

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE

Council of the County of Maui

MINUTES

August 6, 2015

Council Chamber, 8th Floor

CONVENE: 1:30 p.m.

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

NON-VOTING MEMBER:
Councilmember Elle Cochran

EXCUSED: VOTING MEMBERS:
Councilmember Riki Hokama
Councilmember Michael P. Victorino

STAFF: Carla Nakata, Legislative Attorney
Tammy M. Frias, 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.: Jan Shishido, Deputy Director, Department of Housing and Human Concerns (Items HHT-7, -23)
Sananda K. Baz, Budget Director, Office of the Mayor (Item HHT-7)
William R. Spence, Director, Department of Planning (Item HHT-23)
Joseph W. Alueta, Administrative Planning Officer, Zoning Administration and Enforcement Division, Department of Planning (Item HHT-23)
David C. Goode, Director, Department of Public Works (Item HHT-23)
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Alice Lee (Item HHT-7)
Erik Blair (Item HHT-23)
James Worley (Item HHT-7)
Erin Lowenthal, Chief Executive Officer, Ka Hale A Ke Ola Homeless Resource Centers, Inc. (Item HHT-7)
Additional attendees (10)

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

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

CHAIR CRIVELLO: . . .(*gavel*). . . Good afternoon. The meeting of the Housing, Human Services, and Transportation Committee will now come to order. It is 1:30 p.m. on Thursday August 6, 2015. Members, thank you for being here. I am Stacy Crivello, Chair of the Housing, Human Services, Transportation Committee. Before we begin, may I please request that we all turn off or silence our cell phones or other noisemaking devices. At this time I'd like to introduce our Committee voting Members. Committee Vice-Chair Gladys Baisa.

VICE-CHAIR BAISA: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon. Our Councilmember Bob Carroll.

COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: Don Couch.

COUNCILMEMBER COUCH: Good afternoon, Chair.

CHAIR CRIVELLO: Mr. Guzman.

COUNCILMEMBER GUZMAN: Good afternoon, Chair.

CHAIR CRIVELLO: Thank you, thank you for being here. At this time Member Riki Hokama is excused and Member Mike Victorino. I'd like to introduce participation from our non-voting Committee Member Ms. Elle Cochran. Thank you for being here.

COUNCILMEMBER COCHRAN: Thank you, thank you for having me.

CHAIR CRIVELLO: At this time I'd like to introduce our Administration representatives and introduce Jan Shishido, our Deputy Director of Housing and Human Concerns.

MS. SHISHIDO: Good afternoon.

CHAIR CRIVELLO: And with us representing our Budget Director Administration and as well as our Finance Department, Mr. all-around, Sandy Baz. Thank you. And of course from the Corporation Counsel, our Deputy Corporation Counsel, Mr. Jeff Ueoka.

MR. UEOKA: Good afternoon, Chair.

CHAIR CRIVELLO: Thank you. At this time I'd like to introduce our resource person on behalf of Ka Hale A Ke Ola Homeless Resource Center in regards to agenda number HHT-7, Erin Lowenthal. She's in the gallery right now. And with our Committee Staff, Committee Secretary Tammy Frias, thank you for being here. And our Legislative Attorney, Carla Nakata. Thank you for all of your work. Members, we have two items on the agenda today so we'll get started with public testimony. I'd like to first of all

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

recognize the assistants from our district office. Assisting us this morning from the Hana District Office is Dawn Lono.

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

CHAIR CRIVELLO: Aloha, Dawn. From the Lanai District Office, Denise Fernandez.

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

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

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

CHAIR CRIVELLO: Aloha, Ella. At this time 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 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. At this time we'd like to call the first testifier.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. NAKATA: Madam Chair, the first testifier is Alice Lee. She'll be testifying on HHT-7. She'll be followed by Erik Blair.

MS. LEE: Good afternoon, Madam Chair and Members of the Housing, Human Services, and Transportation Committee. My name is Alice Lee and I am testifying as an individual today. As some of you know, I was previously Director of Housing and Human Concerns from 1999 to 2006. When I first became the director, we were...and by the way I am testifying on Item number 7, Hale Makana O Waiale Rental Rehabilitation Facility and Ka Hale A Ke Ola Homeless Resource Center repayment, the proposed repayment plan. Now what happened back in 1999 is we discovered that there was a loan/grant agreement that was made with this nonprofit agency and Mayor Lingle's Administration. At that time, that's 16 years ago, I recommended to the new Administration to forgive this loan because this agency provides such a vital service that we can't really go without them and then as it is now, they really don't have the resources to repay \$4 million. Now even though there's a repayment plan before you, at the very least I hope you approve it. But if you can search in to your hearts to make this a little less of a burden on them, that would be very, very helpful assuming that you can't arrive at the conclusion that this loan should be forgiven. This is a matter that has been kicked down the road for 16 years and this can is barely recognizable anymore. And I know it was difficult for prior administrations to say okay we forgive you, we won't collect on the \$4 million. But believe me, the \$4 million

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

was of significant investment in this nonprofit because it's not just a place to live, we're talking about a population that requires special resources continually. So, you know, I would strongly urge you to please if you can't forgive this loan, make it a reasonable repayment plan. Thank you very much.

CHAIR CRIVELLO: Thank you. Any questions, comments or rephrasing for the testifier? Thank you for being here.

MS. LEE: Thank you.

CHAIR CRIVELLO: Thank you.

MS. NAKATA: Madam Chair, the next testifier is Erik Blair. He'll be testifying on HHT-23, and he'll be followed by James Worley.

MR. BLAIR: Aloha, Madam Chair and Councilmembers. I have to apologize in advance, I'm going to be reading a little bit of this so I didn't memorize it yet. Thank you so much for allowing me the time to speak to you about tiny houses. I'm representing myself, I don't have a formal entity but I've been involved in the research of affordable housing with tiny houses for many years now. So I'm here to offer myself as a resource in to the affordable housing alternative called tiny houses. Tiny houses are simply small living quarters built on wheeled trailers. As a single father of modest income, I've been interested in tiny houses as an affordable housing alternative for many years. Today, it is a movement that is sweeping the country. There are currently two TV shows about them, Tiny House Nation, Tiny House Hunters are two of them. There is a documentary film, several books about the subject, as well as I started a Tiny House Hawaii Facebook page less than a year ago and it's already got 6,500 fans. Tiny houses are an affordable housing alternative that many municipalities on the mainland have already embraced. Every state and local jurisdiction treats them differently. Here in Hawaii the legal jurisdiction over tiny houses is the Hawaii Statewide Traffic Code therein there defined as house trailers and are permitted dwellings so long as they are legally parked on private property. The typical tiny house on the mainland is completely self-contained, off-grid dwelling with no more than one to two occupants. These small 150 to 300 square foot homes can be solar powered, connected to water catchment, and use composting toilets. In some places these tiny houses are hooked up to power and much like, and water much like RVs. Some people buy land and put tiny houses on them and some people, some tiny house owners simply rent the land from property owners. Tiny houses are not for everybody but for the 1 percent or so that desire these affordable houses it provides them with a lower cost of living, enables them to save for retirement, pays, helps to give them money to, extra money to pay for school, buy healthy food, et cetera. It also has, gives more money that they can spend locally. If a percentage of the population moves into tiny houses, that relieves the tension on the current shortage of affordable housing in Maui County. Tiny houses also provide mobility in case a landowner decides they need to use the land for some other use. It also makes it less challenging for the resident to find other tiny house parking somewhere else rather than looking for a rental apartment which as you know is very difficult here in Maui County. Tiny

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

houses are simple and affordable to build. Some people build them, building companies build them for somewhere between 30,000 and \$60,000 each depending. But you can build them yourself. Tiny houses can...I should say let me start over there. In 2013 and 2014 the Hawaii Appleseed Center for Law and Economic Justice...

MS. NAKATA: Three minutes.

MR. BLAIR: Can I request an additional minute please?

CHAIR CRIVELLO: I'm sorry, can you start wrapping it up, sir?

MR. BLAIR: Okay. So the Hawaii Appleseed Center for Law and Economic Justice released two reports recommending tiny houses as a viable affordable housing alternative. I have e-mailed links to those reports to all Committee Members. Right now there are already tiny houses on Maui but those people are reluctant to come forward for fear of being visited by County inspectors and facing some sort of legal problems which may or may not exist. What is needed is some kind of official and public support for tiny houses by the County of Maui so that those that want to build and live in tiny houses will do so on their own accord without fear of legal problems or unnecessary regulation. Tiny houses are a real good affordable housing option for some residents and another alternative no-cost housing solution for Maui County to embrace. I'm not here to suggest more legal loopholes or --

MS. NAKATA: Four minutes.

MR. BLAIR: --hurdles...

CHAIR CRIVELLO: I'm sorry, Mr. Worley [*sic*].

MR. BLAIR: Mahalo for your time.

CHAIR CRIVELLO: Thank you, thank you. Thank you for being here. Any comments or...Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair, and thank you, Mr. Blair, for your testimony. We have it, pretty much you've written that same thing right?

MR. BLAIR: Yes I have.

COUNCILMEMBER COUCH: That's what, okay. The one thing I don't see in here and I'd like to see if you can tell me. You talk about tiny houses and whatnot, what's the difference between a tiny house and a, let's say a mobile home?

MR. BLAIR: A tiny house is built with similar construction methods as a regular home. So they have, it's all wood, they have all the framing is done the right dimensions and such so it's very similar to what we use on traditional housing. It's, in the mobile

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

home they're done with flimsy thin metals, thin single walled, sometimes they have aluminum framing and whatnot so they're not as strong, so for example if a hurricane comes to town a tiny house can withstand that whereas a mobile home might not.

COUNCILMEMBER COUCH: Okay. Thank you. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Any further comments or questions for the testifier? If not, thank you very much. It's Mr. Blair?

MR. BLAIR: Mahalo, yes.

CHAIR CRIVELLO: Okay. Thank you.

MS. NAKATA: Madam Chair, the next person to testify is James Worley. He'll be testifying on HHT-7. He's the last person who has signed up to testify in the Chamber.

