

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

Council of the County of Maui

MINUTES

November 17, 2016

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 Riki Hokama

NON-VOTING MEMBERS:
Councilmember Elle Cochran

EXCUSED: VOTING MEMBERS:
Councilmember Don S. Guzman
Councilmember Michael P. Victorino

STAFF: Michele Yoshimura, Legislative Analyst
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.: 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: Tom Blackburn-Rodriguez, Executive Consultant, Go Maui
Additional attendees (8)

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

CHAIR CRIVELLO: ...*(gavel)*... The meeting of the Housing, Human Services and Transportation Committee will now come to order. It is 1:30 p.m. on Thursday November 17, 2016. Before we begin may I please request that we all turn off or silence our cell phones and that includes myself. At this I'd like to introduce our

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voting Committee Members. I'm the Chair, Stacy, Councilmember Stacy Helm Crivello. With us today is Committee Vice-Chair Gladys Baisa.

VICE-CHAIR BAISA: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon, thank you for being here. Councilmember Bob Carroll.

COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: Good afternoon, Councilmember Don Couch.

COUNCILMEMBER COUCH: Aloha. Good afternoon, Chair.

CHAIR CRIVELLO: Aloha. And Councilmember Riki Hokama. Excused today is Councilmember Don Guzman and Councilmember Mike Victorino. At this time we have our non-voting Committee Member who's present, Councilmember Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha. Thank you, Chair.

CHAIR CRIVELLO: Also from our Administration we have Carol Reimann, Director of Housing and Human Concerns, and Buddy Almeida, Housing Administrator. With us from the Department of Corporation Counsel is Deputy Corporation Counsel Jeff Ueoka, and of course our Staff who does most of the work is our Committee Secretary, Tammy Frias, and Legislative Analyst, Michele Yoshimura. Members, we have one item on the agenda today so we'll start with public testimony. Any public testimony?

MS. FRIAS: No, Madam Chair.

CHAIR CRIVELLO: We have no testimony in the Chambers. I will check now with the District Office. Hana District Office?

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, Hana. From the Molokai District Office?

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

CHAIR CRIVELLO: And from our Lanai District Office?

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai and there's 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 8th floor lobby just outside the Chamber door. If you will be testifying from the remote testimony locations specified on the meeting agenda,

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please sign up with Council Staff at that location. Testimony will be limited to the item listed on the agenda today, and pursuant to the Rules of the Council each testifier will be allowed to testify for up to three minutes per item with one minute to conclude if requested. When testifying, please state your name and the name of any organization you are representing. I understand we do have a testifier in the gallery.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR CRIVELLO: Thank you. Our first testifier is Tom Blackburn-Rodriguez.

MR. BLACKBURN-RODRIGUEZ: Good afternoon, Chair Crivello and Members of the Housing, Human Services and Transportation Committee. Before I begin my testimony, I would like to be sure I wish everyone a very Happy Thanksgiving to you and your families. My name is Tom Blackburn-Rodriguez and I am testifying today as a representative of Go Maui, on a proposed ordinance to amend Chapter 2.96, Maui County Code, relating to Residential Workforce Housing Policy. Go Maui supports the intent of this bill, which is to extend housing credits for rental options. Affordable rental units are rare in Maui and getting harder to find with each passing day. With a lack of supply, rents are going up and people are doubling and tripling up because they are caught in the middle with no place to go. While the current market for housing credits is in a surplus mode, this will not always be the case and the bill in question puts in place a process to address housing credits for rental developments that will be there when it is needed. Go Maui supports such forward planning. A couple of quick suggestions: Section 2.96.070, and I have distributed written copies of testimony to the Clerk, residential workforce housing restrictions section C2, "c" asks that proof of compliance with income guidelines for rental units be submitted quarterly. This seems overly burdensome and can take more staff time than available. We suggest an annual compliance report. Section D lays out the penalty process for the failure to comply regarding income guidelines. This seems a bit complex and does not say who issues the fine and how it is to be collected. There are no penalties mentioned for not paying the fine. Section E, Annual Recertification appears to set one renter against another and can remove one renter from their apartment to replace them with an income-qualified renter. What happens to the renter having to leave because their income increased? In the current market they may not find anything to rent. Perhaps this section can be reviewed giving the Director more discretion so that it does not inadvertently punish people for their economic mobility and hard work. Thank you again for the opportunity to testify on behalf of Go Maui and thank you again for your continued efforts to assist in developing a truly affordable housing...truly affordable housing for local people. Thank you very much for your hard work. Aloha.

