon, Chair and Council. Thank you for the opportunity to be here. I know many of you know me as program coordinator for Maui Adult Day Care Centers and what many of you don't know is on the home front I'm also a therapeutic foster parent along with my spouse Joe. And so, in the amount of time that we have been with Maui Youth and Family Services, probably close to five years or more we have had almost 60 youth in our care. And these are typically youth who have been into drugs, have been into suicidal issues, have been into drinking, they come from very dysfunctional families. Well they need to know that there is a future for them, that even with mistakes they've made they have the ability to pick themselves up, to start over again. They need the right guidance, they need the love, they need the nurturing, they need the modeling of a good family to show them what a family structure should be like, and so on the home front this is something that Joe and I do as we provide for our youth. And it shows that it really works when we get a call from a youth who invites us to their graduation, they may not be in our care any longer, they may have picked themselves up and moved on and they're back home, cause our goal is to reunite them with families. And as the program's working with their family we are working a lot with that youth as the therapists are too. But we get calls to come to their graduations, we get calls telling us we've had a child and are now getting married, we've been invited to weddings, we were just, Joe and I just a couple weeks ago were invited to come to the hospital because one of our past youth had a baby. And so to create those bonds with them is so meaningful and I want to ask for the continuation through Maui Youth and Family Service who we do this therapeutic foster care for, for you to continue the lease and the funding for that because it's an important setting for us to have. When we go up there and we do the provision of the meetings and family gatherings and things like that, when you think that our youth are very easily distracted and sometimes even afraid of where they're going to, the setting up there is so peaceful, so to get them there and have them in this peaceful setting with the outdoor atmosphere, with it being very calm inside as well, we are able to hold our meeting, the therapists are able to take the youth and do the meetings with them, but it cuts all the distraction and it makes a peaceful, safe setting for them to feel like they can learn more as we're learning more as foster parents. So I really, really plead with you to support our programs there and to allow us to keep doing the job that we do and we'll do it the best we can, but I'm very grateful to you and ask you to continue the lease for the program. Thank you so much for your time.

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CHAIR CRIVELLO: Thank you. Just a moment. Members, any questions or clarifications for the testifier? If not, thank you.

MS. COUCH: Thank you.

CHAIR CRIVELLO: Thank you for what you do. Next is Tim Williams, followed by Teena Rasmussen.

MR. WILLIAMS: Hello, my name is Tim Williams. Thank you, Council Chair and Council members for the opportunity to speak today. I am also a foster parent like Kat and Joe are. I've been with Maui Youth and Family Services for just over three years now. I think we've had in the neighborhood of about 12 different youth in and out of our, our home. It's a therapeutic foster care type of a situation where generally the youth are a little bit troubled in some way or another. Our job is basically to help them get stabilized, hopefully to transition them back to families, avoiding any other problems that may come up in their lives. Maui Youth and Family Services provides tremendous support in the way of counseling, training for our foster families which I understand are only eight in number at this point so for the entire island of Maui we have eight families that deal with this. So I think that Maui Youth and Family Services is a very critical organization to help us deal with these oftentimes forgotten children in the system. So I am also here to support the re-lease of the property to Maui Youth and Family Services.

CHAIR CRIVELLO: Thank you. Members any clarification, comments or question for the testifier?

MR. WILLIAMS: Thank you.

CHAIR CRIVELLO: If not, thank you, sir. Teena Rasmussen.

MS. RASMUSSEN: Chair Crivello, Committee members. I'm here today as a board member of Maui Youth and Family Services for the last five years and as a volunteer for the organization for the last 13 years, and I want to urge your support for the renewal of our lease. As you've heard we have a very dedicated staff, this is a very well run organization, it's financially stable, it's carried out terrific work for the County. Our County has done tremendous, a tremendous thing by partnering with well-run, private sector nonprofits who carry out the work for social services for our community and this is one that definitely needs the support and on behalf of our board we'd like to ask for the lease to be renewed. Thank you.