MR. WORLEY: Good afternoon, Councilmembers. Thank you for allowing me to speak today. I have been a participant on the Board of Directors of Ka Hale A Ke Ola from almost from its inception. At the time when we founded the homeless support, the Food Bank and a mental health facility for the indigent. So we go back quite a few years. I'm a two-time past president of the board; once in the good times when we opened up the first shelter at, for the, for homeless, the resource center and the second time was at the end of Charlie Ridings career and the beginning of a new era of management. The effect of what our mission is involves homeless, people who were without shelter the night before and that's called emergency, the second level is transitional which takes those people and assess their needs and entitlements and helps them to become a full member of society again, and three, affordable housing which Hale O Makana is a part of. We have over 230 apartments all built to Code and which you were instrumental in helping us get this taken care of and built out. We have over 800 to 1,000 people living in the affordable housing right now that we don't know where they would be sleeping tonight otherwise. We are not in a position to be able to pay a loan back that we didn't know we were going to get at the time it was instituted and many of the past Members of Council and those of you who were around at that time I'm sure have a vivid memory of how that came about. I'm not here to defend that decision or to try to demean it. I'm just saying that as Alice Lee said, we have to look at this in a different light and today is the day. It was deferred; this decision was deferred to a different, to a future Council. That future is past now. That needs to be dealt with and we do not have the kinds of money that we have agreed we can help you to help pay it off. If we had to do that it will take away from our mission, and you tell me where those 800 to 1,000 people will be sleeping tomorrow night. We do not or cannot meet our mission capabilities as well with this hanging over our head. We're paying 30,000 to \$40,000 a year for a Federally mandated audit that has one statement in it that says because of this debt that is not being paid --

MS. NAKATA: Three minutes.

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

MR. WORLEY: --we feel this facility is in jeopardy of maintaining its viability. This has been going on for six or seven years. Without that, we would show ourselves as being one of the best in the nation. I have seen numbers of different shelters throughout the nation and we have one of the finest there is. Compare us to what you see in Honolulu on the streets as you come out the...

CHAIR CRIVELLO: Thank you. Will you...

MR. WORLEY: Thank you for your time.

CHAIR CRIVELLO: Thank you, Mr. Worley. Just a moment. Members, any questions or comments for the testifier? There being none, thank you for being here.

MR. WORLEY: Thank you.

MS. NAKATA: Madam Chair, no one else has signed up to testify in the Chamber.

CHAIR CRIVELLO: Thank you. I'll check with our District Offices if there are any testifiers. 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 CRIVELLO: Ms. Fernandez, from the Lanai District Office?

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

CHAIR CRIVELLO: Ms. Alcon, anyone from the Molokai District Office?

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

CHAIR CRIVELLO: And I am going on the basis that there isn't anyone in the gallery or the District Offices who would like to testify further. So if there are no further testifiers, Members, none from the gallery then at this time without objection, I will now close public testimony.

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: Thank you.

. . .END OF PUBLIC TESTIMONY. . .

**ITEM HHT-7: HALE MAKANA O WAIALE RENTAL REHABILITATION FACILITY
AND KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC.
(MISC/CC 13-204)**

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

CHAIR CRIVELLO: We can get started on our agenda item. Starting off with agenda item HHT-7, Hale Makana O Waiale Rental Rehabilitation Facility and Ka Hale A Ke Ola Homeless Resource Centers, Incorporated. From the Administration we have Jan Shishido, Deputy Director of Housing and Human Concerns and Mr. Baz, our Budget Director, as well with our resource personnel Erin Lowenthal, Chief Executive Officer, Ka Hale A Ke Ola Homeless Resource Centers. Members, the Committee is in receipt of the following: A Miscellaneous Communication, dated April 23, 2013, from the County Clerk, reporting that on April 19, 2013, the Council referred the matter relating to a review of the management of the Hale Makana O Waiale Rental Rehabilitation facility; County Communication 13-204, from your Committee Chair, relating to the operation and management of Ka Hale A Ke Ola Homeless Resource Centers, Incorporated; and Correspondence dated July 16, 2015, from the Deputy Director of Housing and Human Concerns, transmitting a proposed resolution entitled Authorizing Repayment Plan Proposed by Ka Hale A Ke Ola Homeless Resource Centers, Incorporated. The purpose of the proposed resolution is to authorize a proposed repayment plan for the outstanding debt related to the construction of the Hale Makana O Waiale Affordable Housing Rental Project. Members, earlier today the Committee received a letter from the Director of Finance reflecting the repayment history on the loan. The Director notes the proposed resolution states a single payment of \$200,000 has been received by the County and advises this statement is not correct. The letter has been distributed to the Members' binders. The Director of Finance outlines the payment history on the loan showing payments made between 1999 and 2003 totaling 1,472,530. Of that amount, the Director states 200,000 has been applied toward principal and the 1,272,530 applied toward interest. He also confirms receipt by the Department of Finance of a \$25,000 payment on May 1, 2015. He notes that if the proposed resolution is adopted, the most recent \$25,000 payment will be applied toward principal as will all future payments. Members, I have requested Erin Lowenthal, CEO of Ka Hale A Ke Ola Homeless Resource Center, Incorporated to attend today's meeting and be available to respond to questions the Committee may have. Your Chair's view is that as the CEO of the Resource Center who has proposed the repayment plan, Ms. Lowenthal is an individual with special expertise in the subject matter being considered by the Committee today. Are there any objections to designating Ms. Lowenthal as a resource person pursuant to Rule 18(A) of the Rules of the Council?

COUNCILMEMBERS: No objections.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: RH, MPV).

CHAIR CRIVELLO: Thank you. Members, I am also distributing today a revised proposed resolution for the Committee's consideration. This revised resolution incorporates the general terms contained in paragraphs numbered one through four of Exhibit "1" to the original payments received on the loan per the Finance Director's letter and the recent payment of \$25,000 which has already been deposited by the County and allows for a perspective quarterly loan payment commencement date of September 15, 2015. I'd like to request that the Committee use this version handed out today as the starting point for our discussion. So at this time I'd like to allow the

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

Deputy Director of the Housing and Human Concerns to provide an overview of their proposed repayment plan as well as if our Budget Director has any comments if there's a need for a budget amendment or what have you. Thank you. Ms. Shishido?

MS. SHISHIDO: Thank you. Good afternoon, Committee Chair Crivello and Councilmembers. First, I would like to thank the Chair and her Committee for bringing to light this loan repayment for the Hale Makana O Waiale. Hale Makana O Waiale, a Hawaii limited partnership was organized on December 18, 1997 to acquire, construct, own, finance, lease, and operate the Hale Makana O Waiale Affordable Housing Rental Project as qualified low income housing project. Ka Hale A Ke Ola Homeless Resource Centers, Inc., a Hawaii nonprofit corporation serves as the operating general partner. Hale Makana O Waiale provides an affordable rental housing for Maui County residents who earn 50 percent or less than the median income. This project is comprised of 200 units; 24 studio units, 128 two-bedroom units, 32 three-bedroom units, and 16 four-bedroom units. Hale Makana O Waiale received approximately \$4,255,000 from the County of Maui to complete the development of Hale Makana O Waiale. A loan repayment agreement was made on December 29, 1998, Maui Economic Concerns for the Community, Inc., (MECC) referred to as the borrower and the County of Maui. The County issued certain taxable general obligations bonds, bond funds to provide the borrower to pay the balance of this grant loan to the County. A debt service schedule bond issue repayment to County of Maui was attached. Starting from 1999 through 2003 interest payments were made and a principal payment of 200,000 was received in September of 2000. In December of 2014 the Department of Housing and Human Concerns Director received a letter from the new CEO of Ka Hale A Ke Ola Erin Fleming, now Mrs. Lowenthal, congratulations, who is with us today as we know in an effort to reach a just and equitable solution to County concerns. After completing a reserve study to plan for future maintenance and capital improvement costs, Ka Hale A Ke Ola was now in a position to address their reimbursement to the County. Ka Hale A Ke Ola respectfully proposes providing a \$100,000 each per year on a quarterly or semi-annual basis. In April of 2015 the County received a first quarterly payment check in the amount of 25,000. On June 2015 the Department's Director transmitted a letter of support to Council Chair of the proposal submitted to the Department by Erin Lowenthal. In conclusion, I cannot say enough of the positive transformation of Hale Makana O Waiale and Ka Hale A Ke Ola Homeless Resource Center, sorry, I always get so emotional at these times.

CHAIR CRIVELLO: I join you.

MS. SHISHIDO: Yeah. Since Ms. Lowenthal have taken the reigns along with her chief financial officer and her wonderful board, the residents are respected, and new policies have been put in place. Thank you for your time and consideration.

CHAIR CRIVELLO: I think, Mr. Baz, do you have any comments or you'd like to be part of the discussion as we move further?

MR. BAZ: Thank you, Madam Chair. No, I'll wait for questions if there's any. Thank you.

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

CHAIR CRIVELLO: Okay. So, Members, I'd like to open the floor for discussion and if, Ms. Lowenthal is standing there if you have any questions for her or else I can direct her to go and have a seat. Ms. Baisa and then Mr. Couch.

VICE-CHAIR BAISA: Thank you very much, Madam Chair, and thank you very much, Mrs. Lowenthal, for being here this afternoon and for all of the good work that you've done. It's been very gratifying to see the changes and I think it gives us all renewed hope about the future of Ka Hale A Ke Ola and all of the good work that's going on over there with Hale Makana O Waiale also. I'm very familiar with this project. Like Mr. Worley, I go way, way back with this thing long before there was a shelter and I'm just so happy that, you know, it is, we're looking at, I see some financial stability. But like Ms. Lee, I have always been of the opinion that I don't know how we got into the situation we got into, but I would've preferred that from the get-go that this was a grant and not a loan. And the reason I feel that way is I know the work that is done there, I know the value of the program, I know how hard it is for nonprofit to try to meet these kinds of obligations. And, you know, the County supports a lot of things and I think supporting homelessness is really, really a worthwhile thing. I really when I, when you mentioned the numbers of people, what was the number of people that you have there at this moment in the two projects?

MS. LOWENTHAL: In our central facility we have 751 individuals at Hale Makana O Waiale. At the Homeless Resource Center that's right next door to Hale Makana O Waiale we probably have an additional 350 at any given time.