CHAIR CRIVELLO: Thank you. Do we have any comments or clarification or questions for the testifier? Thank you.

MR. BLACKBURN-RODRIGUEZ: Thank you.

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CHAIR CRIVELLO: Thank you for being here. Are there any more testifiers from the gallery?

MS. FRIAS: No, Madam Chair.

CHAIR CRIVELLO: From our District Office I don't believe we received any notification of testifiers. So at this time if there are no objections, I would like to close testimony?

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: Thank you.

. . .END OF PUBLIC TESTIMONY. . .

ITEM HHT-2: AMENDMENTS TO THE RESIDENTIAL WORKFORCE HOUSING POLICY
(CC 16-132)

CHAIR CRIVELLO: Members, one item on the agenda, HHT-2, it's Amendments to the Residential Workforce Housing Policy. I'd like to first of all read the description. The Committee is in receipt of the following: County Communication, 16-132, from myself Councilmember Stacy Crivello, relating to amendments to the Residential Workforce Housing Policy. Correspondence dated August 8, 2016, from the Director of Housing and Human Concerns, transmitting a proposed title [sic] entitled A Bill for an Ordinance Amending Chapter 2.96, Maui County Code, Relating to Residential Workforce Housing Policy. The purpose of the proposed bill is to amend the County's Residential Workforce Housing Policy, including provisions relating to housing credits, residential workforce housing restrictions for rental units, and vacancies in residential workforce housing units. The Committee may consider whether to recommend passage; however, Members, the Chair's intent is to receive comments from the Department regarding the proposed changes to the workforce housing policy. Pursuant to Chapter 2.96, a review of the policy is warranted every two years. The last review was done in the last quarter of 2014. Therefore, I am or I will be recommending that this item be deferred. At the next HHT meeting I will refer this item to the Council Chair for the term beginning 2017 so it can be included in the comprehensive review of the 2.96 policy. At this time we'd like to ask our Department of Housing and Human Concerns to review what is being proposed.

MS. REIMANN: Thank you, Chair.

CHAIR CRIVELLO: Ms. Reimann? Thank you.

MS. REIMANN: Thank you. So I'd just like to start off with the reason for these, the amendment before you today is because, you know, after this body amended Chapter 2.96, there's been a slew of developers coming to our office, you know, interested in developing affordable units and interested in really, you know, building homes and some of them are interested in actually building rental units which is what we have the biggest shortage of and I think the greatest need. So we made some change and

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when we realized 2.96 didn't include credits for rental units we decided to offer up some amendments to the bill and we actually showed these amendments to some of the developers who requested the credits and what we have before you today is here. So, Chair, would you like me to start? So under Chapter 2.96...

CHAIR CRIVELLO: Excuse me is your microphone on? Okay, thank you.

MS. REIMANN: Is that better? So under Chapter 2.96.050 credits may be issued by the Director upon request of the developer provided that and we are replacing the first two paragraphs with four paragraphs. The first paragraph reads, each residential workforce housing unit constructed in the development shall be encumbered by a recorded deed restriction that meets the requirements of this chapter. This really clarifies the intent. No. 2, each residential workforce housing unit shall be sold or rented to an income-eligible individual. No. 3, credits may be, credits may only be issued for each residential workforce housing unit sold or rented to an income-eligible individual in the appropriate income group that is in excess of the residential workforce housing requirement set forth in Section 2.96.040, provided that those developments comprised of 100 percent residential workforce housing units, only 75 percent of the residential workforce housing units sold or rented to the income-eligible individuals shall be eligible for credits. Further provided that, for those developments comprised of 100 percent residential workforce housing units that are to be rented to those households whose gross annual family income is 60 percent or less of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai, shall be eligible for credits for each residential workforce housing unit constructed. No. 4, notwithstanding the foregoing, for those developments developed pursuant to Chapter 201H, Hawaii Revised Statutes, only those developments comprised of 100 percent residential workforce housing units shall be eligible to receive credits and only those units sold or rented to income-eligible individuals in excess of 50 percent of the total number of residential workforce housing units sold or rented to income-eligible individuals shall be eligible for credits. So that's the first part. On Page 3, in regards to the deed restrictions, Item C1, the rental residential workforce housing unit shall be subject to the requirements of this chapter for 30 years, commencing on the date of initial occupancy. That's a 30-year deed restriction. Item 2, in regards to the 30-year deed restricted period, Item C, owner or owner's representative shall submit proof of compliance with income guidelines for rentals quarterly. So that will prove compliance. No. 4 is a new one, deed restriction shall set forth the number of units in the development that shall be designated as residential workforce housing units along with the relative income group of those units. The deed restriction may, but shall not be required to, identify specific units as residential workforce housing units. Item C remains the same. The addition of D, failure to comply with income guidelines shall result in owner paying to the County, for deposit into the Affordable Housing Fund, the difference between the actual rent paid or the rent for the income group which the non-qualified renter falls into, whichever is greater, and the rent for the income group required under the deed restriction. So that's a penalty clause. Item E, outlines annual recertification. Owner or owner's representative shall complete an annual recertification of tenants that are occupying the residential workforce housing units to verify that the tenants meet

