

**HOUSING, HUMAN SERVICES, AND TRANSPORTATION
COMMITTEE**

Council of the County of Maui

MINUTES

November 3, 2016

Council Chamber, 8th Floor

CONVENE: 1:30 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Stacy Crivello, Chair
Councilmember Robert Carroll
Councilmember Don Couch (in 1:42 p.m.)
Councilmember Don S. Guzman
Councilmember Riki Hokama
Councilmember Michael P. Victorino

NON-VOTING MEMBERS:

Councilmember Elle Cochran

EXCUSED: VOTING MEMBERS:

Councilmember Gladys C. Baisa, Vice-Chair

STAFF:

Michele Yoshimura, Legislative Analyst
Clarita Balala, Substitute 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)

Seated in the gallery

Sarah D. Pajimola, Executive Assistant to Councilmember Elle Cochran
Autumn Ness, Executive Assistant to Councilmember Elle Cochran

ADMIN.:

Carol Reimann, Director, Department of Housing and Human Concerns
Clyde "Buddy" Almeida, Housing Administrator, Department of Housing and Human Concerns
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS:

Zandra Amaral Crouse, Principal Broker, Aina Hawaii Z Properties
Grant Chun, President, A&B Properties, Inc.
Eric Miyajima, Vice President/Residential Loan Manager, American Savings Bank
Steve Baker, Broker, KW Island Living, and Principal Broker for Kamalani
Additional attendees (6)

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

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, November 3, 2016. 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. Our Committee Vice-Chair, Gladys Baisa, is excused. I'm the Chair, Stacy Helm Crivello. And with us this afternoon is Councilmember Bob Carroll.

COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon. Thank you for being here. Member Don Guzman.

COUNCILMEMBER GUZMAN: Good afternoon, Chair. Thank you.

CHAIR CRIVELLO: Good afternoon. Member Riki Hokama.

COUNCILMEMBER HOKAMA: . . . *(inaudible)*. . .

CHAIR CRIVELLO: And Member Mike Victorino.

COUNCILMEMBER VICTORINO: Good afternoon and aloha, Chair.

CHAIR CRIVELLO: Thank you. And excused for now is Member Don Couch. With us this afternoon is our non-voting Committee member, Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha, good afternoon, Chair.

CHAIR CRIVELLO: Thank you for being here. At this time, I'd like to introduce our Administration representatives. Director of Housing and Human Concerns, Carol Reimann.

MS. REIMANN: Aloha, Chair.

CHAIR CRIVELLO: Thank you. And our Housing Administrator, Buddy Almeida.

MR. ALMEIDA: Good afternoon, Chair.

CHAIR CRIVELLO: Thank you. And with us from the Department of the Corporation Counsel, Deputy Corporation Counsel, Jeff Ueoka.

MR. UEOKA: Good afternoon, Chair.

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CHAIR CRIVELLO: And helping us with their due diligence work is Clarita Balala, Committee Secretary and Staff. And Legislative Analyst, Michele Yoshimura. Members, we have two items on the agenda today so we'll get started with public testimony. Assisting us this afternoon from the Hana District Office is Dawn Lono.

MS. LONO: Good afternoon, Chair. This is Dawn Lono at the Hana Office and there is no one waiting to testify.

CHAIR CRIVELLO: Thank you. From the Molokai District Office, Ms. Ella Alcon.

MS. ALCON: Good morning [sic], Chair. This is Ella Alcon on Molokai and there is no one here waiting to testify

CHAIR CRIVELLO: And Denise Fernandez from our Lanai District Office.

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

CHAIR CRIVELLO: Thank you. For individuals who will be testifying in the Chamber, please sign up at the desk located in the 9th [sic] floor lobby, just outside the Chamber door. If you will be testifying from the remote testimony location specified on the meeting agenda, please sign up with the Council Staff at that location. Testimony will be limited to the item 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, I'd like to call our testifier, Zandra Amaral Crouse.

...BEGIN PUBLIC TESTIMONY...

MS. AMARAL CROUSE: Crouse.

CHAIR CRIVELLO: Crouse.

MS. AMARAL CROUSE: Thank you.

CHAIR CRIVELLO: Thank you.

MS. AMARAL CROUSE: Good afternoon, Madam Chair, nice to see you guys. I'm Zandra Amaral Crouse, Principal Broker and owner of Aina Hawaii Z Properties, predominantly dealing with young men and young women who want to purchase their affordable unit here in the County of Maui, Maui nui at-large, or find some kind of affordable unit to rent. You heard from me this morning so you know my passion. My firm deals predominantly with this class of people, your working friends. It's a privilege to stand and listen to the updates of these projects that will be coming forth and there's one very nice one that's coming up behind my house, not directly, but in

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my neighborhood, that will be dealing with this class of people. And these, unfortunately, are the people who struggle. They are our children, our grandchildren. So as I look--and I'm testifying on both of these, but I'll wrap it up in the time I've got allotted for both and tie them together--these developers need an incentive to put forth affordable housing. You know this, you hear this. I humbly ask, as you go through this, try very hard in other committees. Break through the egos. Break through the rhetoric. Because it is only you individuals that can make the difference in bringing affordables to the house, putting our children in homes. When these developers build affordable houses or market houses, it frees up the inventory for our local people. That's called economics. So as you listen to them, I humbly, humbly ask all of you to know that, number one, most of 'em are local people, providing housing for local people. And I don't think any of you will argue with that. But basically, Members, what we need to do is stop the arguing and start the concrete listening to these people who know Maui, these people who have built in Maui. I know I have another three minutes for the second item but I won't take that. I'll simply close here because I think you know what I'm trying to say. We heard it all in the last Committee meeting but I humbly ask you, try to be a little haahaa with each other as you discuss this issue. Try to listen more than you talk. And this I humbly ask, not only for myself, but the children and the kids of Maui County, Maui nui, who deserve housing. And these are the people that can provide it. Mahalo. A hui hou. Malama.

CHAIR CRIVELLO: Thank you. Members, any clarification, comments or questions for the testifier? If not, thank you. Any other testifiers in the Chamber? I'll check again with our District Offices. Ms. Lono, is there anyone wishing to provide testimony from the Hana District?

MS. LONO: There is no one waiting in the Hana Office to testify.

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

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

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

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

CHAIR CRIVELLO: Thank you. I don't see anyone in the gallery and there's none at the District Offices so, if there are no objections, I'd like to close public testimony.

COUNCILMEMBERS: No objections.

. . .END OF PUBLIC TESTIMONY. . .

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ITEM HHT-36: AFFORDABLE HOUSING PROJECTS (CC 16-114)

CHAIR CRIVELLO: Members, we will refer now to our agenda. And we have two items on our agenda, Affordable Housing Projects, HHT-36, and I will also ask, if there are no objections, I'd like to combine the agenda item HHT-41, Kamalani Subdivision, because it's part of the list from the first agenda item, HHT-36. So for the first item, the Committee is in receipt of the following: County Communication 6-114 [sic], from the Director of Housing and Human Concerns, transmitting a status update on affordable housing projects in the County of Maui as of May 25, 2016, including the project name, district, and number of affordable and market-rate units. Two, correspondence dated October 26, 2016, from the Director of Housing and Human Concerns, transmitting a status update on affordable housing projects in the County of Maui to date. The Committee may discuss the status of affordable housing projects in the County. The Committee may also consider the filing of County Communication 16-114 and other related action. Like I mentioned, we will also be having discussion for HHT-41, Kamalani Subdivision (North Kihei). The Committee is in receipt of County Communication 16-200, from Councilmember Elle Cochran, relating to a review of the Kamalani Subdivision (North Kihei), Affordable Housing qualification requirements. The Committee may discuss the affordable housing qualification requirements of the Kamalani Subdivision. The Committee may also consider the filing of County Communication 16-200 and other related items. So at this time, I'd like to receive comments from the Department of Housing and Human Concerns. Members, you should have the list dated October 26, 2016 with you, that's provided by the Department. Ms. Reimann?

MS. REIMANN: Chair, thank you. So before you is an updated affordable housing project list. We last came before you in May and our intent is to provide updates every six months to the Council. Would you like me to go through the changes?

CHAIR CRIVELLO: Would you mind, please?

MS. REIMANN: Sure, thank you. So rather than go through every single item here, I'll just review the changes. So the list is sorted by current projects first, the first three pages, then we have completed projects, and at the very end of the report, there's cancelled or inactive projects. So within the current projects, some changes are Hale Mahaolu Ewalu. They anticipate to start winter of 2016. In fact, I think I heard they're shooting for the end of November to break ground or have a blessing. The Kahoma Residential Subdivision, they're anticipating starting this winter as well. The next item is Kahoma Village, which is also in West Maui, and they completed their ground breaking so they are starting to do grubbing and grading at this point. The Kaiaulu 100 percent affordable housing project in Kaanapali, they anticipate, as well, to start this winter. On Page 2, in the middle of the page, we have Kula Ridge and they will be starting on a well, according to the developer. This was previously on the inactive list but the developer was able to show us a land use document that granted him a 10-year timeframe to begin construction. On the next page, we have the Waiale 100 percent affordable housing project and they anticipate starting this winter. The West Maui Project District 2, this is Mahana Estates, otherwise known as Kapalua

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Mauka, that one we have moved from the completed projects as we hear that this developer is developing one home at a time and his credits, his affordable housing units were satisfied via credits. The West Maui Villages - Wailele project, that has been added to this grid and, excuse me, on Page 3 as well, Pauwela Homes, that is a new workforce housing agreement we just signed for 33 homes in Haiku. Under the completed projects on Page 5, we have confirmed that Wailuku Parkside, that their affordable housing units were satisfied via land donation and credits. And lastly, the cancelled/inactive projects is Kaonoulu Estates. We had previously listed Betsill as the developer but actually the developer is Herbert Horita. I understand that it was sold to Herbert Horita and we're not quite sure what's going on with that. And that concludes our updates.