VICE-CHAIR BAISA: And then you have Lahaina.

MS. LOWENTHAL: Yes.

VICE-CHAIR BAISA: And how many is that?

MS. LOWENTHAL: So in Lahaina we have similar amounts, roughly 270 in our resource center and we have 30 affordable units that house I would estimate 120 or so.

VICE-CHAIR BAISA: So it's a lot of people that we're talking about that are being housed and, you know, all of us watch the TV news every day and read the paper. And some of us have had the opportunity to travel to Oahu and to see those tents along the sidewalks and all of that, and I'm just so glad that we have a facility like yours and I am very supportive of the idea that you've gotten to the point where you can propose a settlement plan and make payments. But I do know that that's stressful on your agency. I'd like you to share with us, you know, Mr. Worley mentioned that this thing keeps coming up in your audit. Can you tell us what effects that has on your ability to be financially secure?

MS. LOWENTHAL: I think the most immediate effect it has is our ability to reinvest in the property. These are aging units, there are roof repairs that need to be done, there is substantial irrigation work that needs to be completed and yet we're not able to really

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

meet the needs completely and we're having to stagger it out. Since we had a reserve study completed we are now making regular payments in to that reserve account. But since this is something that was just initiated, it's not nearly at the level that it should be. So that is the most, you know, immediate issue that we face as an agency. And then secondly, even though Hale Makana is its own separate entity, because it's been before Council, because it's in the news, it affects the trust that funders have in our agency and jeopardizes funding for the homeless resource center side.

VICE-CHAIR BAISA: So what you're saying is even if you were trying to get grants or funding, independent funding, that the financial stability is questioned because of the debt?

MS. LOWENTHAL: Yes.

VICE-CHAIR BAISA: Okay. Well again, congratulations for all the good work that you've done, and I like I said today of course what is before us is a payment plan. But, Chair, I would like to see us at some point consider dealing with this loan. Thank you. And thank you, miss, Mrs. Lowenthal.

MS. LOWENTHAL: Thank you.

VICE-CHAIR BAISA: I love it.

CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. I do have questions for both the Department and Ms. Lowenthal.

CHAIR CRIVELLO: Yes, go ahead.

COUNCILMEMBER COUCH: Department or Mr. Baz, how much a year right now do we spend as a County in your Department on the homeless issues? Do you have a general idea?

MS. SHISHIDO: I'm going to take a wild guess, a good guess, and thank you for that question. We have on the homeless, we have about 645,000 and then we do have accounts for the substance abuse as well as self-sufficiency and the rental.

COUNCILMEMBER COUCH: Okay.

MS. SHISHIDO: So it's about, I would say about 2 million.

COUNCILMEMBER COUCH: A year?

MS. SHISHIDO: Uh-huh.

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

COUNCILMEMBER COUCH: Okay. Mrs. Lowenthal, you guys have come, not necessarily you but your organization has come here and asked for funds I know of several times that I've been here. Do you have an idea of how much you've asked for in that, that you may have knowledge of?

MS. LOWENTHAL: So when we request grant funds from the County of Maui it's always for our homeless resource centers and that's where we're not only providing housing but we're also providing supportive services. So that is, I just want to make sure we distinguish that from Hale Makana which is a separate entity. We receive approximately \$500,000 from the County of Maui in grant funding every year to continue operations.

COUNCILMEMBER COUCH: Okay. And again on the affordable housing, how many units, 400 did you say?

MS. LOWENTHAL: We have 200 affordable housing units in Central and 30 affordable housing units in Lahaina.

COUNCILMEMBER COUCH: And it houses how many people?

MS. LOWENTHAL: Over 900 individuals.

COUNCILMEMBER COUCH: Okay. So, Madam Chair, the reason I'm asking these questions is if you divide the \$4 million into 16 years it's approximately \$250,000 a year. We already spend almost 2 million.

CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: For an extra \$250,000 a year if we were to forgive this loan, look at all the people that they can handle and can service for \$250,000 a year. I think it's a no-brainer, we just, I mean I know you want to get this out today and whatnot. But I think it's a no-brainer. This is money well spent. You know maybe there were some issues before, you know, with how this was supposed to be handled and you can read and you can go either way on it but I'm with Ms. Baisa. It's money well spent. I think it's well worth saying, you know, forgive this, and then with that extra 100k a year you can throw half of that into reserves and the other half build some tiny homes for the folks. Anyway, thank you. That will be the next item for discussion.

CHAIR CRIVELLO: Nice try, Mr. Couch. Any further comments? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Thank you, Ms. Lowenthal, for being here and good job, I must echo the comments of my colleagues as well as the fine job that you've done. I have a question on the, I guess here on part of the settlement terms, the last, second to the last paragraph it indicates that you are in the process of negotiating with SunAmerica Housing Funds to exit from the partnership. And how is

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

that going? And I forgot there was an, I remember there was an issue to that but maybe you can --

MS. LOWENTHAL: Sure.

COUNCILMEMBER GUZMAN: --you know, recall or...

MS. LOWENTHAL: Since this letter was provided to you we have negotiated their exit and they are no longer a partner in Hale Makana O Waiale. And that has been finalized.

COUNCILMEMBER GUZMAN: Okay. And was it that because of their involvement it started the debt or I can't recall how that came about, is that what had happened?

MS. LOWENTHAL: They were an investment partner and there was some interest in them taking ownership and we didn't want there to be a conflict, and, you know, a loan forgiveness and their interest simultaneously.

COUNCILMEMBER GUZMAN: I can, Chair --

CHAIR CRIVELLO: Yes.

COUNCILMEMBER GUZMAN: --I can recall some kind of a discussion that we had when this issue was brought up in this Committee that that might've been one of the issues why we kept the loan outstanding was because of the involvement of SunAmerican [sic] Housing.

CHAIR CRIVELLO: That may have been part of a discussion. But I don't think anybody from Finance or from the entity could actually confirm that for the rationale.

COUNCILMEMBER GUZMAN: Right, right. Okay. Yeah so maybe when we revisit that issue again about forgiveness we can look in to those issues regarding that entity.

CHAIR CRIVELLO: I'm not sure if Corporation Counsel or Budget Director could maybe shed some light on that. Gentlemen? Mr. Ueoka, any comments on that inquiry?

MR. UEOKA: Chair, I wasn't here for those discussions. I do vaguely remember the whole situation where this came up and the tax credits and all of that stuff. But as far as right now, it sounds like the corporation's out. So if that was one of the things holding us back which I don't recall it being, but again I wasn't intimately a part of this, I don't see a problem with the forgiveness since they're gone right now. Thank you.

MS. LOWENTHAL: Chair, if I may add one other comment?

CHAIR CRIVELLO: Yes.

MS. LOWENTHAL: So I think and again, and I think a lot of those conversations happened prior to my coming on board as it relates to AIG, but what I imagine was another

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

concern is that an investment partner, they were going to capture a lot of the excess revenue that was --

COUNCILMEMBER GUZMAN: Right.

MS. LOWENTHAL: --provided by the rental property. And so, you know, should we get the loan forgiven and we now are, we are in a cash flow positive situation we wouldn't benefit. Now we're in a position where we will directly benefit and we can put that back into the property.

COUNCILMEMBER GUZMAN: That's right, okay. So even more so a good argument to forgive the loan at some point.

CHAIR CRIVELLO: Right.

COUNCILMEMBER GUZMAN: But that's very good information that you shared with us today. Thank you, Chair, very much.

CHAIR CRIVELLO: Thank you. Members, any other comments or questions in relation to this matter? Thank you. We'll call you back up again if we need further discussions from you. Do you wish to make any more comments?

MS. LOWENTHAL: I had a little bit of a statement prepared that if I may I would like to just share with you all, all of the changes we've made over the past couple years.

CHAIR CRIVELLO: Members, any objections?

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: Thank you.

MS. LOWENTHAL: Alright, good afternoon, Councilmembers. It seems fitting to hold this hearing today as today marks a year exactly since I joined Ka Hale A Ke Ola Homeless Resource Centers, hence my festive wear. One of my foremost priorities coming into this position was to ensure Hale Makana, the 200-unit affordable rental housing property which KHAKO manages operates as efficiently as possible while still providing decent, safe, affordable housing to our 751 residents including 356 children. Over the past year we've initiated several changes in response to both County and community concerns. We've downsized the number of maintenance and operations staff from 26 to 9 to a more reasonable standards for our property of our size resulting in substantial payroll savings. Hale Makana serves as a worksite for the Hawaii State Judiciary's community service work program. This program allows us to provide a valuable service to the community and receive volunteer work hours from more than 50 individuals to assist us in maintaining the property. We've successfully retrofitted all outdoor lighting fixtures with LED bulbs to create a brighter and safer neighborhood. We've successfully collaborated with the Maui Police Department to establish a neighborhood watch group. MPD joins our neighborhood watch group

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

twice a month to walk property and discuss ongoing concerns. We are currently in the process of working with the Parks Department to add Waiale Park to the list of parks where alcohol is prohibited. We are also working closely with the Parks Department to implement more structured community activities and add additional park lighting. Our team has invested a tremendous amount of time and energy toward fostering a greater sense of community. To this end, Hale Makana has worked closely with the Veteran Affairs Supportive Housing Program to house nine formerly homeless veterans. Additionally, we provide housing for more than 48 HUD voucher recipients. Hale Makana collaborates with the Maui Food Bank once a month to offer food boxes to provide quality nutritious food to some of our most low-income residents. A local church sponsors an onsite weekly youth group for our resident keiki that provides structured children's activities. Hale Makana is fortunate enough to have Big Brothers and Big Sisters onsite and we are working to strengthen our collaboration and promote the services they offer. Lastly, Hale Makana has been working with the Department of Housing and Human Concerns' Immigrant Services Division to provide education to our immigrant residents to strengthen communication and cultural understanding. We feel confident moving forward under the proposed repayment terms, although ultimately complete forgiveness would be ideal. We feel this is a sustainable payment plan that will allow Hale Makana to continue contributing to our reserve account, will also continue to provide quality housing to our residents. Thank you for the opportunity to discuss our proposal with this Committee. And I also want to express my sincere gratitude to Councilmember Crivello, the Department of Corporation Counsel, the Department of Housing and Human Concerns, and the Department of Finance for the collective effort made to get us to this point. Thank you.