CHAIR CRIVELLO: Thank you. Members any questions, clarification for the testifier? There being none, thank you. I will go back to our District Office, Ms. Lono is there anyone wishing to provide testimony from the Hana District Office?

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

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CHAIR CRIVELLO: Ms. Fernandez, is there anyone wishing to provide testimony from the Lanai District Office?

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

CHAIR CRIVELLO: Molokai Office, Ella Alcon?

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

CHAIR CRIVELLO: Thank you. Are there any, if there are, there seems to be no more registered testifiers and if, are, is there anyone in the gallery who would like to testify? If so, please identify yourself to the appropriate Staff and proceed to the podium as the case may be. Members, there are no further individuals in the Council Chamber or District Offices wishing to testify. Without objection I would like to close testimony.

COUNCIL MEMBERS: No objections.

CHAIR CRIVELLO: Thank you.

...END OF PUBLIC TESTIMONY...

CHAIR CRIVELLO: Members, I would like to start with the agenda item, HHT-7, the Hale Makana O Waiale Rental Rehabilitation Facility and Ka Hale A Ke Ola Homeless Resource Centers. At this time, I would like to ask our Department of Housing and Human Services Director to do her comments and do the introduction of our members from the entity.

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)

MS. RIDAO: Thank you, Chair, and good afternoon, everyone. I just want to say that I have been very encouraged by some of the informal reports I have received by talking with primarily the staff over at Ka Hale A Ke Ola and Hale Makana O Waiale. I think they have taken the assessment that was done by Cirrus and taken it to heart and implemented some of the suggestions that I think has resulted in some very positive direction over there. I would like to call on I believe the representative from the board that will be doing a report is Mr. Steve Miller, and if Steve would like to come up and give the board, give the Committee a report on what's been going on over there.

CHAIR CRIVELLO: Thank you, Steve.

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COUNCILMEMBER VICTORINO: Madam Chair, if I may, you know I have to disclose this I mean it's all very important that not many of us belong to varied boards and commissions and other nonprofit boards, and I am a member, a board member of this particular group, so I want to make that known. And if any major decisions have to be made, Madam Chair, you will then have to rule if I should recuse myself or not. Thank you, Madam Chair.

CHAIR CRIVELLO: Thank you. Mr. Miller, before your, you begin I'd like to just share that with the back to what's the description of the agenda, as a, we have the receipt of the following Miscellaneous Communication, dated April 22, 2013, from the County Clerk, relating to a review of the management of this organization. So it's been that long since we've been dealing with the circumstances. And then we have County Communication 13-204, from the Chair of the Committee, relating to the operation and management of Ka Hale A Ke Ola Homeless Resource Centers. We also have correspondence dated January 29, 2014, from the Director of Housing and Human Concerns, transmitting a Project Assessment Report of Hale Makana O Waiale, prepared by Cirrus Asset Management, Inc. Members I place this on our agenda today to allow us to get an update. At our meeting on February 6th, we reviewed the Project Assessment Report for Hale Makana O Waiale which provided recommendations to improve their facility. Six months has passed and I thought we should get an update on what is happening with their facilities. As we all know, Rebecca Woods is no longer the Executive Director and there has been other changes as well. At this time, Mr. Miller, I would like to provide you the opportunity for the Committee to give us an update and appreciate you being here, and we can make ourselves available for any questions or comments. Thank you.