CHAIR CRIVELLO: Thank you. Members, any questions or comments for the Department?
Mr. Victorino?

COUNCILMEMBER VICTORINO: No. Thank you, Madam Chair. I think this is pretty condensed and complete. I guess the only ones that still concern me is on Page 2 and 3, you know, those, and West Maui and a couple in South Maui that seems to be languishing, you know, it's, you know, but it's been approved but nothing has happened, you know. So I'll await to see what further developments, that come up with Kamaole Point and some of these others, you know, I think, I'd like to see what happens with those 'cause they're still sitting there languishing but not, nothing happening at this point. And I would ask the Department if they would somehow maybe contact these developers and find out what their intent is and if they have any timeframes, Madam Chair, if that would be permissible, if you could send a letter out asking the Department to get a timeframe on these various developments?

CHAIR CRIVELLO: Thank you. Staff will make note of your request.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR CRIVELLO: Mr. Guzman?

COUNCILMEMBER GUZMAN: No, I don't have any questions. It's just that, does the Department have an estimation of or goals, short-term goals, of how many houses can be built per year or every 2 years? 'Cause it looks like the totals here is roughly around 9,516 pending houses or units to be built, 6,171 fair-market value and 3,345 affordable. So is there a breakdown as to your short-term goals and long-term goals as to, you know, how many units can be built per every 2 years or something like that or have anything ...

MR. ALMEIDA: Thank you, Chair, and thank you, Member Guzman, for that question. It's hard to project, as Member Victorino kind of just alluded to, a lot of the projects, some are recent, some have been stalled for shorter or longer periods of time. We do actively keep in contact with the developers as much as we can to assist and try and push the projects forward and get them done. However, unfortunately we can't control how quickly the developers build and that can be a little frustrating but we just do our best

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to try and make sure that the projects are at least moving in the right direction, which is to get them done. But as far as to accurately project when that will happen, unfortunately it's difficult to do.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER GUZMAN: Thank you.

CHAIR CRIVELLO: Do you want more --

COUNCILMEMBER GUZMAN: No, no, I just --

CHAIR CRIVELLO: --information?

COUNCILMEMBER GUZMAN: --I was just thinking about if we could've or would've been able to put sunset clauses in some of those entitlements. But, you know, it is what it is.

CHAIR CRIVELLO: Thank you. Mr. Hokama? I'd like at this time, recognize voting member, Councilmember Don Couch, thank you for being here.

COUNCILMEMBER COUCH: Aloha, Chair.

CHAIR CRIVELLO: We're going over the affordable housing project list that's disseminated to us from the Department. You may take a look at it and then I'll go to Mr. Carroll. Mr. Carroll, any questions? Thank you. Would you have any, yes, Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Thank you, Ms. Reimann. Do you know where this Kaonoulu Estates is because I know that there was an area that was going to be Kaonoulu, Betsill Brothers got bought and is now going to be Keonekai...the Kaonoulu Villages, I think, the affordable rentals spot? Is that the same location?

CHAIR CRIVELLO: Department?

MR. ALMEIDA: Thank you, Chair. Thank you, Member Couch. Kaonoulu, since my time as Administrator, we've been trying to get a grasp on exactly who is responsible or in charge of that development because it's been dormant for some time. As Director Reimann mentioned, we only recently learned that Betsill no longer owned the project, that they had, in fact, sold it. So we are currently trying to set up a meeting to meet with the current owner and, you know, pretty much project and plan out what their intentions are and that they're going to continue to satisfy the, you know, the agreement as, because the entitlements carry with the land so they have to, if they're going to build, they've gotta --

COUNCILMEMBER COUCH: Right.

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MR. ALMEIDA: --build per the entitlements.

COUNCILMEMBER COUCH: I'm sorry. You maybe misunderstood my question. Where is it physically located?

MR. ALMEIDA: In South Maui, in Kihei.

COUNCILMEMBER COUCH: A little bit more accurate than that, please, because there's only a couple places where it could be and it's my understanding that that was taken over and became Kenolio Villages, I think. That's my understanding. It's the same piece of property as the Kenolio Villages but I'm not sure.

MR. ALMEIDA: Alright, thank you, Member Couch. We'll look into it and we can get back to you with that information.

COUNCILMEMBER COUCH: Okay, thank you.

CHAIR CRIVELLO: Thank you. We'll ask Staff to note that with correspondence. Members, any other questions before I go to Ms. Cochran? Or comments? Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, thank you, Chair, and thank you, Department. You mentioned...I'm trying to find Wailele, did, you said Wailele on here? Or did you say Waiale or ...

MS. REIMANN: No, Wailele is on Page 3.

COUNCILMEMBER COCHRAN: Wailele is on Page 3. Okay, I was trying to find that one. And, sorry, what's the...Page 3, Wailele?

MS. REIMANN: The bottom.

COUNCILMEMBER COCHRAN: Am I not seeing it?

MS. REIMANN: Developer Bach Corporation.

COUNCILMEMBER COCHRAN: Oh.

CHAIR CRIVELLO: There, your last line, your last row.

MS. REIMANN: The last item on Page 3.

CHAIR CRIVELLO: West Maui Villages - Wailele.

COUNCILMEMBER COCHRAN: Why am I not seeing...I'm seeing Maui Lani VMX. What? Page 4. What's the status on that?

MS. REIMANN: That is pending.

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COUNCILMEMBER COCHRAN: Okay. And because Wailele is actually the market project and then their affordable units are at Kaiaulu?

MS. REIMANN: Correct.

COUNCILMEMBER COCHRAN: And as far as I know, the developers have left. Wailele and--because it has, the timing, I guess, did not fit into their, I guess their calendar with Kaiaulu. So what's, that's kind of where I'm wondering, what is the status --

MS. REIMANN: We don't know.

COUNCILMEMBER COCHRAN: --in regards to those two projects?

MS. REIMANN: We don't know.

COUNCILMEMBER COCHRAN: So you don't know?

MS. REIMANN: Kaiaulu, we know that they're going to break ground this winter. Wailele, we are not aware of the situation.

COUNCILMEMBER COCHRAN: And this list is about affordable housing projects but Wailele is considered affordable housing project?

MS. REIMANN: The 12 units that are owed are on here.

COUNCILMEMBER COCHRAN: Okay. And also, is Pulelehua on here?

MS. REIMANN: Pulelehua is not on there. We do not have a workforce housing agreement with them yet. But that will be--and thank you for bringing that up--that is in West Maui and it's going to be 1,200 affordable rentals and market rentals.

COUNCILMEMBER COCHRAN: Okay. And, oh, so it has been determined they will be rentals versus for sale?

MS. REIMANN: They're in the process right now.

COUNCILMEMBER COCHRAN: Okay, okay. And lastly, Chair, if you don't mind?

CHAIR CRIVELLO: Yeah, go ahead.

COUNCILMEMBER COCHRAN: How many of these that are on, I guess, in the stalled or not pushing forward have to do with perhaps the cost of offsite infrastructure, if you might know that, just off the top of your head?

MS. REIMANN: We don't know it off the top of our head but we'd be glad to investigate it and get back to you.

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COUNCILMEMBER COCHRAN: Yeah, that would--Chair, if you don't mind, I think that's a really relevant question because in our TIG work also it was about trying to figure out how County can maybe assist in, these developers in funding offsite infrastructure to make these projects get up and going. So I think it'd be real helpful to see which of these are affected by that and then we can maybe create some type of funding, or something to help assist. So that would be ...

CHAIR CRIVELLO: Thank you. We'll make note of that --

COUNCILMEMBER COCHRAN: Great.

CHAIR CRIVELLO: --request.

COUNCILMEMBER COCHRAN: Thank you so much.

CHAIR CRIVELLO: Yeah. Any further questions? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Ms. Reimann just brought up something about Pulelehua. So you say 1,200 homes, rental.

CHAIR CRIVELLO: Rentals.

COUNCILMEMBER COUCH: Alright. What percent affordable? What percent not affordable, or market rate?

MS. REIMANN: That has yet to be determined but the developer has indicated that it's 1,200 rentals.

COUNCILMEMBER COUCH: So multi-family or single-family?

MS. REIMANN: Multi-family.

COUNCILMEMBER COUCH: All one big multi, okay. And, Madam Chair --

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COUCH: --in looking at Page 2, the two Maui Lani projects at the bottom.