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income guidelines. Tenants who have graduated to a higher income group during the term of the lease may be allowed to fulfill the terms of their lease, subject to the requirements of deed restrictions. In the event that the lease is month-to-month and the tenant is no longer income qualified, owner or owner's representative shall, as soon as legally possible, lease the residential workforce housing unit to an income-qualified individual. Owner or owner's representative may allow the lessee to stay in the unit provided that there is availability in the appropriate income group and the unit will then be used to satisfy the requirement for that income group. So that ensures affordability that it stays affordable. Section 3 there have been changes to priority. Item No. 6 is a revision. In the event of a vacancy in a residential workforce housing unit, owner or owner's representative shall make its reasonable best efforts to fill the unit with an applicant in the same income group as the vacating tenant to maintain the proper distribution of rentals across the "very low income" and "low income," "below-moderate income," and "moderate income" groups. If after a 30-day period the unit remains vacant and owner or owner's representative has made its reasonable best efforts, as determined by the director, to rent the unit to an income qualified individual, owner or owner's representative may rent the unit on the open market for a period not to exceed 12 months. Upon the tenant vacating the unit or the expiration of the 12-month period, whichever is sooner, owner or owner's representative shall make its reasonable best efforts to rent to an income-qualified individual to maintain the proper distribution of rentals across the "very low income" and "low income," "below-moderate income," and "moderate income" groups. And that's the end of the revisions.

CHAIR CRIVELLO: Thank you, Department.

MS. REIMANN: We're here for any questions.

CHAIR CRIVELLO: Thank you. Members, I will open the floor for further discussion or questions in reference to the agenda item. Mr. Hokama?

COUNCILMEMBER HOKAMA: Have you run this by Finance Department including Real Property Tax Division on any concerns or factors that could apply to either valuation or assessments?

MS. REIMANN: No. Councilmember Hokama, no we have not.

COUNCILMEMBER HOKAMA: I appreciate the testimony this afternoon so I would ask if you can maybe give us guidance in a future meeting of your Department's preference, 'cause one of the things that for myself and maybe the other Committee Members is who is going to enforce it and how are you going to enforce this. I know some is placed upon the owner or owner's representative as you have required them on the recertification but, you know, is your Department able and staffed to do this, is Finance able to implement this?

MR. ALMEIDA: Thank you, Chair. Thank you, Member Hokama. We recently hired a new staff member whose primary responsibilities will be the tracking of residential

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workforce housing agreements and requirements. So we're hopeful depending upon the amount of units to great created and how quickly they get created that this position will be able to accommodate and maintain the monitoring of these projects. Thank you.

COUNCILMEMBER HOKAMA: Okay. My question last question at this time, Chair, is there a legal issue that is facing us that maybe is driving some of this language? Is that a concern or factor for this Committee?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I'm not aware of any legal issues right now pushing this, Mr. Hokama. Thank you.

COUNCILMEMBER HOKAMA: Okay. But the key is to find a venue to allow the consideration of the rental component for credit opportunities if I'm can state it that way?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yes, Mr. Hokama, as the Director mentioned, when affordable or residential workforce housing rental developers came to us they were asking us about credits, and upon further review, we realized we didn't have the language in there to give credits and it was the policy decision on the department to, you know, further encourage rental developments. Thank you, Chair.