CHAIR CRIVELLO: Thank you. Thank you. Thank you very much. Members, any...Ms. Baisa?

VICE-CHAIR BAISA: Thank you very much, Chair. Question, Ms. Lowenthal, or maybe Finance, Mr. Baz, is this loan still accruing interest? I notice in her letter she's asking to have interest stopped. Can you answer? Somebody.

MS. LOWENTHAL: It's my understanding that it does continue to accrue interest.

CHAIR CRIVELLO: Okay.

VICE-CHAIR BAISA: Okay. That's not a good idea. Okay. Thank you.

CHAIR CRIVELLO: Thank you. Thank you for being here today.

MS. LOWENTHAL: Thank you all.

CHAIR CRIVELLO: I guess I'd like to also ask our Budget Director, would any kind of budget amendment be required to work on this repayment plan?

MR. BAZ: Madam Chair?

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

CHAIR CRIVELLO: Yes.

MR. BAZ: Thank you. No, no budget amendment would be required to accept the repayment plan as stated. And I also just wanted to make a comment to Member Couch's statement, just to clarify, it wouldn't be costing us any money to forgive this loan either because we already made the payment out and so the County isn't going to be making any future payments, so even if forgiveness of the loan. I understand your rationale there, but there's no additional monies that needs to be appropriated for this.

CHAIR CRIVELLO: Thank you. Yes, Ms. Baisa?

VICE-CHAIR BAISA: One more question for Mr. Baz. Mr. Baz, how does this outstanding loan, does it in any way affect our financial statements for the County?

MR. BAZ: Madam Chair? Member Baisa, I'm not sure. Assuming a normal financial statement, it would show up as an accounts receivable.

VICE-CHAIR BAISA: Right.

MR. BAZ: But I'm not sure how this is booked in our CAFR.

VICE-CHAIR BAISA: Okay. Thank you.

CHAIR CRIVELLO: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. And I would also point out to the Members that we did get about 1.7, almost 2 million back --

VICE-CHAIR BAISA: Yeah

CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: --already in interest. You know we're not a bank. Yeah we could loan out money and get it back for causes that, not as very beneficial as this, that's fine, but this one I think essentially, you know, at the tune of less than \$250,000 a year we've done some, we've got some great service. So and I don't know how you want to proceed with this because I know you want to get this out, but I think it might be a waste of time. It might be worth just figuring out how to forgive this loan. I think that's the will of, it's the way I read the Members.

CHAIR CRIVELLO: Yeah, I can ditto, Members, where you're coming from. And being that how we've addressed this I think in 2013 it's quite obvious that nobody paid attention to this problem for a long time until we had to attack what was really part of the contract, what was it a loan, was it a, and at the same time we were still issuing out monies to the entity. And so now we've done some due diligence as a Committee and

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

as a Department and as board members and as far as the management and with that due diligence I think, you know, it would just allow us to take into consideration the kind of discussion that we've had today in regards to if we want to use the word forgiveness or wipe it off. But before we go any further with that and regards to this particular resolution, I think I'd like to confer with our legal minds to see how we want to do this. What necessitates this resolution or what may necessitate or the possibilities of the proposals or the discussion that we're having now. So at this time I'd like to call a brief recess. . . .(gavel). . .

RECESS: 2:17 p.m.

RECONVENE: 2:23 p.m.

CHAIR CRIVELLO: . . .(gavel). . . Thank you, Members. You know after hearing your heartfelt request for us to take into consideration forgiveness of this loan instead of the resolution for repayment, further discussion with our legal minds, that's a possibility for us to do this today. So it's, first of all I think we will revise the title of the resolution and to have further resolve to reflect the forgiveness of the debt, and our wordsmiths will work on it. And but I, you know, we'd like...I'd like to relay here if this is where, Committee, you would like to go. Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. I would like to see forgiveness of the loan but have some wording inside there to make it responsible. For one thing I would like to see forgiveness of the loan but in that, that profits be used for the maintenance of the existing units and that a fund be set aside for possible expansion because we're going to need more units. We see Honolulu the situation they have over there. We do not want to have that happen on Maui, and something to where we could have, there would be an audit. I don't know if they have even now, if they have an audit.

CHAIR CRIVELLO: I think they're required to have an audit because of federal Funds and that --

COUNCILMEMBER CARROLL: Yeah.

CHAIR CRIVELLO: --they pay about 30,000 to 40,000 a year to meet that requirement.

COUNCILMEMBER CARROLL: So any profits they have inside there that would be used only for the maintenance and possibly set aside for expansion and as a condition of the forgiveness of the loan.

CHAIR CRIVELLO: Okay.

COUNCILMEMBER CARROLL: Thank you.

CHAIR CRIVELLO: Ms. Baisa?

VICE-CHAIR BAISA: I think --

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

CHAIR CRIVELLO: Or Mr. Ueoka?

VICE-CHAIR BAISA: --he's trying to say something.

MR. UEOKA: Chair, if I may.

CHAIR CRIVELLO: Yes?

MR. UEOKA: Mr. Carroll, you want that conceptually to be noted in the resolution or do you want it to be a firm condition where we sign an agreement? I only ask because if it's a true condition and we sign an agreement with the organization, it will require tracking and, you know, other things on the Department of Housing and Human Concerns. Whereas, you know, if you make it known that that's the desire of the Council, I'm sure the organization will follow that. I just wanted to state that distinction. Thank you.

COUNCILMEMBER CARROLL: I was not thinking of it as an, I was thinking of it as just that is the desire of the Council and for them to pursue it in that way.

MR. UEOKA: Thank you, Chair.

CHAIR CRIVELLO: Thank you. Thank you, Mr. Ueoka. Any further...Ms. Baisa?

VICE-CHAIR BAISA: I can tell you, I never thought I'd live to see this day.

CHAIR CRIVELLO: Well thank you.

VICE-CHAIR BAISA: I will be more than happy to support what we're being talking about. Thank you.

CHAIR CRIVELLO: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And if I'm not mistaken is there two loans actually?

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COCHRAN: So we're only speaking right now of this four, there's a total of 8 million if I'm not mistaken, this is the 4 million here, Hale Makana.

CHAIR CRIVELLO: Correct. Right.

COUNCILMEMBER COCHRAN: And then the Wainee Resource is the other four.

CHAIR CRIVELLO: Correct.

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

COUNCILMEMBER COCHRAN: So we're in essence saying forgive this half of it in a sense?

CHAIR CRIVELLO: At this time.

COUNCILMEMBER COCHRAN: And the other, that'll be dealt with on another day maybe or --

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COCHRAN: --something to that effect?

CHAIR CRIVELLO: Hopefully. Yes.

COUNCILMEMBER COCHRAN: Okay. Just wanted --

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COCHRAN: --clarification on that. Thank you.

CHAIR CRIVELLO: Thank you, yes they have two loans.

COUNCILMEMBER COCHRAN: Yes.

CHAIR CRIVELLO: Yes, that totals 8 million. Mr. Couch?

COUNCILMEMBER COUCH: Thank you. I think you know my stance because I've said it. But I just wanted to, trying to channel our other nonparticipants today and I think, you know, even if there is some concern I think we have enough Members to vote with you on that. But I don't think that, you know, us getting \$100,000 a year, first of all it's going to take however many years, I haven't done the math yet, but 40 years yeah, 40 years, it's like it's not even worth the hassle. So I think we might get a unanimous vote out of this. I just wanted to remind Members that we have a few Members here that are more budget minded and may have some other concerns --

CHAIR CRIVELLO: I understand what you're saying.

COUNCILMEMBER COUCH: --that we don't know.

CHAIR CRIVELLO: But we're here today.

COUNCILMEMBER COUCH: Yup.

CHAIR CRIVELLO: And it's a matter that we should --

COUNCILMEMBER COUCH: Okay, thank you.

CHAIR CRIVELLO: --finish, yeah. Mr. Guzman?

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

COUNCILMEMBER GUZMAN: Oh. Yeah, thank you, Chair. I wasn't prepared to have that discussion today. I thought we were...

CHAIR CRIVELLO: It's called mea culpa.

COUNCILMEMBER GUZMAN: I thought we were voting on the repayment plan or resolution. Although I would like to fully on forgive the 8 million. I still want to --

CHAIR CRIVELLO: No, we're dealing with just the 4 million.

COUNCILMEMBER GUZMAN: --assure that the other 4 million is still intact. I'm looking at...gosh I hate putting on that whole analytical side of myself. But accountability, I know that we've gone through this issue for quite some time. I think almost two and a half years from the very beginning we had management issues to it as well as funding issues and then came the loan, finding about the loan and several meetings on it, and finally we were able to see some turnarounds and stabilization of the entity which is all good. But my only concern is on the conservative side, accountability, will this be maintained, will this continue to be on the right path, and so what is the conditions that will maintain that? You know I'm all for forgiveness of this 4 million but I don't want to do it right away. Or at least put some kind of conditions that would make sure that there's accountability that this will be an entity that will be clean and, not really clean but on the right path. Because when we got this in your Committee, Chair, somewhat very questionable as to whether we were even going to allocate additional monies for grants. So that's my concern.

CHAIR CRIVELLO: Thank you, Mr. Guzman, I understand. Mr. Ueoka, did you want to comment on that or Mr. Baz?

MR. BAZ: Thank you, Madam Chair and Member Guzman. Those are very valid concerns. Accountability is incredibly important. The Department does, you know, grant funds to them for various operational activities. They receive audits from them on an annual basis that are, you know, the accountability is held in that manner. For this specific facility, the County still owns the property and so we have a lease agreement for them to still uphold, you know, their portion of what they're doing. So I understand management concerns and that can happen of course with any organization and, you know, it will be up to the Department and Administration to continually monitor their activities to make sure that they are doing, fulfilling the mission of the organization, right, and fulfilling what we as a County desire of them for this community and what the community's needs are. And that's, that comes on an annual basis with our budgeting for sure and then, and as you mentioned, you know, the possibility of pulling funding from them if needed, if they're not fulfilling their accountability requirements. So yeah, there is a level of oversight that will remain forever.