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COUCH: I note that there are 671 units remaining, affordable units in there. Have we sat down with them and discussed what we could do or if there's anything the County can do to get those in the pipeline and going faster or, you know, based on, you know, some of the stuff we got from the TIG that Ms. Cochran mentioned? This looks like some pretty low-hanging fruit 'cause they've got

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infrastructure pretty close out there if we need to add a little bit more, if we need to help out. Have we been in discussions with them?

MS. REIMANN: We're in the process of working with the developers on this and providing a more accurate picture of where each of the different projects within the overall project, master project is.

COUNCILMEMBER COUCH: Okay, it's kind of more of a question is, what might be holding them up and what can we do to expedite that process?

MS. REIMANN: Right, and those are the questions we're asking.

COUNCILMEMBER COUCH: Okay.

MS. REIMANN: Thank you.

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

CHAIR CRIVELLO: Thank you. So in reference to Mr. Couch's question, but they've completed so many market-rate homes and they, these are the amount that's due for the affordable portion? And this goes back to what, 1990?

MS. REIMANN: I'm sorry, yes, could you repeat the question?

CHAIR CRIVELLO: I'm trying to see if, did they complete meeting their market units and so these, this, these amount are, is what's due us for the affordable?

MS. REIMANN: So for Maui Lani, 416 units for, are still remaining, and market, 1,716 are due, still remain to be built.

CHAIR CRIVELLO: Okay, so can we ask the Department to please follow up and get complete --

MS. REIMANN: Absolutely.

CHAIR CRIVELLO: --status and...these are units that are due us for affordable. Thank you. So Staff will make note of that. Thank you. Members, any more questions? Mr. Carroll?

MR. UEOKA: Chair?

CHAIR CRIVELLO: Oh, one moment, Mr. Carroll. Mr. Ueoka?

COUNCILMEMBER CARROLL: There we go. . . .(turning on mic). . . Thank you, Chair. For East Maui, we have the Helani Gardens self-help housing and I see over here you have 14 and 14 completed. The last I checked we had 7 completed and the other 7 was working on trying to get them qualified for that housing.

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CHAIR CRIVELLO: Department? Thank you, Mr. Carroll. Department?

MR. ALMEIDA: Thank you, Chair. Thank you, Member Carroll. The County was involved with a grant from the Affordable Housing Fund for the septic systems for this project. And in discussions with the developer, they were all completed aside from two that had issues with, basically, flood zone issues, as far as getting their mortgages in order to close. So in our last correspondences with the developer, they had notified us that the project was completed. So we'd have to follow up if that wasn't the case. But they had addressed to us that ...

COUNCILMEMBER CARROLL: The last I heard was we had completed 7 and that was, the next 7 and possibly adding an 8th on there with the one lot on the end. So if could follow up on that for me, please?

MR. ALMEIDA: Absolutely, we'll follow up with the developer and get the correct information to you.

COUNCILMEMBER CARROLL: Thank you.

CHAIR CRIVELLO: Thank you, Mr. Carroll. We'll make note of that follow-up for you. Members, any other questions or concerns? If not, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you again, Chair. Lastly, just thinking again about Kaiaulu and the Wailele relationship. Having the market in Wailele, whatever, on hold at this point, does that affect Kaiaulu's progress and maybe their unit count at all in any way? 'Cause I think you stated 12 affordables are to be built in the Kaiaulu project but they are numbered at 33. So is there gonna be any change there?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: If I may, Chair? Thank you. Councilmember Cochran, our understanding is just that for the Wailele project, the requirement is 12. Kaiaulu came to us and said we want to build 33. We said, great. So that's as far as the relationship between them. Our affordable housing agreement, from what I understand, if I remember correctly, essentially does say that for those 33 units, 12 of 'em will be used to satisfy the Wailele requirement. We're just, we're not really looking at whether or not the requirement is truly there or not at this time, because we just want them to build the 33 residential workforce housing units 'cause technically the 12-unit requirement hasn't been triggered yet because Wailele isn't built.

COUNCILMEMBER COCHRAN: Okay. So I guess it could be--so if the affordable gets built prior to the market, it still can be credited towards the project once it does get built? Is it supposed...is that how that would be?

CHAIR CRIVELLO: Mr. Ueoka?

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MR. UEOKA: Thank you, Chair. Yes, that's how we're looking at it right now. We're just encouraging them to build now --

COUNCILMEMBER COCHRAN: Right.

MR. UEOKA: --the affordable homes.

COUNCILMEMBER COCHRAN: Okay, alright, just checking. Thank you. Thank you, Chair.

CHAIR CRIVELLO: Thank you.

MR. UEOKA: Chair, if I may?

CHAIR CRIVELLO: Yes, Mr. Ueoka.

MR. UEOKA: Just for quick clarification on the Maui Lani project. As far as we understand, they're up to date on their requirements for residential workforce housing. My understanding is the way the project district requirements or the conditions of zoning were worded was they owe a certain percentage. So as of this date, the amount of markets they've built there, they built enough residential workforce affordable Housing units, so technically speaking, we're not owed anything at this time. There's projected to be a lot more residential workforce housing but as far as owed to us, I don't think we're owed right now. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Members, any further questions regards to this agenda item? Mr. Victorino?

COUNCILMEMBER VICTORINO: Oh, no, no, thank you, Chair.

CHAIR CRIVELLO: Okay. So, Members...yes, Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. One last one on these cancelled/inactive projects, the Hale Mua. There was, and the reason was the completion of the bridge, there was another project that was supposed to join in on that bridge and I don't see that in here, maybe I missed it, and I can't remember the name of it, but that was another project that hasn't moved forward either. So I have Piihana, I think, is what it was called.

CHAIR CRIVELLO: Department?

COUNCILMEMBER COCHRAN: Is that Sterling's?

MS. REIMANN: Thank you. We'll be checking into that.

COUNCILMEMBER COUCH: Yeah, 'cause that was kind of a dual --

COUNCILMEMBER VICTORINO: Madam Chair?

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COUNCILMEMBER COUCH: --thing. Maybe Mr. Victorino ...

COUNCILMEMBER VICTORINO: Yeah --

CHAIR CRIVELLO: Mr. Victorino?

COUNCILMEMBER VICTORINO: --shed a little light on that. First of all, that area that you're referring to, that Piihana area, was originally going to be Stanford Carr and he then sold the land to Vernon Lindsey, then it never went anywhere and a new developer has taken the land back. Actually the lender of the money has taken the land back and they cleared it out and they have no plans at this time to do anything 'cause I've been following that along, Madam Chair. But if they do want to do anything, they assured us they would come to both the Department of Housing and Human Concerns and the Council if they, you know, any plans come forward in the future but right now, there is no plan to do any development on that land, which is actually the Waihee side of Wailuku River as you come from Mokuhaui Valley all the way down to Paukukalo. That's the area in reference. Thank you, Madam Chair.

CHAIR CRIVELLO: Thank you, Mr. Victorino. Mr. Couch?

COUNCILMEMBER COUCH: I'm good, thank you.

CHAIR CRIVELLO: Okay. Department, you alright? Got all that? Thank you. Any more comments or discussion for this agenda item, HHT-36? If not, we just continue on to the Kamalani Subdivision (North Kihei), HHT-41.

ITEM HHT-41: KAMALANI SUBDIVISION (NORTH KIHEI) (CC 16-200)

CHAIR CRIVELLO: At this time, I'd like to ask a representative from the Kamalani project to join us as a resource person. If there are no objections, I'm going to ask Mr. Grant Chun to join us.

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: Thank you. So, Members, we are in receipt of County Communication 16-200, as I mentioned earlier, from Councilmember Elle Cochran, relating to a review of the Kamalani Subdivision, North Kihei, affordable housing qualification requirements. We may discuss the affordable housing qualification requirements of the Kamalani Subdivision and we may also consider the filing of County Communication 16-200 and other related action. And, Members, I apologize, going back to agenda item 66T-36 [sic], I will recommend deferral of this matter, if there are no objections.

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COUNCILMEMBERS VOICED NO OBJECTIONS (excused: GCB).

ACTION: DEFER HHT-36.

CHAIR CRIVELLO: Thank you. So at this time, I'd like to ask our, again, Director or her Housing Administrator to comment on this agenda item.

MS. REIMANN: Thank you, Chair. Actually we have Mr. Grant Chun here from A&B Properties prepared to let us know all about his project and how it's faring.

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

MR. CHUN: Thank you for having me, Madam Chair.

CHAIR CRIVELLO: Yes?

MR. CHUN: Would you like me to proceed?

CHAIR CRIVELLO: Just a moment. Yes, Mr. Hokama?

COUNCILMEMBER HOKAMA: Madam Chairman, thank you. Before you grant Mr. Chun the ability to share comments with us, I'm more concerned about, since this is a communication that has been brought up to Committee, more about how the Department has assured, can assure this Committee this afternoon that the qualifications has been met and that the Department stands by their findings.

CHAIR CRIVELLO: Department?

COUNCILMEMBER HOKAMA: Because if we cannot even get that settled at the base, why would we expect the house to stand up on that foundation?

CHAIR CRIVELLO: Thank you, Mr. Hokama. Department, would you like to respond to Mr. Hokama's comments, please?