COUNCILMEMBER HOKAMA: Thank you, Mr. Ueoka. Chair, I'm done at this time but his response made me think of another thing but I'll await my next turn. Thank you.

CHAIR CRIVELLO: Mr. Couch and then Ms. Baisa.

COUNCILMEMBER COUCH: Thank you, Madam Chair. You know, I appreciate that Ms. Reimann read through the stuff and made some comments but can we get a little bit more in depth as to why each section here, I mean for instance in Section 1, A1, you're saying now that all workforce housing units will have a deed restriction and then in 2 you say each residential workforce housing unit shall be sold, resold, I mean sorry, sold or rented to an income-eligible individual. Any thoughts of resold if, you know, somebody had to, if they, the family owns a workforce housing unit, something happens to their family on the mainland or something like that and they have to go can they sell it to another income-eligible individual?

COUNCILMEMBER COCHRAN: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Thank you, Mr. Couch. That language is, right now we're just talking about the issuance of credits. There are provisions in 2.96 and other areas regarding resale and those types of matters. And as far as the encumbered by recorded deed restriction and sold or rented to an income-eligible individual, it was the

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Department's intent to just make sure that was crystal clear. I believe we don't want to be giving credits out for units that are built that aren't deed restricted and are not sold or rented to income individuals, income-eligible individuals.

COUNCILMEMBER COUCH: Okay.

MR. UEOKA: That's the intent behind those. Thank you, Chair.

COUNCILMEMBER COUCH: Okay. Yeah, and that, you know, when next time maybe when going through that it might be helpful to say alright we put this in here because. So in 3 you have, you know, credits may be only issued all the way down to you talk about provided that those developments comprised of 100 percent residential workforce housing units only 75 percent of the residential workforce housing units sold or rented to income-eligible individuals shall be eligible for credits. That is kind of redundant to what the first phrase says so I'm just curious why it's in there twice. I mean, yeah, it explains what you mean in the first phrase but because credits may only be issued for each residential workforce housing unit sold or rented to an income-eligible individual in the appropriate income group that is in excess of the residential workforce housing requirement set forth in Section 2.96.040 period. Would...should suffice that provided all the way to the end of the sentences kind of redundant isn't it?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. We thought so to at first when we drafted this, the first amendments to 2.96, but it was pointed out to us that if you're doing a 100 percent residential workforce housing development, your residential workforce housing development is, requirement is zero because currently under 2.96 the requirement is on market lots. So if you have 0 market lots your requirement, 25 percent of 0 is 0. That's why when we amended it and we came through this body --

COUNCILMEMBER COUCH: Gotcha.

MR. UEOKA: --we made sure that it was clear that even if you were a 100 percent residential workforce housing you only could get credit for 75 percent.

COUNCILMEMBER COUCH: Okay.

MR. UEOKA: Thank you, Chair.

COUNCILMEMBER COUCH: I can see how a sharp lawyer might get around that but it's, I mean it's intuitively obvious that 25 percent is the number, okay, so you're required to build if you build a 100 homes, 25 of 'em are supposed to be workforce housing so you get credit for the 75 but that spells it out. Yeah, makes sense.

CHAIR CRIVELLO: 'Cause it's 100 percent.

COUNCILMEMBER COUCH: Yeah.

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CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: Yeah. That spells it out a little bit better. Okay. I was just checking. Now and I'll stop after this one, I got plenty more but I'll just let the other folks chime in. But still on 3, you're talking 60 percent or less of the area median income further provided that for those developments comprised of 100 percent residential workforce housing units that are to be rented to those households whose gross annual family income is 60 percent or less. Why did you pick 60, why not 80?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. As we mentioned, as the Director mentioned we were working with developers and that was their request, and our understanding, 60 percent was the number that was requested by the developer and our understanding is the 60 percent is also the cutoff for low-income housing tax credits. And 60 percent or below from my understanding working with the Housing Division is that, that is very vulnerable group. It's difficult to find it so for that additional incentive the idea was from the Department that those are the people you want to help the most so make it extra helpful to developers helping that group. Thank you, Chair.

COUNCILMEMBER COUCH: So in essence if you go less than 60 percent you get the 100 percent now as opposed to the 75 percent?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yes.

COUNCILMEMBER COUCH: Okay.