COUNCILMEMBER GUZMAN: So, Chair, is your plan to defer this matter and come back with it --

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

CHAIR CRIVELLO: No.

COUNCILMEMBER GUZMAN: --or with new language --

CHAIR CRIVELLO: No.

COUNCILMEMBER GUZMAN: --or and more discussion on...

CHAIR CRIVELLO: It is my intent to entertain the motion with the revisions to reflect what we're proposing here today. And like I said, the legal minds will work on it and wordsmith it, yeah. But that is at the discretion of you, Members. I'd like to add, you know, I think Corporation Counsel at the time, Mr. Murai and our Department, when we undertook the deplorable situation that the management or nobody was paying attention to this loan, no one, no one even knew what the contract was all about for many years. And so us as a Committee we did a cleanup and because of that, under the leadership of our Department, we were able to get an honest audit and the board of directors of the entity took that very seriously and applied lots of the recommendation from the audit. So in respond to accountability, I think it starts with us, Administration, the Department, and it's our oversight as a Committee with the Department working together with the entity to be reassured that our homeless and our less fortunate are being addressed, you know. We have, I think our County is the most generous county when it comes to provide for our nonprofits who in turn provide for those that are in need. And it all falls on our lap as policymakers and working with the Department. So I understand your concerns, it makes sense. But, you know, when you look at it, these loans are basically wiped off already, you know, in the work that was done before. So my condition or hope or desire is that what we're being forgiven is to be sure that the clients, their needs are being addressed, case management, you know, how do we have them budget their monies? Are we going to keep on jacking the rent? Are we going to say, you know, you've got to meet this, you've got to meet that or else you're out? Those are to me the kind of desire as a Member of this Committee or Chair of this Committee that I'd like to be assured, not necessarily putting the conditions that somebody would have to do more oversight but what comes with all the necessary work. So if you're ready for my recommendation?

COUNCILMEMBERS: Recommendation?

CHAIR CRIVELLO: You have further discussion. Mr. Guzman?

COUNCILMEMBER GUZMAN: Oh yeah, thank you, Chair. And I acknowledge and appreciate your position. I would like to see at least in written form or at least some conditions that since it is such a large amount of money that we are going to or at least potentially forgive, I'd like to see some kind of conditions where we can place. It's almost, I hate to say this in front of them, it's leveraging, you know, some things, some conditions like Mr. Carroll has mentioned that we can somewhat dictate and say okay we'll forgive this amount if you do x, y, and z. That seems to be very reasonable. Without those type of conditions we're basically saying okay fine, it's all done and good, let's move on. At least something for something, quid pro quo, like we forgive

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

but you do x, y, and z. That's what I'd like to see and it seems like it would be at least fair and reasonable. I think the entity would be reasonable to agree with that as well. But to at least see that language or have that negotiated.

CHAIR CRIVELLO: I'll ask Mr. Ueoka to comment on that, if you don't mind, Mr. Ueoka?

MR. UEOKA: Thank you, Chair. If that's the Council's desire, we can draft an agreement to that effect. It just will require monitoring with the Department of Housing and Human Concerns. On a side, it is, I believe it's been about 12 years since they've, the last payment. So and I'm not sure what our true recourse is if we don't get paid. So you mentioned leverage and, you know, performance. I believe this organization, you know, they've had some ups and downs but they're, you know, they've come around, they're running themselves well, they've always seemed open to the Department of Housing and Human Concerns. So I'm not entirely sure how we would word it or I would need, I guess we would need guidance when drafting that agreement on exactly what those conditions would be if you guys do choose to go that route. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Guzman, I understand where you're coming from. But like I said when we delved into this problem, it's been years since we've got anything, and like Mr. Ueoka said, 12 years you know, and like I said no one paid attention and then you have a whole cleanup. And even if they had problems in the past, they've made attempts to make some payment. And I guess, you know, I guess coming from your understanding, I would like to understand what sort of condition or what more can we put upon the entity that will sort of judge their, I guess your concern on their accountability.

COUNCILMEMBER GUZMAN: And right now I'm kind of at a loss of thoughts in what type of conditions. But it's something that could be discussed. I liked Mr. Carroll's proposals in the beginning. But at this point I wasn't really prepared to make that decision or that discussion. So I know one thing, I'm in agreement of forgiving. But I just don't know how that would, you know, what's the process or what is the consequences and things like that. How would we somewhat --

CHAIR CRIVELLO: We didn't give any consequences for 12 years.

COUNCILMEMBER GUZMAN: --have some kind of accountability to it, you know. But anyways it looks like Ms. Lowenthal has --

CHAIR CRIVELLO: Oh, okay, Ms. Lowenthal?

COUNCILMEMBER GUZMAN: --may have some suggestion.

MS. LOWENTHAL: I just wanted to share that because of the nature of funding we initially received to construct this facility we do have individuals from the HOME Program Office from the County of Maui do yearly inspections. So we will always have strong ties with Maui County, we will always be working in partnership with the Department. And again, the lease hold, you know it's just a lease issued to us by the County of

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

Maui. And within that lease there are also conditions already stated that allow you a mechanism to come in and perform audits which is how we initially had the Cirrus audit done.

COUNCILMEMBER GUZMAN: Alright, Chair. I think 4 million will do a lot for our homeless and I'm ready to go.

CHAIR CRIVELLO: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you. Just and I think maybe you conferred during recess with Corporation Counsel but because on the agenda it's in regards to a repayment plan and now I guess the discussion is in forgiveness of it, is that properly agendized? I mean that's not an issue then? So basically the plan is to not have a plan?

CHAIR CRIVELLO: Thank you for your question. Mr. Ueoka?

COUNCILMEMBER COCHRAN: Repayment plan is no repayment plan? Is that what the discussion is?

MR. UEOKA: I think it's, the item was, it's broad enough to cover the forgiveness as it is a, you're right technically a forgiveness is a form of a repayment plan in a sense. Thank you.

CHAIR CRIVELLO: Leave it to these legal people, they'll find a way.

COUNCILMEMBER COCHRAN: I didn't, okay, thank you, Chair. I mean I was just thinking --

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COCHRAN: --like Mr. Hokama and his thoughts perhaps just hearing his discussions in the past and others maybe in the public or what have you if they saw it written in a different way on the agenda today they might've had come up with other ideas. And as Mr. Guzman is searching for conditions and other ways to address this, it kind of is different from what is being stated.

CHAIR CRIVELLO: I understand.

COUNCILMEMBER COCHRAN: So anyways, thank you.

CHAIR CRIVELLO: I am assured, Mr. Ueoka we're okay, we're good to go?

MR. UEOKA: I believe so, yes.

CHAIR CRIVELLO: Okay. It's been recorded. Okay so, Members, any further discussion? Yes, Mr. Couch?

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

COUNCILMEMBER COUCH: Thank you. And I can also say that if Members do have concerns about conditions, that it might be something we might be able to add at first reading as an amendment if they really have some strong convictions to, as to what conditions they want.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COUCH: It's something we could do at first reading.

CHAIR CRIVELLO: Thank you. Is that understood, Mr. Ueoka? Clarification on your part please?

MR. UEOKA: Thank you, Chair. I believe in the reso you could add some language in, you know, the whereas that, you know, the Council's understanding is that the money used or saved from the repayment or not, the forgiveness of this loan will be put towards furthering the mission or some mission of Ka Hale A Ke Ola Homeless Resource Center. Thank you.

CHAIR CRIVELLO: Ms. Baisa?

VICE-CHAIR BAISA: Chair, I think that whole idea of what happens with any so-called profits or overages or surpluses or whatever you want to call it is covered by nonprofit law. You know in nonprofit law in order to be a 501(c)(3) the "profits" have to be reinvested in the mission of the agency. So I think it's pretty much covered. Nobody's going to go home with stock profits. Thank you.

CHAIR CRIVELLO: Thank you. Members...

COUNCILMEMBER COCHRAN: Chair?

CHAIR CRIVELLO: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And for Mr. Baz I think, are there other situations within our County like, of, like this nature as in loans repayment plans and things like that for other entities?

MR. BAZ: Madam Chair, Member Cochran, no I'm not aware of any.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Any further discussions? Are you okay with the opportunities that we may have to add more conditions?

COUNCILMEMBER GUZMAN: Yeah, it sounds as though we may have some time before now and first reading.

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

CHAIR CRIVELLO: Okay. Thank you. So, if I have this right, I'd like to entertain a motion to recommend adoption of the revised proposed resolution distributed...

VICE-CHAIR BAISA: You have to wait.

CHAIR CRIVELLO: Oh. Oh...

UNIDENTIFIED SPEAKER: You gotta amend the --

CHAIR CRIVELLO: Oh.

UNIDENTIFIED SPEAKER: --. . .*(inaudible)*. . .

CHAIR CRIVELLO: Okay. I'd like to entertain a motion to recommend a revised motion.

VICE-CHAIR BAISA: Madam Chair?

CHAIR CRIVELLO: Yes?

VICE-CHAIR BAISA: Do we need a brief recess while you . . .*(inaudible)*. . .

CHAIR CRIVELLO: That would help me, thank you.

VICE-CHAIR BAISA: Thank you.

CHAIR CRIVELLO: Recess. . . .*(gavel)*. . .

RECESS: 2:44 p.m.

RECONVENE: 2:51 p.m.

CHAIR CRIVELLO: . . .*(gavel)*. . . I'd like to call this meeting back to order. Thank you, Members. As we continue on, on our agenda, in regards to HHT-7, at this time I'd like to entertain a motion to amend the title and text of the revised proposed resolution to reflect that outstanding debt, Hale Makana O Waiale Affordable Housing Rental Project shall be forgiven and that it's the Council's desire for savings realized from the forgiveness of the debt to be used in furtherance of Ka Hale A Ke Ola's mission.

VICE-CHAIR BAISA: Madam Chair?

CHAIR CRIVELLO: Yeah.

VICE-CHAIR BAISA: So moved.

COUNCILMEMBER COUCH: Second.