MR. ALMEIDA: Thank you, Chair. Thank you, Member Hokama. We've been in communication with Mr. Chun, A&B, with regards to the status, held several meetings. We know that Mr. Chun will probably, to allude to some of the impediments that they've encountered up to this point. The Department, the Housing Division gets involved once the sales conclude, we have to verify that they have met all the requirements. I believe in their case it's 170 units, 25 percent of the total project and we verify the sales prices, the income of the buyers all meet the criteria. And so it's at that time that we log it and we verify it, and if for whatever reason any of 'em go to market, 2.96 has a formula to which the developer has to pay a fee that would then be transmitted to the Affordable Housing Fund. So we handle all of that once the sales process is concluded. Thank you.

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CHAIR CRIVELLO: Thank you.

COUNCILMEMBER HOKAMA: Thank you.

CHAIR CRIVELLO: Thank you, Mr. Hokama. So, Department, you're going to have Mr. Chun here to respond to the inquiry from our Councilmember?

MS. REIMANN: Grant Chun can respond to specific questions about the project. If it's in regards to questions about 2.96 or enforcement or any of that, we'd be glad to answer. Thank you.

CHAIR CRIVELLO: Mr. Chun?

MR. CHUN: Thank you, Madam Chair. Good afternoon, everyone. Thank you for having me here today. I guess I'll just start out with a brief update of how we're doing with our Kamalani project. As Mr. Almeida indicated, the project in its first increment will include 170 affordable residential workforce housing units. The first increment is broken up into phases. The first phase includes 49 units that have gone to market. Site work, of course, in that area is nearing completion and vertical construction of the homes is imminent. At this point, we have, of the 49 units that have gone to market, 24 are under contract. We have a really great team, a really great, well-coordinated sales team and they've embarked on a very extensive marketing effort to reach out to folks who may have an interest in acquiring one of these units. And so rather than going into too much detail, we prepared a summary of the outreach efforts that have-- actually, if you can believe this, I actually couldn't--they actually even went door to door, to businesses in Kihei, looking for employees who, you know, may be in the market for a unit. In addition, of course, as I said, there has been extensive efforts that are outlined in the handout. We also have a team of lenders that have been super accommodating and just great in terms of working with prospective purchasers, even helping to staff homebuyer education classes. I should also mention that our lenders have taken on this effort with the prospective purchasers in the prequalification process to a large degree as a service to our community. They spend a lot of time working with prospective purchasers to determine their qualifications, not only for the purpose of determining if they can qualify for a mortgage, but also for the purpose of making sure that they fit into the standards and parameters set forth by our ordinance, as Mr. Hokama alluded to. And they do all of this without any promise or guarantee of business. In fact, many of our buyers will be using other lenders who are not among the group of lead lenders who have helped with the prequalification process. And from our perspective, that is just fine. Moreover, many prospective purchasers are not yet ready for a mortgage and so our lenders, together with our homebuyer ed team, helps them to understand what it's going to take for them to get to that point. I'd also be remiss if I didn't make clear and mention that an important reason why we have lead lenders, and really every project does, is that it takes a lead lender with underwriting capability and access to legal expertise to go through the filing application process of qualifying a project for Freddie, Fannie and VA financing. Once a project has been so qualified, those programs become available for any lender to use for prospective purchasers who are interested in a project. So that's a huge

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service that they provide, you know, to the project. We've also sponsored, as I mentioned, a lot of homebuyer education classes to help prospective buyers achieve that ultimate goal of home ownership and classes have been provided in concert with Hale Mahaolu, which is a certified instructor in this area. Hale Mahaolu, as well as our lenders, have been very proactive in not just teaching the class, but they've actually identified sources of down payment assistance programs to help buyers that are, you know, that kind of fit the parameters of various programs. So the idea of this outreach has been, you know, even if a prospective buyer is not quite ready for home ownership, it's important to know the steps that they must take to ultimately achieve that goal. And even if it means purchasing a home that's not in our Kamalani project, you know, as far as we're concerned, that's, you know, that's just fine. The pace of sales in terms of, you know, if you wanna talk about it, is a challenge. The pace of sales has not been what we had hoped, to be honest, particularly against the backdrop of what we almost have come to routinely experience with our projects on Oahu. The level of interest in the project has been healthy but as Director Reimann has alluded to in some of her comments, last week I think, there've been a good number of prospective buyers who have fallen out of the process as they've gone through the exercise of determining whether or not they are mortgage ready. Now what I've learned through the process of, you know, going through this, 'cause this is my first time too, is that fitting into the right box as far as income level and having adequate monthly cash flow to qualify for a mortgage is like the first step. Lenders are under much stricter constraints than they were in the past in terms of determining whether a prospective buyer can, in fact, qualify for a mortgage. And, of course, the rules within which lenders work are not in the control of anyone in this room. In fact, it's really not in the control of the lenders. Aside from these issues, there are, of course, prospective purchasers who decide against moving forward with a purchase for other reasons, you know, perhaps the product is not what they need to suit their needs or they need additional time to get loan or credit ready or the deed restrictions in the ordinance sometimes are not suitable for their particular family circumstances. But I will say, just to keep it all in perspective, when we embarked upon this effort to provide these affordable homes at Kamalani, realtors did tell us that it is typical for income-eligible folks in our marketplace to have a fairly high fallout rate when they try to get through the loan process. We were told to expect one in ten prospective purchasers typically making it through the process under today's standards. And, of course, this wasn't the case just a few years ago so I think that's what a lot of us remember, prior to the economic crash. But the higher bar on borrowing that has been established, really at the Federal level now, was enacted for the purpose of preventing what occurred in 2007 and 2008 to so many consumers. So, again, to keep it in perspective, we are very confident that we will ultimately sell out all of the homes in our project to families that will be very proud first-time homeowners and we've become very well acquainted with many of our buyers and we've, who've we've already gone, you know, into contract with and, you know, we've reached that point where we are actually personally very excited and happy for them. So it's a long road, much more arduous than any of us probably hoped or even anticipated but, you know, we're going to get there and we're very comfortable that that is the case. And the Department has been very accommodating in working with us in the various

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interpretation issues that arise and specific buyer situations that pop up that you can't anticipate.

CHAIR CRIVELLO: Thank you. Before I open up to the Committee members, I think you touched on this, but is the potential homebuyer restricted to certain lenders or are they able to choose on their own?

MR. CHUN: They can choose their own lender, yeah. In fact, they are choosing their own lenders but what I was referring to is, when I referred to the lead lenders, they're the folks that are actually doing us the service of walking people through that process of prequalifying. So they have to actually spend a lot of time to comb through, you know, a prospective purchaser's documents and understand what their expenses are and it's quite a time consuming process that this entails, you know, and it takes a specialized, it takes a certain expertise to be able to understand both the loan requirements as well as the requirements of our ordinance. And so these lead lenders, I didn't mention but they all actually were trained by Ms. Reimann's staff on the standards of the ordinance, in qualifying under the ordinance.

CHAIR CRIVELLO: So talking about the ordinance, Ordinance 4338, amended Chapter 2.96, Maui County Code, to reduce from 120 days to 90 days of the time within which the County must exercise its purchase option to allow for more favorable financing options available to potential homebuyers. I guess, in particular, Freddie Mac and Fannie Mae, two of the financing options for homebuyers in the affordable range allow for a minimal down payment of 0 to 3 percent and do not require mortgage insurance. So that could amount to 400 to 700. Has this amendment to the County Code helped in financing for potential buyers for your project?

MR. CHUN: Definitely. I think once the, you know, the units close and the loans are closed, pretty much all of them will go either Freddie, Fannie or VA. And they couldn't do that with that discrepancy that existed between what they are comfortable with and what was in the ordinance previously. So it is a help.

CHAIR CRIVELLO: Thank you. Members, I've distributed for your reference the homebuyer's checklist for the project. It includes information on prequalification and lenders. I guess now I'll open the floor for further discussion, questions or comments. Members? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Thank you, Mr. Chun, for giving us that explanation. I don't know if this is to Mr. Chun or Ms. Reimann but I've seen the checklist that says I have a gross annual family income which does not exceed 140 percent of the County's AMI. Then it also says assets do not exceed 140 percent of the County's AMI. What, why is that in there? Is that a --

CHAIR CRIVELLO: Mr. Ueoka?

COUNCILMEMBER COUCH: --requirement of HUD?

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MR. UEOKA: Thank you, Chair. It's a requirement of 2.96, it's part of eligibility.

COUNCILMEMBER COUCH: So we have an asset, you know, it could be that somebody's got a portion of a family lot, you know, that's millions of dollars, no?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. That's always been part of Chapter 2.96.

COUNCILMEMBER COUCH: Okay.

MR. UEOKA: Thank you.

COUNCILMEMBER COUCH: And then, Mr. Chun, you said you had a lot of requests for, or a lot of interests, and then through all kinds of other reasons they dropped out. How many of them was it an issue with down payment?

MR. CHUN: That's a fairly common issue for folks, the down payment. You know, as you know, because of the standards that are set forth by the ordinance, these are families that make a good living but they don't necessarily have the down payment and it is not an uncommon issue at all.

COUNCILMEMBER COUCH: And what is a, what would a typical down payment be for something like that?