MR. MILLER: Thank you, Chair Crivello and members of the Committee. My name is, Steve Miller. I've been on the board of Ka Hale A Ke Ola for about three years and I'm here to give you an update on the changes that have been made to management and operations since that last meeting in February that Chair Crivello just mentioned. And just as a beginning point, the Hale Makana Affordable Housing Project which is 200 units is been managed since the beginning by Ka Hale A Ke Ola which operates under a management, a property management agreement that was signed in February of 1998. And as Chair Crivello mentioned, since our last meeting, Becky Woods who was the CEO of Ka Hale A Ke Ola resigned. The management of the operation was assumed on an interim basis by our CFO, Thanaid Uralwong and our leasing manager Joelvonne Kamaka. The board set up a property management committee to provide a support to that interim management and very pleased to announce today and I think a lot of you know already that we will have Erin Fleming who is currently with Council Services joining Ka Hale A Ke Ola and taking on a very challenging role as CEO and that will be effective next week on August 3rd so during that period of time of the interim management a lot of positive changes have been made, a lot of them recommendations in this Cirrus Report. It all began with revenue, in August of 2013, we applied to the Department of Housing to increase rental rates for the project to the maximum allowable by HUD, County and State standards. That was put into place on September 1st of last year. As of now all but 18 of the units have rolled over and been renewed at the higher rents, and within the next two months it will be up to a 100 percent of all of the units, so they will all be at maximum rental rates. We've also, as we have always had a waiting list of qualified tenants of people waiting to move in, but we have through Joelvonne's

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management really improved the turnover time by almost 50 percent or doubled what it was from the beginning of the year till now. And if we look at just the number of vacant rental days out of the total number of 200 units, we're operating at a less than 1 percent vacancy rate which is about the best that you can achieve given turnover and evictions and lease terminations. So we think revenue is about as good as it's gonna be, there's always room to improve but that's been done. On the expense side, a number of positions were reduced in maintenance and operations positions, and we're now at about 20 percent savings in payroll, payroll being the biggest expense for the operation. In addition to that, we have assigned specific personnel to specific projects and specific duties whereas before they were pooling labor between Hale Makana, Ka Hale A Ke Ola's central and the west side operation, which now we're getting, reducing any overlap inefficiencies and also improving accountability for management. In lands, in terms of landscape maintenance, it's still being handled in-house. The Cirrus Report recommended that we contract it out and we did research hiring landscape maintenance companies but the labor rate was about 50 percent higher than our labor rate, and so we we're basically doing landscape maintenance with about half as many people as we had before, continuing to do it in-house. We also have, will not be maintaining the County, the three-acre Country park which was being maintained by Hale Makana at Hale Makana's expense, so that's another savings in landscaping. One of the recommendations in the Cirrus Report was to outsource rubbish removal versus handling it in-house, we've done that and basically it's saved a lot of man hours of personnel on the site which allows them to do other things. The cost is about neutral in terms of any savings to do that, the additional cost to pay for new dumpsters and rubbish removal versus doing it in-house. In terms of security, it's a problem that we, well, it's a problem and an issue but basically it's a work in process. We have been studying what to do, how much it will cost, and how to manage it. We agreed with the point the Cirrus Report made that a nonprofit should not be in the security business, and we have basically removed ourselves as a security operation and initiated a communication program with the residents clarifying that even though we have someone there 24/7, their responsibility is to enforce house rules and to protect the property and for residents who have issues with domestic disturbances or personal security issues, they're to call the police. And we've had a meeting with the, with the residents and the police and also initiated a Neighborhood Watch Program which has had good success and response, little better police presence as a result of that. And we will probably be, well, we'll probably, but we will be getting bids from guard services that provide contracted patrol and, and manning for nights and weekends to improve the security situation. We did make an offer to the Police Department to offer them free space and utilities to set up a police sub-station on site, we believe that is not only the most cost effective, for us but certainly the most effective security solution, because not only will it benefit KHAKO and Hale Makana but the whole area's developing retail and commercial facilities in the area, and the additional police presence in the area we think would be, would be a benefit to the County. We did however receive a rejection letter from Captain Yabuta rejecting our proposal, we're not sure why. If it's a budget issue, it's something that we would like to pursue and see if we can identify what the community benefits are, the feasibility of it, whether there's other funding sources that could be found, because we think it's a, it would be a great solution to bringing more security. We and we do have a commitment to the residents there to basically provide them with a secure and comfortable place to live and we've, we feel that's an obligation that we really want to live up to. I know that, that most important issue to Council