MR. UEOKA: If you do a 100 percent affordable to 60 percent income group --

COUNCILMEMBER COUCH: Right.

MR. UEOKA: --you can get 100 percent credits.

COUNCILMEMBER COUCH: Hundred percent credits.

MR. UEOKA: Thank you, Chair.

COUNCILMEMBER COUCH: Okay. Okay. Alright.

CHAIR CRIVELLO: Ms. Baisa?

VICE-CHAIR BAISA: Yes. I'm interested in this statement on Page 3, No. 4. The deed restriction shall set forth the number of units in the development that shall be designated as residential workforce housing units along with the relative income group

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of those units. The deed restriction may, but shall not be required to, identify specific units as residential workforce housing units. Why is that? Why did we give the exception, exemption??

CHAIR CRIVELLO: Mr. Ueoka? Thank you.

MR. UEOKA: Thank you, Chair. Again as the Director mentioned we were working with the developers and it was brought up to us that in a 100 percent residential workforce housing unit rental development no matter but in a mixed use one --

VICE-CHAIR BAISA: Right.

MR. UEOKA: --it may be where they have 100 units that are similar or if not identical and if one opened up and they couldn't get a...they just didn't want to have to label 'em all one way or the other. If they could get more residential workforce housing unit renters in there they were fine with that. So they didn't want to just have to dictate that these 20 units are the residential workforce housing units so as long as they have 20 in the development that's what the deed restriction should say, they should be okay.

VICE-CHAIR BAISA: And for the person who occupies the unit they don't need to know? They would want to know right? It's important to me is this a deed-restricted unit that I'm in or not.

CHAIR CRIVELLO: Mr. Ueoka?

VICE-CHAIR BAISA: I'm confused about why you need to have it and yet not identify it. I would want to know if I was living in a deed-restricted unit.

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. In a rental situation the unit itself probably won't be deed restricted, it will be the whole project that will be deed restricted.

VICE-CHAIR BAISA: Right. Okay.

MR. UEOKA: Therefore, you as the person living in it would know you're in deed restricted because you are a residential, you're residential workforce housing eligible so that's how you would know you're in a, you know, "deed restricted unit."

VICE-CHAIR BAISA: Okay.

MR. UEOKA: Because you are the eligible renter.

VICE-CHAIR BAISA: Okay. Next one, why 30 years?

CHAIR CRIVELLO: Mr. Ueoka?

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MR. UEOKA: Thank you, Chair. We kept the language from the last amendments to 2.96, that's what was agreed to by this body.

VICE-CHAIR BAISA: Well, you know, we've had so much discussion here about perpetuity and 30 years is a blink of an eye as far as I'm concerned. I've been in my house over 40 years I mean I own my home almost 40 years. So I don't know. I'm sure that there's people that feel that it should be longer. Just wondering what the rationale was. Thank you.

CHAIR CRIVELLO: Any further comments on that question, Department or Mr. Ueoka?

MS. REIMANN: No, Chair, no.

CHAIR CRIVELLO: Thank you. Mr. Carroll, any questions or comments?

COUNCILMEMBER CARROLL: Not at this time.

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

COUNCILMEMBER COUCH: He said yes.

CHAIR CRIVELLO: Mr. Hokama?

COUNCILMEMBER HOKAMA: Oh, thank you, Chair. I appreciate you allowing the Members to go through this question and recommendations of considerations, Chair. I want to ask since my concern more, is more about the rental component than the fee. Especially depending when and if you do use the credit so if you're let's say the first developer you definitely want to make use of the credit and if you're the guy that inherits, buys, or somehow assumes the project but there's no credit for you now to use. I mean what's the motivation for him to continue once he gets through the 30-year period? If and I hear that it can be a concern for some of our Committee Members. So is there comments that you could share with us this afternoon on whether or not we should look at the credits in a different light depending whether it's for a rental project or not?

CHAIR CRIVELLO: Department or Mr. Ueoka, in respond to Mr. Hokama's question please.

MR. UEOKA: Thank you, Chair. We weren't sure how we could create a different...we didn't want to create another type of credit so for simplicity we just kind of stuck with the standard 2.96 credits but we do understand your concern about at the end of the 30 years all these credits have been issued and the current owner of the building or, you know, subsequent owners of the building will not have any real incentive except probably property tax incentives to continue having it be residential workforce housing units. I believe there's something in 3.48 and in 2.96 there is a section that states that the Real Property Tax Division should take into consideration the deed restrictions. I hope that kind of answered your question, Mr. Hokama. Thank you, Chair.