MR. CHUN: You know, I have my sales guy here, he could help answer those more --

COUNCILMEMBER COUCH: I was just curious --

MR. CHUN: --more specific questions.

COUNCILMEMBER COUCH: --because we did, for a while, have the down payment assistant, first-time homebuyers down payment assistance. If we brought that back with a bigger pool to allow more people to take advantage of that, is that something that would help? It was only, I mean, it was \$15,000 per, max per family. Is that in the --

MR. CHUN: Oh, yes.

COUNCILMEMBER COUCH: --vicinity of what the down payment --

MR. CHUN: Yes.

COUNCILMEMBER COUCH: --is?

MR. CHUN: In fact, Director Reimann and I have discussed that that program, I know it's not funded at this time, but it would be very helpful.

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COUNCILMEMBER COUCH: Okay.

CHAIR CRIVELLO: And how many families that, did the down payment provide for, for how many families was it allotted?

COUNCILMEMBER COUCH: When we were in Budget, it was only 10 to 15 families or something like that.

CHAIR CRIVELLO: Okay.

COUNCILMEMBER COUCH: And that's why we thought that that money would be better used somewhere else --

CHAIR CRIVELLO: Okay.

COUNCILMEMBER COUCH: --in affordable housing issues but if we made that pool a little bit bigger so that it was more than just 15 families, we might be able to get people in.

CHAIR CRIVELLO: So what's your average down payment, deposit, that's required?

MR. CHUN: Three percent.

CHAIR CRIVELLO: Three percent of the sales price? Members, any further questions or comments or further discussion?

COUNCILMEMBER HOKAMA: I have a question, please?

CHAIR CRIVELLO: Yes, Mr. Hokama?

COUNCILMEMBER HOKAMA: So down payment was more of a concern than total sales price, Mr. Chun?

MR. CHUN: I would say that's a true statement because the pricing is determined by the County and the County standards are in concert with the HUD guidelines that speak both to income, interest rate, as well as purchase price. So all of the people that basically participated in the process fall within that envelope of folks who actually earn enough to qualify for these mortgages. In fact, many, a very large number, are actually paying rent in excess of what the mortgages would ultimately be but they don't have the down payment. It's a fairly common issue.

COUNCILMEMBER HOKAMA: Okay. Well --

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER HOKAMA: --my thing, Chair, is, you know, there's advantages on a short-term for the down payment program. That doesn't really do anything but us

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throwing money at a one-time purpose. We should be asking people like Mr. Chun why aren't the leading, then lending institutions finding ways to eliminate that requirement?

CHAIR CRIVELLO: Would you like to comment on that or any of your leading lenders? Hot seat.

MR. CHUN: We have two of our lenders present. I know a lot of what they do is not totally in their control. They're working with Federal pots of money that have certain standards ...

COUNCILMEMBER HOKAMA: No, we understand that, yeah, Mr. Chun --

MR. CHUN: But I can bring them up if you'd like to address that.

COUNCILMEMBER HOKAMA: --because a down payment is going to mean nothing to us if the Feds determined to charge and eliminate mortgage interest deductions 'cause you're not going to get that benefit on your tax form for the entire mortgage.

MR. CHUN: Yeah.

COUNCILMEMBER HOKAMA: Okay. And that's what's on the table in Congress right now, eliminating that deduction.

MR. CHUN: Eric Miyajima from American Savings Bank is here and perhaps he can shed some light on the question.

CHAIR CRIVELLO: Thank you. Please repeat your name again, sir?

MR. MIYAJIMA: Eric Miyajima.

CHAIR CRIVELLO: Thank you, Mr. Miyajima.

MR. MIYAJIMA: I don't know if I'm going to help you understand. The requirement of the 3 percent down that Grant was talking about is basically a Fannie or Freddie Mac requirement so they set the standards and then, you know, as a lender I believe that if they put something into the purchase, their lifetime purchase, at least they have the ability to save so that they showing some responsibility for their biggest purchase of their life, yeah. So that would help. And then, you know, our counseling, when they come to see us, we show them a budget, we show them how to save and we show them how to get their down payment. So that's important for us to kinda like portray that, yeah, 'cause some people not ready, they're just not ready 'cause, you know, they paying rent, babysitter, paying credit card. Sometimes buying a truck is more important than buying a house so.

COUNCILMEMBER HOKAMA: Okay, understood. Does it transcend, regardless, in your experience, ages? So does a millennial think like generation X? I mean, does it

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transcend the different generation groups, the mentality towards the down payments and what is priority for family needs? Or is it something more, the older guys tend to have more single-family fee interest versus multi-family rentals?

MR. MIYAJIMA: It's hard to say, yeah, because it depends on how they were brought up, right, their family values and everything and what the parents have kinda like instructed them to do with their lifestyle.

COUNCILMEMBER HOKAMA: No, I'm just wondering because, I'm wondering about Mr. Chun's product. I mean, I'm sure they thought that they would have great sales velocity. They have the demand, I mean the interest is out there but something's happening with velocity sales so my thing is, are we misreading what the generations want for housing?

MR. MIYAJIMA: A lot of 'em, I don't know, if, my opinion, but I think a lot of 'em may not be ready because they have other priorities in their life.

COUNCILMEMBER HOKAMA: Understood.

MR. MIYAJIMA: Yeah, so.

COUNCILMEMBER HOKAMA: Thank you very much.

MR. MIYAJIMA: Alright, thank you.

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

COUNCILMEMBER COUCH: I have a question for him.

CHAIR CRIVELLO: Mr. Miyajima?

MR. MIYAJIMA: Oh, sorry.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COUCH: Thank you for your comments. You mentioned something about that if they didn't have the down payment saved up, it goes to show their financial, how well they take care of their financial abilities. If we, you know, if we were to reinstate the first-time homebuyers down payment assistance, would that still not show, I mean, they're in essence getting a grant or a long-term loan from us. You know, I think they have 15 years, after 15 years it becomes a grant, otherwise if they sell the place, it comes back to the County so it's not really a loan per se but doesn't that, I mean, that still doesn't work towards their financial acumen, if you will?

MR. MIYAJIMA: Let me try answer your question or your statement. Are you saying that you want them to learn how to save money to get the down payment?

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COUNCILMEMBER COUCH: Well, that's what you, I mean, that's what you kinda implied when you were saying, you know, if they don't have the money for the down payment, it means they're not financially smart enough or able to handle their bills and whatnot to be able to ...

MR. MIYAJIMA: I don't think I said smart enough but I think what I meant was that they haven't found the ability to save right now because they have other priorities in their life.

COUNCILMEMBER COUCH: Right. So that if we were to do the first-time homebuyers down payment assistance, that won't take away, that seems to me it won't make a difference in your assessment of them because they're still not saving it but all of a sudden they have it.

MR. MIYAJIMA: Yeah. Well, but then if they're going to buy and they have a means of finding the money, whether it's this program or their parents or their uncle or whatever, they still have to figure out their budget and then, you know, we, as lenders, have an obligation to tell 'em how to do that.

COUNCILMEMBER COUCH: Sure.

MR. MIYAJIMA: So ...

COUNCILMEMBER COUCH: So it wouldn't count against them if we, if they came up --

MR. MIYAJIMA: No, it wouldn't.

COUNCILMEMBER COUCH: --with a ...

MR. MIYAJIMA: It wouldn't, but, you know, like anything else, yeah, if you give too much --

COUNCILMEMBER COUCH: Right.

MR. MIYAJIMA: --they don't learn, right.

COUNCILMEMBER COUCH: And that's ...

MR. MIYAJIMA: It's like raising children.

COUNCILMEMBER COUCH: Right. That's the things we're trying to weigh when we discuss that. The other question I have, you mentioned rent, they got rent and all these other bills. It's my understanding from people I talk to anyway that their rent payments are more than what their mortgage payments would be but yet they can't get a loan even though they show that, hey, I'm paying rent, which is higher than what my mortgage payment would be. Do you guys take that into consideration at all?

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MR. MIYAJIMA: Of course, yeah, so, you know, we look at that, you know, but they call it payment shock, yeah. So we look at their ability to pay everything, you know, but then if you look at some of the young people that they paying rent. They also have other bills, yeah, that they're paying so they may not be balanced in their budgeting right now. But maybe if you re-teach 'em, by the time they come to see us and we put 'em on a path to save, put 'em on a path to pay off bills, put 'em on a path to budget and make 'em believe that this is what their goal is, to buy a home, then that would be the best thing for them.

COUNCILMEMBER COUCH: Okay. 'Cause I, you know, they, when the people talk to me about that, they say, look, my rent is more than what my mortgage and yet the banks won't give it to me 'cause they say I can't afford it but I'm paying rent already so I don't know how you balance that out.

MR. MIYAJIMA: I think they don't tell you the whole story, that's why.

COUNCILMEMBER COUCH: Okay. Well, that's probably true too.

MR. MIYAJIMA: Just, you know, because, like we, see, I get the right to ask, yeah, how much debt that they have, right. And you in a conversation with them, that doesn't come up, right? But I know what you don't know. So the thing about it is, if they have a lot of debt that they didn't disclose to you but they disclose to me, and if they cannot figure out why their cash flow is so bad that they cannot save money, pay rent, pay babysitter and all that, we gotta try to kind of put them down the path so that they can save money for the down payment or even make a mortgage payment so they don't get in trouble if they wanna buy a home, yeah.