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probably right now is the repayment of our loan. The result of the changes that I have just mentioned have been positive, the initial budget for the year was a little better than break even. But to date we have improved that by approximately \$169,000 and we believe that, that will continue to accrue going forward. We did receive just a couple of weeks ago and had a meeting last week to confirm it with SunAmerica which was acquired by AIG that they intend to remain as the limited partner of the Hale Makana partnership which has to do basically with the long-term possibilities for the project. They believe there is some upside in it for them and they really don't have any downsides so I think that was the reason. So there will be cash at the end of the year to contribute towards debt service, debt repayment. The amount will depend on among other things, how much additional money goes into replacement reserves. One rule of thumb would be maybe \$50,000.00 a year in addition to what we have now should be going into replacement reserves so that the repairs and maintenance that needs to be done can be done without further CDBG grants which go to KHAKO and then KHAKO loans the money to Makana to do that. So there's that, what the other one is, is that right now KHAKO is owed about \$397,000 from Hale Makana for accrued management expense and other basically fronting other expenses to Hale Makana that's occurred over time and whether that gets repaid or how long, how it's repaid will affect the cash flow. So our plan, our desire is to meet with Jo-Ann and her group and Finance possibly in the very near future and sit down and look at these variance variables and see if we can come up with a debt repayment plan which we would anticipate would basically begin this year and continue on through 2035 which is what the current loan repayment agreement calls for. So I am open to questions.

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

COUNCILMEMBER COUCH: Thank you, Madam Chair. Thank you, Mr. Miller, for that report. I just have a couple questions on there. When you are talking about, you know maximizing allowable rents and renting out your units and you're at 1 percent, a little less than 1 percent vacancy, how long can somebody stay there, is there a limited amount of time or...

MR. MILLER: There is not the, once they qualify they have to be under, below 50 percent of net household median income and of course have a job and be able to pay rent. But once they qualify and they are in there, if their income increases beyond that later on they could stay. We're, as an affordable housing unit, it's subject to the State's Landlord Tenant Code and so the ability to manage it is limited to a landlord's rights under the Landlord Tenant Code and it basically operates the same as a conventional rental.

COUNCILMEMBER COUCH: So it's not kinda of a you know give 'em a place to stay until they can get back on their feet and then move.

MR. MILLER: I think it was intended to be a transitional housing project initially.

COUNCILMEMBER COUCH: Uh-huh.

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MR. MILLER: But this was way before my time when it was created but it, it is morphed into what it is today and I know that Ka Hale A Ke Ola has definitely used it for those purposes, they've taken people off the street, run them through the programs that we manage and given them places to stay at Ka Hale A Ke Ola and eventually move them into Hale Makana, and some of those people have moved through Hale Makana and into other housing whether it's rented or owned and that, that was I think the model that we were initially wanting to get to.

COUNCILMEMBER COUCH: Okay. And under your expenses where it says Hale Makana will no longer maintain the public park at its expense, that was something that was in agreement with you folks and the Parks Department or...

MR. MILLER: It was never a formal agreement for anyone to maintain it. It was just Hale Makana took that on and they had always been maintaining it. The Parks Service provided supplies for the bathroom, toilet papers and cleaning supplies but Makana's labor maintained it, and in order to improve our labor and our expense position we proposed to I think through Jo-Ann's office to the Parks Department that either they take it on or reimburse Hale Makana for their cost to maintain it. Right now it's being maintained by Ka Hale A Ke Ola so that Makana is just basically free of that responsibility.

COUNCILMEMBER COUCH: Okay. So Parks is aware of that, what you're going to do.

MR. MILLER: Yeah.

COUNCILMEMBER COUCH: Okay. And one last question, Madam Chair, if I may.

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COUCH: I know it states in the status, it talks about West Maui Resource Center and I'd heard, asking on behalf of Ms. Cochran she had heard as well that, that she had heard that they were going to close on August 1st. I just wanted to verify that...

MR. MILLER: That's news to us.

COUNCILMEMBER COUCH: Okay, good.

MR. MILLER: Just heard that here for the first time, I don't think that, no, that's not true.