CHAIR CRIVELLO: I have a motion, so moved, do I hear a second?

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

COUNCILMEMBER COUCH: Second.

CHAIR CRIVELLO: Thank you. Members, any further discussion? Mr. Couch?

COUNCILMEMBER COUCH: Well, Ms. Baisa's the one that made the main motion.

CHAIR CRIVELLO: Ms. Baisa?

VICE-CHAIR BAISA: Thank you very much, Chair. I think I've said enough today, but I can tell you how this feels. Like I said, I thought I 'd never live to see this day. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you. I just would like some clarification of the motion.

CHAIR CRIVELLO: Go ahead.

COUNCILMEMBER COUCH: Hopefully they're okay. So the question is are we striking any, I mean we're going to have to strike one whereas anyway, yeah? And then the title is going to change a little bit. Is that right?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Yes, we'll amend the resolution to convey what the motion just stated.

COUNCILMEMBER COUCH: Gotcha, okay. Gotcha. Thank you.

CHAIR CRIVELLO: Okay. Any further discussion? If not...yes, Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Just for clarification, this is, do we need language in there that basically says the other outstanding 4 million is exempt from this forgiveness or this is just clearly separate?

CHAIR CRIVELLO: This is two different entities.

COUNCILMEMBER GUZMAN: Okay. Thank you.

CHAIR CRIVELLO: Did you want to make a comment on that, Mr. Ueoka, in respond?

COUNCILMEMBER GUZMAN: Okay.

CHAIR CRIVELLO: You're okay?

COUNCILMEMBER GUZMAN: Yeah. Okay, so Chair, yeah I will support this in reservations, I will support this with reservations.

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui**

August 6, 2015

VOTE: **AYES:** **Chair Crivello, Vice-Chair Baisa, and Councilmembers
Carroll, Couch, and Guzman.**

NOES: **None.**

EXC.: **Councilmembers Hokama and Victorino.**

ABSENT: **None.**

ABSTAIN: **None.**

MOTION CARRIED

ACTION: **Recommending ADOPTION of a further revised resolution forgiving
the outstanding debt relating to the construction of the Hale
Makana O Waiale Affordable Housing Rental Project; and**

DEFER pending further discussion.

CHAIR CRIVELLO: Thank you.

ITEM HHT-23: "TINY HOUSES" ON TRAILERS (CC 15-206)

CHAIR CRIVELLO: Now we move on to our next agenda item. This is Mr. Couch's proposal to us. Now we're on agenda item HHT-23 "Tiny Houses" on Trailers. So with us today we have our resource personnel, Deputy Director of Housing and Human Concerns, Jan Shishido; our Planning Director Mr. Will Spence; and Director of Public Works Mr. David Goode. The Committee is in receipt of County Communication 15-206, from Councilmember Don Couch, relating to the matter of "tiny houses" on trailers. So at this time I'd like to ask Member Couch to introduce the matter and provide any information he wishes to the Committee.

COUNCILMEMBER COUCH: Thank you, Mr. Chair.

CHAIR CRIVELLO: Ma'am. Hello.

COUNCILMEMBER COUCH: Madam Chair, I'm sorry. Thank you, Madam Chair. You know several constituents had approached me about this. One of them had testified today which is surprising because imagining him in a tiny house is a little bit different, sorry about that, Erik. So I had my staff take a look at what's going on and what are the issues. Can it be done, can it not be done, and I put some letters to Corporation Counsel and understandably they were not as specific as Corp. Counsel would like because I mean they were pretty general questions. So I understand about the response. But I did have a meeting with Public Works and Planning to talk about the possibility of this type of place to live if you will. You know HRS 291C talks about

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

what a house trailer is and it says the trailer or semi-trailer which is designed, constructed, and equipped as dwelling place, living abode, or sleeping place, either permanently or temporarily and is equipped for use as conveyance on streets and highways. And it talks about that they can be no person or persons shall occupy a house trailer while it is being moved which is understandable and talks that the, each of the counties can, it may enact and enforce ordinances relating to the use of vehicles for purposes of human habitation which at this point we don't have that I could find any ordinances on that. And it goes further down into what you can and can't do with houses on or house trailers. So I have passed out some thoughts about and some articles about the movement that's going on. As the testifier said there are two national TV shows now that are on cable regarding tiny homes. Some people are saying that older citizens that are by themselves would be willing to use these, I'm not quite sure if that's the case. I hear more of that the millennials are looking towards doing something like this as a way to get into the housing market. So and I also at that same meeting we had at the time, Ms. Fleming, but now Mrs. Lowenthal who was looking at potentially doing something like an eco, like an ecovillage. We talk about that on the second page here. That might be a thing. House first, I think the homeless is housing first situation. So if we can, there's all kinds of potential here for affordable housing, for people who want to live in something like that, not for everybody as the testifier said, potential housing first for homeless. So I think with our discussion earlier this morning about ohanas on smaller lots and the lack of affordable housing, I think this is one way we might be able to you know eat the elephant one bite at a time. So this is a little chunk. The problem is going to be is concerns that the Department of Public Works has and the concerns that the Department of Planning may or may not have and they had brought up some concerns, so I'd like to hear if you don't mind, Madam Chair, what the departments may or may not have in concerns with doing something like this. Either having them still on trailers and putting them in a little group or allowing people to have one in their backyard to have somebody live off of. There are all kinds of different options on how you can have these tiny homes. So if the department...

CHAIR CRIVELLO: Yes, thank you. Thank you, Mr. Couch. I'd like to now open up the floor so we can have some discussion and allow our resource people, Mr. Spence and Mr. Goode. Mr. Ueoka, yes?

MR. UEOKA: Thank you, Chair. Yeah, our office apologizes for not getting back to Mr. Couch sooner. We did look at these things and essentially our understanding is from that one perspective that I discussed with Mr. Couch about house trailers. While house trailers are defined under the Statewide Traffic Code as, you know, essentially something you could use as a dwelling and, you know, you are permitted to habitate [sic] in a vehicle between, it's just not prohibited to habitate [sic] in a vehicle between the hours of 6:00 p.m. and 6:00 a.m. But I guess we wouldn't go so far as to say that's like permission to do it. It's just not prohibited. You know there's that slight distinction. I think you guys can understand that. So that was what we were looking at, and I guess for Corp. Counsel I guess we'd prefer seeing a proposal as to how someone wanted to do something like this and the proper legislation to allow it rather than just not prohibit it. That would probably be a little easier for us to review and

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

give a good legal analysis on. 'Cause from speaking with certain people from what I understand, plans have never been submitted for something like this at this time, so just some of our thoughts. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Mr. Couch, any further comment on that?

COUNCILMEMBER COUCH: Yeah, thank you. And I understand that and so like I said there's a multitude of ways that this can go. One of the thoughts was the whole ecovillage type of concept where on a couple of acres of land you could put four or five of these and have a little communal area for restrooms and showers and maybe a kitchen, something like that so that that can be done. The question would be then if you do something like that and these homes are on trailers, what are the implications on zoning? You know can it be done on an Ag lot? You know like Mr. Ueoka said it's not really prohibited but which therefore means it's not permitted but it's not against the law so you can do it I guess. So I, you know, it's a real touchy situation because we do, you know, we've been talking about density and we've been talking about permitted uses in the Planning Committee and this is kind of dancing around some of that.

CHAIR CRIVELLO: Yeah, you are.

COUNCILMEMBER COUCH: Yeah.

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just for clarification to as I mentioned, it's not illegal under the State Traffic Code.

COUNCILMEMBER COUCH: Right.

MR. UEOKA: I don't know about the zoning implications, the Building Code implications, and, you know, I'll just be, broad I don't know about the other legal implications. All I know is as was discussed under 291C something like this may be, HRS 291C may be not illegal. Thank you.

CHAIR CRIVELLO: Okay. So do we want to hear from the departments?

MR. SPENCE: Just because Ms. Shishido was so kind to have me go first, I would really support the idea of like an ecovillage. You know there's a ton of different names for it, cohousing, that's sort of an old term but and you can do ecovillages in Urban, Rural, or Ag there would have to be changes to, some significant changes to code. I like that idea, I think that's a trend where you could have housing whether it's, you know, we need to discuss sizes and stuff like that, but the ability for people to build inexpensive housing with some shared facilities, those kinds of things. I think there's a huge benefit to that. I like that idea a lot, I've thought about that quite a bit. The proposal before us, if it's a proposal at all, what the problem I have with tiny houses is that they are on wheels and they are mobile. They are not permanently affixed to the ground,

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

they're going to move around. As a zoning matter we would look at it either as a residence, a tiny house as a residence or as camping. As a residence, you have all your zoning codes on how many you can have per square foot, you know, if you're in the Residential District. If you're in the Ag District you can have two houses on a lot and it has to be related to farming. If you are, you know, if it's camping there's certain limited amounts of time that you can camp out without moving as well so it's not a permanent residence. Part of my concern and it stems from dealing with enforcement, you know, which was, has been a topic of discussion for, you know, related to all different kinds of things. We run into properties where there may be 20 encampments on a single lot and we need to go deal with that. People living in tents, people living in makeshift homes that don't meet any kind of code, we do not directly deal with squatters but I think in my career as Planning Director I've been to at least three meetings with the Police Department where they need to go evict squatters. Putting homes that are just moving around, my concern is we're going to end up with, you know, 10 or 15 located on State land somewhere, on County land somewhere, they're not going to move. Or do you want, you know, you have to ask yourselves do you want these tiny homes parked along our roadsides, in our parks, taking up parking spaces. You know I see a bunch of issues coming up, enforcement issues coming up if you allow these as just, you know, this is a great thing to do. This is entirely different than the mainland. I know, I can appreciate Mr. Blair's thoughts that this is, you know, Hawaii is right for this. It's very different. Maui is entirely different than places on the mainland where you may encounter this kind of thing. I did a quick look, you know, Maui island is 727 square miles. That seems really big but it's a finite space. In comparison, San Diego County is 4,500 square miles. Next door Riverside County is 7,300 square miles. There's a lot more room to absorb this kind of thing. You know to, you know, and adjacent to that is Orange County, Los Angeles County, et cetera, et cetera. We have a finite amount of space. I just see problems coming up with allowing essentially, I mean not mobile homes in the kind of the same thing but in some ways they're very similar just to be able to park anywhere. I see it, I see there is a trend on the mainland but I do worry about the consequences. So what if we get 300 or 400 on Maui, what if we get 500? You know they start grouping into areas, what are we going to do with the wastewater? What are we going to do with the trash? What about fresh water? Those things aren't entirely answered. Right now we are having a problem, if you want to talk about parking on County right-of-way, right now something I'm sure is going to come up to Council at some point is the whole idea of food trucks parking on County right-of-way. So what if we have people camping on County right of way and potentially lots more than the issues we're encountering with food trucks? I'm concerned about the safety, particularly with hurricanes, you know, our high winds in general, Kona storms. There's sort of a joke in planning departments on the mainland where you know you start allowing mobile homes you go that's a big attractant for tornados. You know because those seems to be the big thing because they're not secured to the ground like a house is. So if we have a bunch of these people that are living in them wherever on the island there's just, there's a safety issue with that. Or what if they're parked in, you know, a hazard zone. You know part of what we do with, in the Planning Department is we deal with the flood hazard zones, there are special construction requirements for tsunami zones, for drainage areas, those kinds of things. These wouldn't be subject to that at all. I don't know