COUNCILMEMBER COUCH: Okay. Thank you, Chair. Kind of a Catch-22.

COUNCILMEMBER VICTORINO: Chair?

CHAIR CRIVELLO: Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, thank you. And, Eric, thank you for being here and I think you're bringing up a subject matter that has been near and dear to my heart because it's not just what you make. It's just not what you can pay. It's really a number of aspects, such as your FICO score, your ability to have on-time payments, your ability to have debt versus your actual, your credit line versus your actual debt. There's a number of factors that come into this that we're not talking about right here but that's all played into when you're trying to qualify somebody. Isn't that true?

MR. MIYAJIMA: That's correct.

COUNCILMEMBER VICTORINO: Alright. And, secondly, a lot of these young people--and I gotta say when I first got married, thanks to my lovely wife, she put me on the straight and narrow path but prior to that, I had this tendency to sometimes spend more than I made. And I think a lot of young people today have that propensity to drive nice

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Escalades and nice BMWs and nice cars, and sometimes my wife and I are astonished at the kind of vehicles and the kind of clothing, and I'm not knocking somebody for wanting something, but today it's so easy to get credit. Go to any store. Go to any dealership, Madam Chair. You can get a car just like that. I don't care what your credit is. They'll lease it to you. There's a way to do it. And I'm not blaming the lending institution and I'm not blaming the salesmen but it's so easy so these young people tend to fall into these traps. And they're not taught at a young age to save money. We parents--and I give you a classic example, Madam Chair. My son, a few years back, told me, you know, dad, I never knew when you went to the bank machine and put that card in that you had to have money to bring out money. He never knew that. He always thought that plastic card just brought money out, but it took time when he got to that point where he realized that you have to have money in that banking account. But we laugh about these things but it's really the lessons we as parents teach and there's really nothing in schools, although now many of the schools are teaching more of these financial-type courses, but we're ill prepared, the young people are ill prepared. They make good money but they don't understand the debt. And, finally, a big part of this is those student loans. How many of them go to school, get a degree, and they owe so much money and take so many years to pay off those student loans, and that goes against their credit also.

MR. MIYAJIMA: Exactly.

COUNCILMEMBER VICTORINO: Exactly. See, so, Madam Chair, you know, there's multiple factors that come into it and I'm glad that we're discussing that because every time we sit down with these young people and we talk about it, including my family, my children, my nieces and nephews, my biggest thing is, you've gotta decide what you want now and live a little tighter today so that tomorrow you can have what you really want or you can start expending all your money today and really have nothing to look forward to tomorrow. And when they get that message and their credit counseling, I've seen the programs, some of my own family members have gone through the programs and now been able to buy their own home, buy their own condo because of these credit programs. I'm very thankful for these programs because they really give 'em the realization, what needs to be done in total. Even some of us parents cannot do the, oh, you know, who listens to the parents anyhow, right? I mean, our kids never listened to us. But a total stranger they may pay attention to a lot better. But I want to thank them because I've seen the programs and I'm all for helping our young people own something but we've gotta make sure they have the ability. And it's not their fault, it's really the fault of our society in general. Watch the TV, buy now, pay later, buy now, pay later. Exactly what you read, you see on every commercial, don't worry about paying me today, you can drive off with this new car, don't worry, 325 down, it's yours to go. That's all they tell you. They don't tell you all the debt that's left behind. Thank you, Madam Chair.

CHAIR CRIVELLO: I guess, Mr. Victorino, you're just putting the checklist of the challenges we have to provide affordable homes also comes from --

COUNCILMEMBER VICTORINO: Yes.

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CHAIR CRIVELLO: --individuals and preparation.

COUNCILMEMBER VICTORINO: Yeah, it's not just the affordable homes part, which is one aspect but there's the other aspect we're talking about today.

CHAIR CRIVELLO: Right, right.

COUNCILMEMBER VICTORINO: And I think when we discuss it and I see heads nodding because we've seen this happen, whether it's our departments, Human Concerns, Housing and Human Concerns, the lenders, we as parents, family members, we see it all the time. They go overboard and we keep telling them, whoa, slow it down, hey, I drove a Datsun before I owned a BMW or Mercedes, I drove a Datsun. Drive a Datsun for a little while, or Nissan, whatever they call it today, I'm sorry.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Madam Chair.

CHAIR CRIVELLO: Thank you, Mr. Victorino.

COUNCILMEMBER VICTORINO: Sorry.

CHAIR CRIVELLO: Members, any other questions or comments you wish to bring further from our resource people? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you...sorry, did I hear you correctly when you said that people are paying more in rent right now than they would for a mortgage?

MR. MIYAJIMA: Depends on where, yeah.

COUNCILMEMBER COCHRAN: So that tells me that --

MR. MIYAJIMA: Depends, yeah.

COUNCILMEMBER COCHRAN: --your project could help assist...I mean, if they can somehow scrape that up, then they would be able to afford one of your units --

MR. MIYAJIMA: Yeah, definitely.

COUNCILMEMBER COCHRAN: --as a monthly payment or whatever --

MR. MIYAJIMA: Yeah.

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COUNCILMEMBER COCHRAN: --so I guess there's other hurdles they're not completing in order to get to that point to where they can actually be a buyer and an actual person ...

MR. MIYAJIMA: Yeah, like credit and down payment and having stable employment, yeah, so.

COUNCILMEMBER COCHRAN: So I have a question. It kinda traverses Corporation Counsel also but I guess also the developer. And the reason for me, and thank you, Chair ...

CHAIR CRIVELLO: Ms. Cochran, before you go any further, are we through with Mr. Miyajima?

COUNCILMEMBER COCHRAN: Well, I, that's why, I'm gonna have a question and I'm not sure who's gonna wanna answer this question.

CHAIR CRIVELLO: Alright, go ahead.

COUNCILMEMBER COCHRAN: And it, the reason why I posted this and wanted this to be brought up is because of the prequalification portion of this whole project. And what's happening is, what I see is a lot of people getting disqualified at the prequalification point and in all your folks' ads, in all your, you know, your tool kit, your sales application package, all the pamphlets and stuff you give out to the people, you state our Residential Workforce Housing Ordinance and I'm wondering why--and so you're to, this project is to follow the requirements of that ordinance?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yes. This project and the, well I should say the overall project is required to follow 2.96 and Kamalani, from my understanding, this portion we're talking about, is the affordables or residential workforce housing section. Thank you.

COUNCILMEMBER COCHRAN: And they're supposed to follow it to T and not change anything in it?

CHAIR CRIVELLO: Mr. Ueoka?

COUNCILMEMBER COCHRAN: Is that fair to say?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. We would hope so.

COUNCILMEMBER COCHRAN: Okay. Well, because I'm finding otherwise. So I need to find out if it's a conflict that in this ordinance that they post everywhere, in the Wall Street,

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I mean, you name it, in every advertisement that they have, in every application they have, on number 6, they change it there where it states prequalification for a loan of the applicant's choice of lender when actually we do not limit who a person can choose in our actual ordinance. So I don't ...

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I think there's a slight misconception there, Member Cochran.

CHAIR CRIVELLO: Misunderstanding, misinterpretation.

MR. UEOKA: Yeah. Chapter 2.96, in the eligibility criteria, it states that, in order to be eligible for residential workforce housing, an applicant must meet the following criteria and 6 says, prequalify for a loan with the applicant's choice of lender. That's in 2.96. However, just because--my understanding is and, again, I'm not a lender either, but you need to prequalify with the lender but after that you can use whatever lender you want. The developer is just required to make sure you prequal with that group that they've said but later on you can go and borrow money from whoever will lend you money. That is my understanding of how it is. So as far as we know, they are complying with 2.96. Thank you.

COUNCILMEMBER COCHRAN: So they're able then to change the words around? I mean, I don't understand how that's okay. It's not the law. I mean, I thought, if we put something in law, isn't that the law? But a developer can just reword it? I don't understand. That's what we, the Council, created --

CHAIR CRIVELLO: Mr. Ueoka?

COUNCILMEMBER COCHRAN: --the actual verbiage, and it's been changed by the project and developer.

MR. CHUN: I can speak to it.

CHAIR CRIVELLO: Mister ...

COUNCILMEMBER COCHRAN: No, I would like our legal person ...

CHAIR CRIVELLO: Excuse me. Mr. Chun, you may speak to that, please?

MR. CHUN: I understand Ms. Cochran's question and I think I can provide some clarification.

CHAIR CRIVELLO: Thank you.

MR. CHUN: Of course, we're the first builder to enter into a workforce housing agreement under the ordinance. And so, in so doing, we had to negotiate and work out an

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agreement with the Department of Housing and Human Concerns that honored the intent and spirit of the policy. And what we arrived at in terms of implementing the policy in concert with what was envisioned against the backdrop of the fact that a project needs to have a lead lender to vet prospective buyers and to prequalify them, is that as long as the purchasers were at liberty to use any lender that they wanted for their ultimate mortgage, you know, that we were being true to the spirit of the ordinance. And so that was discussed and worked through with the Department and the Corporation Counsel and we all agreed that that would be a way to honor the spirit of the ordinance while still being able to produce a process for the prospective purchaser that would actually work. So, you know, it's, I think it's not unusual when an ordinance is brand new or a provision of an ordinance is brand new, that, you know, wrinkles need to be worked out and that's what we arrived at.