COUNCILMEMBER COUCH: Okay, good. Thank you. That's we kinda figured that but we just wanted to make sure. Thank you. Thank you, Chair.

CHAIR CRIVELLO: Members, any further questions or comments? Chair Baisa.

COUNCILMEMBER BAISA: Couple of things and thank you very much for that progress report, it really is great to see the good work that's going on there. And thank you for stealing our lady,

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we not too happy. We cut the farewell cake today and we send her to you with our best wishes and hope that everything will work out, but all jokes aside, couple of things. Talking about the Police substation and the response from the Chief, did he give you any, any indication why?

MR. MILLER: No, and we really want to find out why. I know he's been busy lately with, you know, moving on to new responsibilities and transition to management there. My initial thought was it's probably for budget reasons, re-manning reasons, but the police officers on the beat there who have met with our residents thought that it was a really good idea because one, they're having more issues to patrol with homeless people around the commercial facilities. In fact, my office which is walking distance away, we've had homeless people camping out behind our office and some of the other tenants in the Maui Lani Village Center. But we think it would be a really good thing to do and we're willing to contribute the facilities so there really is very minimal if any capital expenses to do that. Something that we would like --

COUNCILMEMBER BAISA: The Chief is moving, is moving on.

MR. MILLER: --we would like to pursue and if...

COUNCILMEMBER BAISA: Maybe you can pursue it with the new person who might have a different perspective. We never know. The other thing was, you mentioned a replacement reserve. Do you have one now?

MR. MILLER: We do, it's about a \$125,000, it's not enough, it hasn't been added to for a long time and so one of our directions of how to use cash flow and again it's something that we need to agree on with Jo-Ann and her people in terms of how much to deposit to it and we have capital budget needs and an estimated budget for the coming year. It could be as much as \$350,000. It doesn't include really big things like roof replacements but a lot of that maybe half of it I think we can fund internally, at least. Some of it is we want to do LED lighting to improve the lighting of the parking lots and also reduce electrical expense. We've got bathtubs to replace, floors to replace, you know just regular things like that, that are, you don't have to do but some you have to do, others are wanna dos.

COUNCILMEMBER BAISA: I totally understand the need for the reserve, I was just interested, I, you mentioned adding to it I didn't know if you already had some or you didn't. But it is definitely a good idea with a facility of that size and with all the work that has to be done on it all the time in order to --

MR. MILLER: Yeah.

COUNCILMEMBER BAISA: --keep it in good shape otherwise you play catch-up and that's really not good, but I'm like I said thank you very much for a good report and it's a very positive to see where everything is going. Thank you.

MR. MILLER: Thank you.

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CHAIR CRIVELLO: Thank you. Members, any more comments or questions?

COUNCILMEMBER VICTORINO: Yeah, thank you, Madam Chair.

CHAIR CRIVELLO: Mr. Victorino.

COUNCILMEMBER VICTORINO: And Steve, nice seeing you. I've, as you've noticed I've made myself visibly absent for awhile, and while all of this was transpiring I wanted the opportunity to give the rest of the board the ability to make changes and I think we've made some real positive changes. And you came right from the top and took one of our new and upcoming shining stars and took 'em but that's okay. Like I told her, I'll see her there. And so, I'm also encouraged with the changes that you brought forward and some of the other abilities to adjust what long has been needed there, and you and I have talked about this in many occasions so, Madam Chair, I think we're in moving in the right direction. I think the 800-pound gorilla is always, is the loan, is a grant, what is it, and I think with the new Director coming in, the new CEO, she'll be able to, along with us and others sit down and work this all out and get that resolved. 'Cause I think that, once that is resolved I think the rest can move on, I think the rest can really begin to move on, but that's been the one that's kinda been the anvil holding us back, you know that hanging on our neck and really holding us back from getting anywhere. But I like the directions and I like the changes and I feel very comfortable, and hopefully next month's meeting I'll be able to come back and with new vigor and help and continue on our track. So thank you, Madam Chair.