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

how we would check or enforce. People would unknowingly...every now and then you hear about when the tsunami's come, people go walk down into the ocean as the water recedes unknowing, you know, that the wave is coming. So you're going to have people living down by the beach and potentially, you know, in a dangerous area. I'm constantly surprised when I go to the more remote parts of the island and I see how far the wash of the waves are. So there's a lot of unanswered questions, primarily based on them being mobile. Affixed to the ground I think we should make accommodations for I don't know what size the, you know, the County wants to talk about housing, you know, what's the minimum square footage, we want to talk about ecovillages affixed to the ground. I think we should be talking about those things. Mobile, I have a real difficulty with it.

CHAIR CRIVELLO: Thank you. Thank you, Mr. Spence. You really did some homework, yeah?

MR. SPENCE: I think about this stuff a lot.

CHAIR CRIVELLO: Thank you. Yeah. Mr. Couch?

COUNCILMEMBER COUCH: Yeah.

CHAIR CRIVELLO: And then I'd like to call on Mr. Goode.

COUNCILMEMBER COUCH: Sure.

CHAIR CRIVELLO: But I'd also like to recognize with the Planning Department Mr. Joe Alueta who's here also.

COUNCILMEMBER COUCH: Okay, thank you.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COUCH: Yes, Mr. Spence did some homework. I would like to remind him though that HRS 291C talks about between the hours of 6:00 p.m. and 8:00 a.m. no person shall use a vehicle for purposes of human habitation whether or not the vehicle is designed or equipped for that purpose while the vehicle is parked on any roadway, street, or highway, or other public property between the hours of 6:00 p.m. and 8:00 a.m. So that concern would be mitigated I would think by that law. I mean the police would have to enforce it of course. And the reason I brought this up on trailers is because once you put them on the ground you have another whole big can of worms. One of which is that a, the minimum size of a house I believe, and Mr. Goode can back me up on this, is by the International Building Code is I believe 220 square feet, something around there, that's the minimum size of a house. No? More? Anyway, yeah, when he comes to talk, but once it gets affixed to the ground or at least set on the ground now you have issues with plumbing, water, electricity, different issues than it would be. Because the question I would have is we have campers here, you know, you see campers on the back of trucks or a couple of motor

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

homes around and whatnot. Those, if those were parked in somebody's backyard would that be camping? Would that be, what was the other, you were talking the choice was either camping or oh, actual dwelling. So what would it, how would that be if we had 300 of those shipped over here and people living in those in people's backyards or on somebody's Ag lot?

CHAIR CRIVELLO: So, Mr. Couch, can we --

COUNCILMEMBER COUCH: Sure.

CHAIR CRIVELLO: --move further on this with Mr. Goode also coming in with his perspective or discussion?

MR. GOODE: Aloha, Chair, Members of the Committee, audience. Dave Goode here, Department of Public Works, and we administer the building codes so applicable building codes are the 2006 International Building Code, the 2006 International Residential Code and I know enough about the codes to talk to you but I don't know enough to tell you exactly because we're talking conceptually at this point. We really don't have a proposal in front of us, something to actually review and mark up. But my understanding at least, the 220 square feet takes care of some basics but you still need to add I think a bathroom and kitchen which to me are basic as well. And so realistically it's probably somewhere close to 400 square feet, maybe a little under. I did ask my staff, including some folks who have been there quite a while what's the smallest house they've ever seen come through? And they mentioned way back when A&B when they had the building materials supply house, they had a 400-square-foot unit you could basically buy prepackaged all the materials and build. And that's like the smallest. So in that case you've probably got a room like a studio type situation that meets the Building Code. So I don't have an exact number but it's probably somewhere just under 400 square feet. So that would be the type of structure that could probably be permitted under our code without a variance or some other special consideration. And of course there's been some discussion about trailers, that would be outside of the Building Code. So a trailer to us is something that's regulated by PUC, DOT, et cetera, so for us we wouldn't be permitting that. Although if it were allowed to be hooked up under the zoning codes, you'd still need to hook up electricity and water so some kind of electrical and plumbing permit may have to apply. I'm not sure how that would, how that would happen. So it's a pretty small area. As I was sitting back there, Chair, I was looking and I thought well from this chair to you, to Mr. Couch, to Mr. Guzman and back to me is probably between 200 and 300 square feet. It's not a lot of room. So I just want to again perspective, everybody understand what even a tiny house at 160 square feet or 200 square feet would be. And my final comment would be when I went and talked to some of our Building Code folks, they mentioned that the two television shows that are on, and I know I've seen plenty magazines come across our home. My wife's been quite intrigued by them, the pictures are beautiful. But, you know, they said, you know, they realize something like this is coming in some ways and we're not the only jurisdiction that has the 2006 IBC and IRC and so there must be, the other jurisdictions must've looked at this and in conjunction with our codes and either done code amendments or variances or

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

something like that. And so I think the proponents of these types of homes ought to look to those communities and see where it's been done because there's got to be, it has to have been dealt from the code perspective in another community already.

CHAIR CRIVELLO: Thank you. And, Mr. Alueta, did you want to make any comments before we open up for further discussion from the Committee? And then we'll also ask Ms. Shishido too.

MR. ALUETA: Thank you, Chair. Just a couple comments on I do reiterate my boss' concern over the trailer situation. I just wanted to point out a couple of things for discussion. I hate to be the no-no person so I try to also look for solutions for everything. So just for your information there is HRS 46-15 which is the experimental and demonstration housing projects. So that, we made copies of it, or they made copies of it so it does allow for such things and it basically would exempt them from all sections of the code. So I would recommend you take a look at that. You also can look at Maui County Code has also adopted a experimental and demonstration housing projects and that's in 16.28 okay, so and that was authorized back in 19 I believe '83. So there is a methodology in which you would be able to do this type of tiny housing if you want, if the County Council and the Mayor wanted to do so. So there would have to be plans and specifications for that purposes. So that would be my recommendation to those who want to advocate for this would just look at those two sections to see if they still are applicable to what they're trying to do, and I mean that's all I can say. That's what the law does allow. I believe the last time the experimental housing was done I believe it was for the Lahaina project out, affordability project out on Lahaina on the mauka side of the highway just before the aquatic center, that whole housing. That's why you have the houses where you can run from one roof to another. They were, I believe that that project was done under the experimental provision at that time. So and again there is a streamlined process. I don't know how streamlined but it's done by Council and by the Mayor to be signed off on based on the plans and stuff like that. But it has to be done through the experimental housing provision both that's been authorized under HRS as well as the procedure established in 16.28. But again I don't recommend you allow trailers just from the aspect of other issues that can result in it.

CHAIR CRIVELLO: Thank you. Before I open up for further questions or comments, Ms. Shishido, did you have any comments for this discussion? Can we open up a seat for Mrs. Shishido? Thank you.

MS. SHISHIDO: Thank you, Chair. Good afternoon again, and I didn't do my homework. I was so set on having Ka Hale A Ke Ola be forgiven, so thank you for that. But what I do want to say is that with Mr. Spence and Mr. Goode's comments, you know, when they talk about and when you talk about HRS 291C, when you talk about IBC, when you talk about DOT, when you talk about all these other ABCs, you know, I come from the Department of Housing and Human Concerns. And so for having these tiny houses it's a first step possibly in affordable housing. It's a first step in possibly housing first. But of course I understand all the ramifications of having enforcement and laws, and I think that when it comes to safety issues there's going to have to be a process in which these tiny houses are reviewed and given and monitored and possibly

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

managed. But just seeing what we need here on Maui and how it's so, we need more of the affordable housing. As you know our Section 8 Housing Division has been diligently and working so hard in getting our waiting list down to almost zero. And we are, you know, I'm just so proud of that division having been able to get out those vouchers. We are, I think we have to also be careful of I think Mr. Spence mentioned squatters and I think we have to define squatters versus the homeless. And of course we all know that the homeless, they don't want, sometimes don't want to be housed. But I think if there's an alternative and that there's going to be the housing first concept where they will be able to get the resources, get the mental health help, be able to help with their substance abuse issues, then basically as a human and concerned, you know, I'd like to hear more about these tiny houses and I'd like to really discuss more in regards to how we can have all these tiny houses help Maui County.