CHAIR CRIVELLO: Mr. Ueoka, do you wish to expand further?

MR. UEOKA: I guess, when we signed the residential workforce housing agreement, we were under the understanding that the applicants would still be able to use the lender of their choice, that was our main concern. Thank you.

CHAIR CRIVELLO: And you are allowing that for the applicant to use a lender of their choice, right?

MR. CHUN: Correct.

CHAIR CRIVELLO: It's the prelending ...

MR. CHUN: Just the prequalification.

CHAIR CRIVELLO: Right.

MR. CHUN: 'Cause, as I said, the lenders that we are using for this process had to go through a class with the Department, they had to learn the ordinance, they had to provide the filter in order to understand who could and could not qualify under the ordinance. And as Mr. Miyajima mentioned, we need lenders to participate in this process because we are not at liberty to ask people for their financial information, their credit situation, whereas, of course, lenders are in a situation where they can do that. So we need lenders to participate in this process.

CHAIR CRIVELLO: I understand. Ms. Cochran, any further comments or is this, you need more clarification?

COUNCILMEMBER COCHRAN: I...no. I just, this is the main reason because I don't believe that, to me that does not fulfill the intent or spirit, so to speak, of this law. It's meant to get people in housing and that is the first hurdle and challenge that everybody has gone through and I'd like to see numbers as in who applied, how many qualified, how many didn't. But this, to me, is where the whole buck stops and why people are not getting in these homes and have continuously, throughout the ages, haven't been

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getting in. And so that part of our ordinance, to me, to revise it and--yeah, it's not about where they get their money in the end, it's getting through that prequalification part that all the lenders that they have slated have been very, very, very restrictive and disqualifying a lot of people out there. So that's where I completely disagree, that this has been twisted and manipulated for I don't know what but it sure didn't resolve, result in getting our people in affordable housing is what I can see.

CHAIR CRIVELLO: Department or Mr. --

COUNCILMEMBER COCHRAN: So I --

CHAIR CRIVELLO: --Ueoka, any further comments --

COUNCILMEMBER COCHRAN: --the legal part --

CHAIR CRIVELLO: --in regards to the --

COUNCILMEMBER COCHRAN: --I still have questions.

CHAIR CRIVELLO: --to Ms. Cochran's comments.

MR. UEOKA: Thank you, Chair. We'll work with the developer on this further.

CHAIR CRIVELLO: Thank you. Department? Any comments?

MS. REIMANN: No, Chair, thank you.

CHAIR CRIVELLO: You say, no comments?

MS. REIMANN: No comments, thank you.

COUNCILMEMBER COUCH: Madam Chair?

CHAIR CRIVELLO: Mr. Victorino?

COUNCILMEMBER VICTORINO: Well, I think Mr. Couch had his hand up first so I'm gonna yield to him so long as he doesn't ask ten questions.

COUNCILMEMBER COUCH: Nope, just one.

CHAIR CRIVELLO: Mr. Couch?

COUNCILMEMBER COUCH: Just one. So let me ask, I guess, Mr. Chun, could somebody come with a prequalification from another institution that was not on your list and --

COUNCILMEMBER COCHRAN: No.

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COUNCILMEMBER COUCH: --would you be able to, would you proceed further with them?

MR. CHUN: We would refer that person to one of the lead lenders. We could provide the information and data compiled by that, the lender that prepared the prequal letter to one of lenders to make sure that everything was done correctly because, as I said, not all lenders out there have been trained under the ordinance.

COUNCILMEMBER COUCH: Understood.

MR. CHUN: Yeah.

COUNCILMEMBER COUCH: So, but if somebody did come with a prequalification letter from somebody else, that would ...

MR. CHUN: We would refer it to the --

COUNCILMEMBER COUCH: Okay, thank you.

MR. CHUN: --one of the lead lenders.

COUNCILMEMBER COCHRAN: They wouldn't accept it.

CHAIR CRIVELLO: Thank you, Mr. Couch. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Madam Chair, that was part of my question but the other part, Mr. Chun and, or Mr. Miyajima, maybe one of you can give us. To this point, if you can, how many applications for prequalification has come in, how many have been reviewed and how many have been declined? And if you don't have that answer, then I would like a letter from us to Mr. Chun to answer that question. But I think it's important for us to understand that. You know, I glad you said that if somebody else came in, prequalified, you'd forward it to them and forward it to maybe Eric or whoever else who would be looking at it 'cause I saw you have, what, four lenders here, you have four different lenders here. One of 'em is Creative Mortgage, which, Creative Financial, which is Ms. Pali-Cruz, who was here this morning, very adamant about building affordable housing and some of the issues that we're discussing right now. Anyhow, so, do you have those numbers or would you be able to provide us those numbers?

MR. CHUN: Yeah, we'll respond to correspondence on that.

COUNCILMEMBER VICTORINO: Okay. Madam Chair, if I can make that request please?

CHAIR CRIVELLO: Thank you, Mr. Victorino. Staff, you'll make note of that. Any further comments or questions further? I'd like to also make note that I think, I know that the Committee, our Committee here, will need to again review 2.96. It is up for review, it's due accordingly for us to review it. And perhaps then we can get more detailed into this 2.96.090 as to the application selection process. These have been in here

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from who knows when and maybe then we need to have better interpretation and how we interpret the 2.96 selection review. I do believe the developer, in all due respect, has tried to set it up so that people can try and qualify for this efforts of purchasing their own home. And I can appreciate those efforts from the developer, as well as the prelender process. I think, I don't believe you guys get paid enough to do that or probably don't even get paid to do it, so thank you. It helps our process for the new homebuyers to, you know, if--we've all gone through that process of trying to purchase a home. Some of us didn't have the luxury of being, going through a process of counseling and prelending. We just had to come up with the monies and what have you so I can understand and appreciate the process. So we know that there's some dissecting perhaps we can do and then you did your best to interpret. So that being said, Members, any other questions or comments or further discussion? Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, Chair, thank you. For the developer, in your folks', you had an article in the paper, but I think it was your President/CEO, Chris Benjamin, that was quoted in there, but he stated that there's, one of the hardships for you folks has been the difficulty to meet this strict County affordable housing criteria. So what, are you aware of what he meant by that?

MR. CHUN: Well, there are criteria in the ordinance that make it more difficult for a purchaser to purchase, I will say that. And, you know, would be happy to participate in the process that Ms. Crivello had mentioned will be taking place. Mr. Couch made a, you know, astute observation as far as the ordinance actually limiting how much a person could have saved in the bank, you know. There are unusual situations where people actually have saved quite aggressively but if they've saved too much, they actually don't qualify under your ordinance, things like that.

CHAIR CRIVELLO: And that's an ordinance, that portion was passed years ago, sometime ago. Right, so it's time for us to do a review, why there was such heavy restrictions, I was not around. Ms. Cochran?

COUNCILMEMBER COCHRAN: Well, I mean, I have other questions as in the hardship on behalf of the developer. Homebuyer education classes, I know is a good thing but I guess you highlight the \$75 fee for them and these are people who really, I mean, that can be a stretch to pay \$75 for this homebuyer education class that you highlight a lot in your ads and on your website and what have you.

CHAIR CRIVELLO: Mr. Chun?

MR. CHUN: Well, actually, you know, our lenders can probably speak better to this. But actually, many of the loan products, like your Freddie's and Fannie's, are going to require homebuyer education. You know, the, a fact that we've offered it through Hale Mahaolu at \$75 means that it has been subsidized by us. So actually we subsidize to the tune of 50 percent of the cost of the class. In addition, if the student becomes a purchaser, we actually credit that amount to the purchase price. Further, the subsidy is such that it's a not per student charge, it's a per purchaser charge. So if it's a

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married couple, it's still only \$75. So we actually did think about completely subsidizing the cost of a class for prospective purchasers but actually made a conscious decision not to do so because we felt that it was important to have a little bit of skin in the game. We were given the perspective that attendance in the class is going to be a lot better, for instance, if there's just a little bit of skin in the game and that came from, you know, Roy Katsuda, who, of course, you know, oversees that program at Hale Mahaolu, feeling very strongly that it's a good idea for people to participate in the process even if it's a sum that is not the complete, the total cost of class.

CHAIR CRIVELLO: It's a commitment coming from the student.

MR. CHUN: Correct.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COCHRAN: Right. I guess, Chair, my question though is I thought this body helps fund this course through Hale Mahaolu so why is it, and it's free because the County subsidizes the classes, so why is it that they can't take advantage of that, the general public, can't take advantage?

CHAIR CRIVELLO: Mr. Couch?

COUNCILMEMBER COUCH: Just to remind the Members that Hale Mahaolu came up and talked to us. Yes, we do subsidize, but they said that they charge, they want to charge the people because they found that if they didn't charge the people, people wouldn't come to subsequent classes. So they do not do free classes. That's, they were very explicit about that during Budget. Thank you.