CHAIR CRIVELLO: Thank you. Any more comments or questions for our, Mr. Miller?

MS. RIDAO: Madam Chair, if I may.

CHAIR CRIVELLO: Yes, I was just going to...

MS. RIDAO: Bill, I would like to know I mean, Steve, I'd like to know if you could explain to me what the limited partner AIG has decided to remain in the partnership mean. What does that mean?

MR. MILLER: Well, we've asked ourselves that same question...

COUNCILMEMBER VICTORINO: Can you speak into the microphone

CHAIR CRIVELLO: Can you speak into the...

MR. MILLER: I'm sorry we've asked AIG, we met with them last week, they're here on an annual inspection tour, which they do of all of their properties. And what, one is they believe that the property hasn't been managed as good as it should, which we agree to and that it can be better and that can it, can improve its cash flow which we agree as well. We did point out that if whatever available cash flow is available is going to go to debt service and so the ability of any cash flow going to the limited partner is pretty much nil and they understand that as well. So it's

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hard to say, I think, like I said I think their position right now is maybe it'll turn around, maybe there's a way in the future to refinance it, maybe in the future there's some way that there's some equity in there for them but they really don't know. They're open to being proven wrong and if they are they will get out but as of now they're not. It was an open question that kept us from really being able to decide where we were going ourselves, so now we know we are agreed with them to look at outsourcing property management to a property, professional property management firm including Cirrus and we are meeting with the owner of Cirrus tomorrow to talk about that, we've also talked with EAH and they are very interested in doing that. So that it's again that's something that's an on-going situation that we are in the process of evaluating.

MS. RIDAO: Thank you.

CHAIR CRIVELLO: Any more questions or comments? Ms. Ridao.

MS. RIDAO: No, I think everyone will agree that we're headed in the right direction, I'm encouraged, I wish Erin well. I was in nonprofit for 30 years so I know what she's in for, but I think she'll do a good job and I know that the staff at Ka Hale A Ke Ola, the current staff that are there are very, very dedicated and they give their all. So she has a great staff to work with and I'm looking forward to some, you know good things coming out of Ka Hale A Ke Ola and Hale Makana. Thank you.

CHAIR CRIVELLO: So, Corporation Counsel, any comments in reference, I would like to ask I guess the repayment is on a loan, right?

MR. MURAI: It is, I think we've all agreed on that.

CHAIR CRIVELLO: Okay. So thank you, I'd like to thank you and the board members and the staff who have, I recall when it first came to us in April and I'm sure Corporation Counsel agree, I couldn't believe the maze that we had to go through to respond to what was referred to this Committee that we would be getting some sort of payment or like you say a debt repayment schedule. So that is most encouraging I'd like to say for this Committee and taking care of what is you know very much needed in our community, and I think that the Committee will agree that's our first intent to be assured that it will be able to continue its mission and purpose to care for those that needs shelter for their families. So thank you Mr. Miller. I'd like to thank the rest of the Board Members as well as your, your staff. Members, if there are no more questions or comments or, Chair Baisa.

COUNCILMEMBER BAISA: Before you wrap it up, Chair, I would like to thank you, you know you're a new Chair of this Committee and you took on this very difficult issue and you stayed with it and you've been very evenhanded and fair and patient in trying to work with it and I want to thank you very much. I think we're at a much better place than we were when you took over, thank you.

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CHAIR CRIVELLO: Thank you. I'd like to extend you know while we're all saying mahalo. The Department and board and the staff I mean this is true collaboration and cooperation. I don't think we could be here without the expertise and the, the whole process of working together to make it happen. So this is a good example of what can be done once we all put ourselves together, and Mr. Murai he really went through folders and papers and papers to finally clarify what we need to do and with the board stepping up, the staff being so willing to make it happen. So there's much of many thank you's so we await our first repayment plan to happen. Thank you and Members, at this time if there are no further discussion, I would like to recommend that we defer this matter.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: EC and DSG)

ACTION: DEFER PENDING FURTHER DISCUSSION.