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COUNCILMEMBER HOKAMA: Well, you just verified for me that it's an area that needs to be reviewed and worked on better. 'Cause again what is the motivation after the 30 year, if we keep 30 years has expired, because you are recommending to us, well, not you, the proposal is recommending to us that the project owner can sell. Right?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Oh, yes, correct, Mr. Hokama. However, it is a deed restriction that will run with the land so for the 30-year period it will need to remain deed restricted under the...

COUNCILMEMBER HOKAMA: My concern is after the 30 years.

MR. UEOKA: Yeah, understood. Thank you.

COUNCILMEMBER HOKAMA: And so with that saying that also when you look at No. 7 on the last page of Section 3 and then you look at Section 3 on Page 3 under C, deed restrictions, I would like us to see if we can work better and more consistent language upon notification and how we are going to approach considerations like sales. You know, under your deed restrictions component on Page 3, you have 90 days before the expiration of the 30 year, the owner shall offer the County the right to purchase. Well, being a senior member who sat through many purchase considerations, why does, why would we agree to putting the Council in such a corner again to make a important decision in a very short time when we may want to re-verify a, maybe a real property appraisal. We may want to look at certain other factors, whether there's outstanding Federal monies involved or reporting requirements. I am not happy with the 90 days to be honest with you. So I'm just being upfront I think it puts Council in a difficult position again regarding a decision to purchase 'cause this is what it is to purchase at market value, and then you have that other component I already shared with you that the residential owner can, you guys give us intent to sell I believe with just written notice prior to closing of sale. That's pretty short notice for us if we would like to do something. Unless I'm reading it wrong which I hope, but if I'm not, that's a issue for, of concern regarding timing and the burden it places on Council. So that would be some of my areas of concern I would ask for you to, well, Chair, I think maybe we should send a letter 'cause I think Finance needs to be able to give us their comments because they will be involved somehow in this proposal.

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

COUNCILMEMBER HOKAMA: Thank you.

CHAIR CRIVELLO: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. I think I can, I definitely understand where Mr. Hokama's coming from and I think I might have a solution for that and maybe it's in there, maybe it's not, but once the, if we stick with 30 years,

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once the affordability, the units are no longer in affordability the credits expire. That would make an incentive to either, you know, not to take it out of affordability. Once the unit is no longer in affordability you no longer have affordable credits 'cause credits are for an excess affordable home built. If somebody holds onto that credit for 30 years and then that affordable is no longer affordable there should be no credit for it.

CHAIR CRIVELLO: Would you...Mr. Ueoka, I see a frown on your face.

MR. UEOKA: I apologize, Chair.

COUNCILMEMBER HOKAMA: Nobody going hold 'em for 30 years.

COUNCILMEMBER COUCH: Oh no, I understand.

CHAIR CRIVELLO: No, no, go ahead, Mr. Ueoka.

MR. UEOKA: Respectfully, Mr. Couch, I don't think that would work. Once the developer gets the credits which was our problem, that's why we needed the deed restriction that's what locks 'em in. They'll get their credits, if they do it right, they're going to use or sell their credits for another project.

COUNCILMEMBER COUCH: Of course.

MR. UEOKA: So after 30 years if they did it right they won't have any credits left and we can't well go back to another project that bought or utilized these credits and say sorry you lost your 2.96.

COUNCILMEMBER COUCH: No I'm sorry. Any unsold credits.

MR. UEOKA: Oh.

COUNCILMEMBER COUCH: If they, there's some credits that are out there for, I don't know, at least what, 15 years now that are still out there. So I'm saying if they haven't been sold during the time that the unit is in affordability then it is no longer a credit because the unit is no longer affordable. I'm sorry I wasn't clear on that, yeah, if it is an unsold credit it expires. Does that make sense, Madam Chair?

CHAIR CRIVELLO: If you're talking within that 30 day...

COUNCILMEMBER COUCH: Thirty years.

CHAIR CRIVELLO: Thirty years restrictions.

COUNCILMEMBER COUCH: Yeah if they haven't sold it in 30 years. Like I said there's --

CHAIR CRIVELLO: If they hold on to it.