CHAIR CRIVELLO: You're right. Right.

COUNCILMEMBER VICTORINO: Madam Chair?

CHAIR CRIVELLO: Mr. Victorino, and then Ms. Cochran?

COUNCILMEMBER VICTORINO: If I remember correctly, the money we gave 'em only was for a limited number of the general public, it wasn't for everybody. And if you had 300 or 400 people come out, it was not even close. And I'm not remembering exactly how much of that money, you know, divided by how many people that covered, but I remember it was a very small portion, it didn't cover a large number. So if you had 500 people take credit classes, it wouldn't even come close. And I don't know the numbers, maybe we can ascertain that from the Budget and/or the Department as far as ...

CHAIR CRIVELLO: Maybe we'll make a note --

COUNCILMEMBER VICTORINO: Ask the question.

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CHAIR CRIVELLO: --to ask the Department to --

COUNCILMEMBER VICTORINO: Yes, please?

CHAIR CRIVELLO: --give us that. But we also know that Hale Mahaolu credit counseling also involves when people who are coming close to foreclosure.

COUNCILMEMBER VICTORINO: Right, it's all aspects.

CHAIR CRIVELLO: Yeah, it's all different components that they try to counsel with our population. Mr. Chun?

MR. CHUN: Madam Chair, just to clarify to the, the work of Hale Mahaolu wasn't subsidized by the County's, the work of Hale Mahaolu for our project wasn't subsidized by the County's grant.

CHAIR CRIVELLO: Okay. So that's a clarification that Hale Mahaolu has actually been outsourced by you, you as a developer, and you're basically subsidizing but asking the applicants to also pay a fair share?

MR. CHUN: Yes.

CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Have you reached the end of your qualification? You know, the units are, at the market are a certain level of qualification for 90 or, I think it's 90 days or 60 days, I can't remember, and then it goes to the next level of qualification. Have you done any of that? Have you reached any of those milestones?

MR. CHUN: It's 90, 180 and 270 days, actually --

COUNCILMEMBER COUCH: Okay.

MR. CHUN: --yeah. The first 90 days has passed.

COUNCILMEMBER COUCH: Okay, but the price stays the same?

MR. CHUN: Yes.

COUNCILMEMBER COUCH: It's just, instead of that ...

MR. CHUN: The buyer pool gets bigger.

COUNCILMEMBER COUCH: Right, okay. So instead of somebody at 100 percent, if it was 100 percent, now somebody at 120 percent can go --

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MR. CHUN: Exactly.

COUNCILMEMBER COUCH: --but the price stays the same with the house?

MR. CHUN: Yes.

COUNCILMEMBER COUCH: Okay, thank you.

CHAIR CRIVELLO: Thank you, Mr. Couch. Any further...Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you. And so you folks ask for a deposit, I mean, obviously, there's a deposit, and, but that, regardless, if you actually end up qualifying or actually going through everything, when all is said and done, of \$10,000, that is nonrefundable. So people have to pay in and, for, I don't know, some unknown reason, something falls through and they cannot fulfill, you know, the entire agreement or some sort then you folks keep that portion, is that correct?

MR. CHUN: So far we haven't had that situation occur. All of our buyers are very excited to see the process through, but we have our principal broker, Steve Baker, here who could address that more specifically.

MR. BAKER: Good afternoon, Madam Chair.

CHAIR CRIVELLO: Thank you.

MR. BAKER: Yes, there is a \$5,000 ...

CHAIR CRIVELLO: Can you introduce yourself, again, please?

MR. BAKER: Sure. I'm Steve Baker, broker at KW Island Living, the principal broker for the project. And there is a \$5,000 deposit at contract signing, very typical of any new development, and then a second deposit after their 30-day mandated State right of rescission, and that is typically nonrefundable on any new development. Again, as Mr. Chun said, we haven't gotten to that point where someone hasn't been able to qualify at the end.

COUNCILMEMBER COCHRAN: Okay. And that's, I guess, just to hold the unit while all the paperwork and things are being finalized?

MR. BAKER: Yes, that's correct. It gets deposited into a third-party escrow company so it's, we're not using it.

COUNCILMEMBER COCHRAN: Okay. So at this point, no one has lost or, you know, not fallen through and then ...

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MR. BAKER: No. And we've been very accommodating for those unable to make the deposits. We've offered, we've told them, if you share with us that you can't come in with the second \$5,000 after 30 days, because we recognize the struggles of people coming up with their down payment, and we've had people make payments towards their second deposit, so multiple payments for the second deposit, and even the first deposit. So one buyer put in a very small down payment and then went to her 401K to get the funds. And so we've been very accommodating but they have to share with us their issues also.

COUNCILMEMBER COCHRAN: Sure. Okay. And then, lastly, the move-in cost, there's a, you folks put a \$25,000 cost for move in. And that's my question is, what does that mean and what does that entail?

MR. BAKER: I have never heard that cost. I've never...I know nobody on our team has ever spoken of such a cost and that's, appears to be some misinformation as far as I'm concerned. I don't even know what that would, you know, where that would come up --

COUNCILMEMBER COCHRAN: Okay.

MR. BAKER: --the \$25,000 move-in cost.

COUNCILMEMBER COCHRAN: Yeah, it was stated to me from a couple applicants and it was told to them, so, anyhow, that was just why I'm asking the question.

MR. BAKER: Yeah, no, I appreciate that. There's a lot of misinformation out there and we found that throughout our process. We said, just come, even to other, you know, real estate brokers, come to us because they don't all understand the Workforce Housing Ordinance and they make it up almost as they go along. And we've lived and breathed it now for over a year so we just ask 'em to come and talk to us and we can explain it all to 'em.

COUNCILMEMBER COCHRAN: Yeah, sorry, but this isn't about the Workforce Housing Ordinance itself, this is, I guess, on your folks' behalf, what you're requiring people to come up with or, so, I guess you're saying, no --

MR. BAKER: No.

COUNCILMEMBER COCHRAN: --you've never heard of that?

MR. BAKER: That's correct, never heard of it.

COUNCILMEMBER COCHRAN: Okay, alright. Well, thank you for your time today.

MR. BAKER: Thank you.

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CHAIR CRIVELLO: Members, any further comments or questions? Any more comments from Corporation Counsel or Department?

MS. REIMANN: Chair, thank you. I would just like to really commend A&B Properties for stepping up and, you know, just coming out of the great recession with this product and, you know, affordable housing for Maui. We all talk about it and how much we want it and A&B has stepped up. And so, yes, we have some challenges here but, you know, we're looking forward to getting families, local families, residents, in these homes. Thank you.

CHAIR CRIVELLO: Right. And thank you, Ms. Reimann. You know, I'd like to add further, thank you, Mr. Chun, for being here. Any more questions for Mr. Chun?

COUNCILMEMBER COCHRAN: Sorry, lastly, Chair?

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COCHRAN: In your, looks like your sales application packet, April 2016, I happen to come across one of these. On the second page it has, the developer may or may not develop Increments 2 and 3 in the project. So, I mean, my understanding was when this project came to this body for a decision that you, I mean, of course, they're increments and phases, yes, but this is saying that you may never even build them out ever. What does that mean?

MR. CHUN: Well, in consideration of the requirements that exist, as far as our subdivision registration, we have to be, we have to put information, make information available to prospective purchasers as far as, you know, the potential for future phases when--well, frankly, the situation that exists in the County of Maui is there may or may not be water available. Increment 1 is an affordable housing project. Increments 2 and 3 are market housing. So those, you know, we'd love for those to occur, but, of course, we've gotta continue to work together in concert with the Administration to make sure that appropriate infrastructure is available for that to proceed. But the affordable housing is Increment 1 and so that reference does not impact the commitment or ability to proceed with and provide the affordable units.

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

CHAIR CRIVELLO: Thank you. Members, any other clarification, comments? I want to thank you. And, Mr. Chun, I want to thank you. You know, I think this is a healthy discussion as far as what we've come through with projects that's on this list. And I agree, there's a lot of misinformation out there and this is how we try to improve communications by having the dialogue or the discussion and I appreciate the efforts to try and provide affordable homes for our families of Maui. So that's, I think, our ultimate purpose, for us to, you know, we say a lot but then as we try to process, the qualifications for our families is a step-by-step process so I can appreciate that. And, Members, if we have no further discussion and we're all done, without objections, the Chair will defer this matter.

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COUNCILMEMBERS VOICED NO OBJECTIONS (excused: GCB).

ACTION: DEFER HHT-41.

CHAIR CRIVELLO: Thank you. Members, we have completed today's agenda. I'd like to thank the Administration, the Housing and Human Concerns Department, as well as Corporation Counsel for your participation. And I'd especially like to thank Michele Yoshimura and Clarita Balala for being here, and Members, thank you for giving us the opportunity so that we have full quorum. Thank you and at this time the November 3, 2016 meeting of the Housing, Human Services, and Transportation Committee is now adjourned. . . .(gavel). . .

ADJOURN: 3:00 p.m.

APPROVED:



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

hht:min:161103:alp

Transcribed by: Annette L. Perkett

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CERTIFICATE

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

DATED the 25th day of November, 2016, in Haiku, Hawaii.



Annette L. Perkett