CHAIR CRIVELLO: Thank you.

ITEM NO. 20: GRANT OF A LEASE OF REAL PROPERTY TO MAUI YOUTH AND FAMILY SERVICES (MAKAWAO) (CC 14-160)

CHAIR CRIVELLO: Next is our on the agenda is HHT-20, Grant of a Lease of Real Property to Maui Youth and Family Services. We've heard from the Chief Executive Officer and the Committee is in receipt of County Communication 14-160, from the Director of Housing and Human Concerns, transmitting a proposed resolution entitled, Authorizing the Grant of a Lease of Real Property to Maui Youth and Family Services. The purpose of the proposed resolution is to renew the grant of a lease of two parcels of real property, to Maui Youth and Family Services, for the purpose of providing office and shelter space for its programs for youth and families of the County of Maui. The proposed lease agreement for the property, which has a fair market rental value of \$58,674 per year is for a 25-year period, from July 1st 2015 through June 30, 2040, at a nominal fee of \$100 per year. The existing lease will expire on June 30, 2015. At this time I'd like to ask the Department of Housing and Human Concerns and/or the Deputy of Corporation Counsel to make comments.

MS. RIDAO: Thank you, Chair. I'd just like to say that I want to first of all thank Maui Youth and Family Services for being proactive in getting their lease renewed, cause oftentimes we're in here after a lease has expired, so this is a good thing that we're attempting to get this resolved and taken care of before the actual expiration date of this lease. As you have heard from numerous staff at Maui Youth and Family Services as well as foster care families, Maui Youth and Family Services has served our youth and families for many years. They have been on this property since 1990 and I think well deserving of the lease being extended so that they can continue their work there. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Murai.

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MR. MURAI: Thank you, Madam Chair. I just have a couple of comments to make and these are things that your eagle-eyed Staff caught that I didn't. I will need to revise and resubmit the resolution because for example, I believe Maui Youth and Family Services' correct legal name is Maui Youth and Family Services, Inc., so I'd like to make those changes to the title of the resolution and make other, make changes to add the word, "incorporated" wherever Maui Youth and Family Services appears. Also to the Tax Map Key numbers we need to add parenthesis around the number two and to the first be it resolved clause on Page 2, paragraph one, because this lease exceeds the five years, County Ordinance requires that the Council find that a longer lease is necessary and in the public interest. So to paragraph one I'll need to add the words, "necessary and" to that first line before the phrase "in the public interest". I believe, Madam Chair that these are technical, nonsubstantive changes that should not, should the, should the Committee decide they wish to pass this out, these can be made later and should not delay further action by the Committee.

CHAIR CRIVELLO: Right, thank you. Members, we're open for discussion, comments or...

COUNCILMEMBER VICTORINO: Madam Chair.

CHAIR CRIVELLO: Councilmember Victorino.

COUNCILMEMBER VICTORINO: Thank you and thank you, Mr. Murai, 'cause there was some of those that was missing and I was gonna ask you about that, so that covered that issue, thank you. Madam Chair, you know it's not a matter of question, it's really a comment that this is an organization that has served this community for nearly 25 years, and I really believe in their program, they've done yeoman's work in an area where sometimes other agencies and other areas of our community has lacked in, and I think, well, we want to continue to support them. So I would be in total favor of renewing this lease for 25 years and helping them continue their great work for this County. So I'll wait for your recommendation, Madam Chair, but I see nothing that would prohibit me from wanting to ask anything more or to ask anything more for this organization, because they have done great work and one of those that I can truly support anytime they come forward and need help. Thank you, Madam Chair.