CHAIR CRIVELLO: Thank you. Members, any questions in regards to this conceptual proposal? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. This is the main reason why I came to join you today when I saw tiny houses there I got very excited because, and so I want to thank Councilmember Couch for bringing this subject matter forward. And in one of his handouts on the very back it talks about the dignity village that I keep talking about which is in Portland, Oregon. And I guess they also have Opportunity Village which is in Eugene, Oregon. So this is kind of more the concept in my mind that I've been thinking about and trying to get out there. I know I've spoken to Director Ridao and the Department of Housing and Human, FACE Maui is here, I've talked to them, I've talked to Planning before and it's kind of now sort of gelling together in this discussion. So exciting to see, and mobile units were never part of my thought in regards to tiny houses or what have you, so that part is new concept to me. And I'm hearing concerns of the department right now. I'm looking at Mr. Couch's first handout in regards to the ecovillage and that's kind of more the idea I was thinking of too, and then couple pages in it says what can County do? And number one has always been the issue in regards to land, availability of land. And 'cause we, the County, aren't land rich and so we personally don't have this type of, you know, acreage to create such an ecovillage, tiny town, or whatever you want to call it. And then also the large landowners normally, this isn't a big profit making thing for them to do. So it's been a very challenge for me to try and get existing landowners out there to buy into this concept. So I think those are some hurdles that we need to overcome but I'm very, very much in favor of this and I think creating these more tiny house ecovillage type areas or something I think would be sort of more easier done in regards to creating an acceptable zone or, you know, acceptance by the community basically versus a mobile tiny house that can just kind of roll around wherever. I think that's going to be a huge challenge, and I know on the island of Oahu, Hauula has been utilizing Matson containers and creating little dwellings for people and so far I think it's, I haven't, I heard that it's working, it's moving along and they're doing something so it'd be interesting to review and see how they've been progressing with that. But, you know, the rolling around tiny houses is kind of like so I got a ohana unit, I got that affordable unit we talked about today and I got a mobile tiny house on wheels too

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

in my yard. So hey they're all accepted and then, you know, I want to put a wet bar over here. So it's like we really need to look at we want to get houses, we want to get affordability in there but again I'd hate to have all these loopholes and abuse for too many little, tiny houses crammed into a spot. But I'm very happy to be here for the discussion and I'd really, really like to see if we can move forward with this ecovillage more type concept where it's communal, off the grid even as best as it can be, less footprint on our resources and environment. So thank you, Chair, for those comments, and thank you, Mr. Couch, for bringing this forward.

CHAIR CRIVELLO: Thank you, Ms. Cochran. Anyone else? Ms. Baisa?

VICE-CHAIR BAISA: Thank you very much, Chair. And I thought I saw Director Spence grab his microphone. I didn't want to get in the way.

MR. SPENCE: I'm not wanting to get in the way. No, and just looking at the Dignity Village illustration and the other one on the previous page. This is exactly the kind of thing I would like to see Maui County go forward on, some shared communal facilities. I don't know if, you know, and I think the whole, the size of the dwelling that's all up to discussion but the concept of being able to, you know, have these kind of little villages I think that's really admirable. I would really, I'd like to see us pass some legislation in this direction.

VICE-CHAIR BAISA: Chair?

CHAIR CRIVELLO: Thank you. Ms. Baisa?

VICE-CHAIR BAISA: Thank you very much.

CHAIR CRIVELLO: And then Mr. Carroll.

VICE-CHAIR BAISA: Yeah I totally agree with this concept that we're talking about here like an ecovillage. You know I think that we need to have every tool that we can in our toolbox.

CHAIR CRIVELLO: Right.

MR. SPENCE: Yeah.

VICE-CHAIR BAISA: And so we ought to try and see how this goes. And if it turns out really good, then maybe it's a better solution than we thought about. But we've got to start somewhere and so I'm very thankful for having the discussion today. And I want to thank Member Couch for putting, you know, bringing it up and for you for putting it on the agenda. But I would like us to dig into it a little deeper. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Mr. Carroll?

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

COUNCILMEMBER CARROLL: Thank you, Chair. I'd really like to see this pursued further. I was, I had been to a place where they had homes like this. They were very successful. It was mostly for homeless working people and they had a limit over there, you could stay so many years and you had to move on. But it was very successful. It helped keep people off the street. In that particular one they had, it's in the book over here they had so many units, they had a caretaker living in one of the units, one of the clients they made a caretaker. They had a, just like their own community association, very well run, very neat. And it really helped because it worked to take what...and on Maui we have quite a few working homeless. They just can't afford a home. And what I'm saying is that I think it has possibilities. When I first got married we lived for several, several years in a home that was around 300 square feet in Hana. And everybody says wow, 300 square feet you can't do it. Hey, we thought it was fine. I had two kids. You know it's not like you're suffering, it's not like you're sticking them in a little box or anything. It's very satisfactory and it's very, it makes you feel really good when you have your own place. So I don't know, I don't think we can pursue this in its entirety today obviously --

CHAIR CRIVELLO: No.

COUNCILMEMBER CARROLL: --but I think it's worth pursuing. I think some of the options that Mr. Couch has given us are really worth looking at. I think we need some more information. I know on my own I'm going to try to get some more information on the one that I saw which is, it's in the book, it's a more permanent thing. But it's another block, it's another thing that we can do to help our people. And I think it's worth pursuing. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Guzman or Mr. Couch, any further comments?

COUNCILMEMBER COUCH: Yeah.

CHAIR CRIVELLO: Go ahead, Mr. Couch.

COUNCILMEMBER COUCH: Thank you. And thank you, I thank the colleagues for the comment and the departments as well for the comments. One of the things is Mr. Spence said he would like to see some legislation. I guess my question would be what would that legislation be? Because that's kind of what this meeting was about. It's to introduce the concept and say okay, what kind of things do you not want to see and what kind of things do you want to see, and I guess it doesn't have to be today but that would be one of the things I would like to get out of this meeting is what kind of legislation do we need. And I'd be happy to work with you on that and the other departments as well.

CHAIR CRIVELLO: Okay. But so, Mr. Spence, are you, did you have the answers for that now? Is that something that we can bring forward later with you or have further discussion as far as how the Committee can help with legislation to this regard?

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

MR. SPENCE: Okay. We can look at some models, Madam Chair. We don't have any particular ordinance in mind. There's nothing drafted yet. But we can look at some different ideas from around the country, you know, on how they deal with some of the things we've been talking about like wastewater and housing sizes, what their communal facilities are, those kinds of things. And I just hate working with Mr. Couch.

ALL: . . .*(Laughter)*. . .

MR. SPENCE: So I guess I can...no, we can get our heads together and come up with something.

CHAIR CRIVELLO: Okay. Thank you. Mr. Couch, I would think this would be something that you would work further with the departments and I'm sure with the Housing Department we can work together on some sort of proposal with some village. Got to find the land, you know, and where we go from there. I like the concept and the opportunities that, let's put things in action. Yeah, let's work towards that. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And yeah, again very exciting discussion. So I think with really as I live off the grid, my house is a little bit bigger than 100 square feet. I know that it doesn't take a whole lot to be off the grid, especially if your units are going to be that tiny. A solar panel up on each rooftop and they've got all the lighting and whatever they need basically. Not the heavy duty but it looks like communal laundry, communal cooking, and what have you will be separate anyways. But just for your basic night light reading or whatever radio and stuff could work very, very easily. And the other question is what is it that you can build that does not require a permit? Like isn't there... 'cause I know people out in the boonies like will put up a yurt and things of that nature that you don't actually need a permit, right?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER COCHRAN: Oh, you do and not?

CHAIR CRIVELLO: Mr. Goode, you want to answer that?

MR. GOODE: Chair?

CHAIR CRIVELLO: Yes.

MR. GOODE: Ms. Cochran, so the Building Code has a number of exemptions for types of structures that don't need permits and there's I think like 28 different exemptions. If I recall correctly, in like urban areas a shed or something under 120 square feet, in Ag it's 200 square feet type of structure. Those are non-habitable structures so like for a shed or for ag use purposes. And then State law has been amended twice in the last few years, I think it's called Act 203 or Act 204, or something like that from a couple of years ago broadened in the exemptions for Ag. But again it would not exempt

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

habitable structures. And it only exempts Building Code. So it doesn't exempt grading, it doesn't exempt plumbing, electrical, zoning, flood zone, et cetera. So in the Ag there's quite a few exemptions and we've set up a process by which people can come in and claim those exemptions so that we understand where those structures are, they can be taxed. I've done quite, dozens of them I think at this point.

COUNCILMEMBER COCHRAN: Okay. So inhabitable structures only?

MR. GOODE: Correct. Correct.

COUNCILMEMBER COCHRAN: Okay. Got it. Okay. Thank you. 'Cause I thought, sorry, Chair, the bamboo company was selling certain structures, kind of prefab saying all-inclusive and no need permit too to build? I thought...

MR. GOODE: Yeah, I think we wrote them a letter.

COUNCILMEMBER COCHRAN: Oh, okay. Got it. So I thought...

MR. GOODE: They need to be careful what they're promoting.

COUNCILMEMBER COCHRAN: Alright, okay. Just checking on it.

CHAIR CRIVELLO: Okay. Members, any further discussion? I think it really can happen. It's been years since I've raised my four sons but in a rural area it's you're, you know, my kids were thinking we were camping every day. And it, you can manage you know. And living off the grid before it even became something real was how we raised our family. So it works. It's just that what you're willing to make happen you know. So Departments, thank you very much for being with us today. I appreciate it. Mr. Ueoka, thank you very much. Tammy Frias and Carla Nakata, thank you very much for your work. And, Members, I want to thank you for being here. But because there will not be any legislative action on this item, with no objections, I would defer the item.

COUNCILMEMBERS: No objections.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: RH, MPV).

ACTION: DEFER pending further discussion.

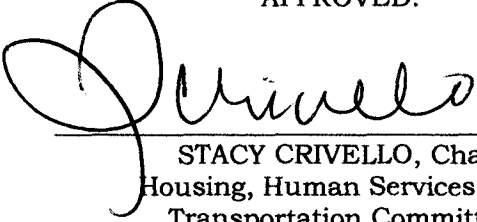
CHAIR CRIVELLO: Thank you. So, Members, thank you for being here. Ms. Cochran, thank you for joining us. And at this time, Members, we have completed today's agenda and this meeting is adjourned. . . .(gavel). . .

ADJOURN: 3:40 p.m.

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

APPROVED:



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

hht:min:150806:mt

Transcribed by: Marie Tesoro

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE MINUTES
Council of the County of Maui

August 6, 2015

CERTIFICATE

I, Marie Tesoro, 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 31st of August 2015, in Wailuku, Hawaii

A handwritten signature in black ink, appearing to read 'Marie Tesoro', is written over a horizontal line.

Marie Tesoro