CHAIR CRIVELLO: Thank you, Mr. Victorino. Chair Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. I too am in very strong support of the passing of this and the granting of this lease to Maui Youth and Family Services. I have worked with the Executive Director for many, many years and I've had the opportunity to visit with this board, I've attended several of their annual meetings, I've been to their facility and I'm very familiar with the work that's done and it's very, very essential work in our community. And they have done an outstanding job and as one of the testifiers mentioned earlier, are fiscally responsible, and have done a great job, not only in doing their core program but in partnering and taking on other programs that were also in need of help and they've been very fiscally efficient. And having attended their meetings, I've heard how they've been able to make good use of their

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dollar by bringing programs together under an umbrella and doing a very good job. It has a very involved board, they're very supportive, long-term, do good work and it would be my pleasure to support this. Thank you.

CHAIR CRIVELLO: Thank you. Any more comments or questions? I wish to add also that Molokai, and this is an entity that stretches their hearts and arms out to our island also, so it becomes really a true County participation so and their extension in allowing their expertise to extend further. So I think we can say we'll have a continuation, hopefully, of the tenants. But before I set on my recommendation, on behalf of my Staff, I'd like to call a short, brief recess. . . .(gavel). . .

RECESS: 2:34 p.m.

RECONVENE: 2:38 p.m.

CHAIR CRIVELLO: . . .(gavel). . . Thank you. The meeting of the Housing, Human Services, and Transportation Committee will now reconvene. At this time I'd like to ask Corporation Counsel to, they have some matters that they'd like to address.

MR. MURAI: Thank you, Madam Chair. Madam Chair, when your Staff and I were reviewing these documents more closely, we noticed that when we looked at the legal description that is attached to the lease agreement, specifically parcel 39B, we noticed that there was a discrepancy in the acreage. The lease, according to the description in the lease itself and as reflected in the existing lease, parcel 39B consists of approximately 3.89 acres but the legal description that was attached to these leases, there's a notation of 6.284 acres. And although I believe that the 3.89 acres is the correct number, out of an abundance of caution, Madam Chair, we would like the opportunity to just confirm that the lease, as far as the acreage is correct. Not being a surveyor, I'm not sure how to read these legal descriptions of metes and bounds. So that being the case I regretfully have to suggest that, that you consider deferring this matter to give me and your Staff the opportunity to confirm that we've got the correct legal description.

CHAIR CRIVELLO: Thank you. Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Madam Chair. Mr. Murai, is it, if it's just a matter of numbers, wouldn't that be similar to a nonsubstantial change in that we could pass it out at Committee and then get the proper number before we pass it on?

MR. MURAI: You know, Mr. Couch, I don't, I don't think so because it's not a matter of a typographical error or a that kind of thing. I guess my difficulty is I don't know whether this a significant discrepancy or not, and I would personally prefer to err on the side of caution.

COUNCILMEMBER COUCH: Thank you, Madam Chair.

CHAIR CRIVELLO: Thank you.

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COUNCILMEMBER COUCH: Fortunately, we have some time.

CHAIR CRIVELLO: Yes, we do.

COUNCILMEMBER COUCH: June, 2015.

CHAIR CRIVELLO: Yes. Yeah.

COUNCILMEMBER BAISA: Yeah.

CHAIR CRIVELLO: Let's just put everything in order. Any more comments before I make my recommendation?

COUNCIL MEMBERS: Recommendation.

CHAIR CRIVELLO: My recommendation is to recommend deferral if there are no objections.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: EC)

ACTION: DEFER PENDING FURTHER DISCUSSION.

CHAIR CRIVELLO: Thank you, Mr. Murai and Staff, for having all the t's crossed and the i's dotted. So, Members, we have completed today's agenda and I'd like to thank the Department and Corporation Counsel, and of course, our committed Staff, for their assisting us today at this meeting. So with that, the July 31, 2014 meeting of the Housing, Human Services, and Transportation Committee is now adjourned. . . .(gavel). . .

ADJOURN: 2:41 p.m.

APPROVED:



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

hht:min:140731

Transcribed by: Cheryl von Kugler

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CERTIFICATE

I, Cheryl von Kugler, 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 14th day of August, 2014, in Kihei, Hawaii

A handwritten signature in cursive script, reading "Cheryl von Kugler", is written above a horizontal line.

Cheryl von Kugler