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COUNCILMEMBER COUCH: --I think there's some credits out there --

CHAIR CRIVELLO: Yeah.

COUNCILMEMBER COUCH: --that are 15 years old now.

CHAIR CRIVELLO: Okay. I see.

COUNCILMEMBER COUCH: And those credits don't expire and those houses that they got credits for are in ten-year deed restrictions. So somebody's got credits for affordable housing.

CHAIR CRIVELLO: I think I'll let our legal mind sort of clarify that and/or where do we need to take it, Mr. Ueoka?

MR. UEOKA: Thank you, Chair. We'll wait for your written comments on that and we'll try and address it in a future amended bill. Thank you, Chair.

CHAIR CRIVELLO: Thank you. So we'll put down your comments and, all of your comments.

COUNCILMEMBER COUCH: I mean that's just a potential incentive.

CHAIR CRIVELLO: Yeah. Right.

COUNCILMEMBER COUCH: I'm not happy with the 30 years. I believe there's somewhere in here in the old bill, the old workforce housing there's a 60 year. There's something about 60 years and why it went from 60 to 30 I'm not sure, especially for rentals.

CHAIR CRIVELLO: Right. We'll make a note of that --

COUNCILMEMBER COUCH: Okay.

CHAIR CRIVELLO: --and follow up on. Thank you.

COUNCILMEMBER COUCH: Yeah.

CHAIR CRIVELLO: Any further?

COUNCILMEMBER COUCH: Oh, tons.

CHAIR CRIVELLO: Yes, sorry.

COUNCILMEMBER COUCH: If no one else is. This whole quarterly require, compliance report. I agree with the testifier I believe that's a bit onerous. First of all, that's going to be a lot of reports for you guys to go through quarterly on top of the ones you

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already get quarterly for grants and whatnot right so, Madam Chair, I'm perfectly fine with annual or semi-annual at most. Just for my two cents worth on that.

CHAIR CRIVELLO: We'll take your two cents worth into consideration when we come back to tend to further amendments or...yes?

MR. UEOKA: Thank you, Chair. Yeah, I understand it's burdensome, it's difficult but when drafting and working with the Department the hope was that if we can catch it, you know, one...four times a year look at it we'd have a better chance of actually, you know, verifying, collecting money and everything for the enforcement portion of it. Rather than once a year where we'll be looking back 12 months and trying to do back calculations. Tenants may be in and out by then. That was the only reason, I just want you to know we didn't just --

COUNCILMEMBER COUCH: Sure.

MR. UEOKA: --throw a number out there.

COUNCILMEMBER COUCH: Sure.

MR. UEOKA: There was some thought behind it. Thank you.

CHAIR CRIVELLO: And if it becomes more of a responsibility from the Department, then we would expect that from the Department.

COUNCILMEMBER COUCH: Understood, I can imagine them coming ask for more bodies.

CHAIR CRIVELLO: No, we'll see how that moves.

COUNCILMEMBER COUCH: The other thing is quarterly, I know people don't go on quarter increments but, you know, you have to be you can only rent for no more, no less than 6 months, a 180 days, so maybe if you make it a 180 days. I just, it's totally up, I mean if you guys are asking for more work without bodies that's fine. So that was just something that we probably need to hash over.

CHAIR CRIVELLO: And reconsider yes.

COUNCILMEMBER COUCH: Yeah.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COUCH: And lastly before I give up the floor I'm sure other, I've inspired other questions, maybe not. The person in a rental who does, you know, have the good fortune to move out of a group, affordability group and currently even if they do move out of the affordability group there's nothing out there to rent. So are we saying too bad so sad you're out or can we put in something in there you got to try and find something or I don't know. It's just I really have a hard time.

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CHAIR CRIVELLO: Are you referencing to the income criteria?

COUNCILMEMBER COUCH: Yeah once they, if they go over the income criteria because they got a raise or they get better job --

CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: --or something like that.

CHAIR CRIVELLO: We can have an explanation from Corporation Counsel.

MR. UEOKA: Thank you, Chair. In working with the Department on this one, yeah, it sounds very harsh, it was very difficult. The reasoning behind it was there, we didn't know how we would differentiate between the person who or it would be difficult to always monitor the person who graduated to a higher income group from just someone who came in that was never a part of that lower income as time goes by. And we would need to further change the language for I believe D above the failure to comply with the income guidelines 'cause technically if...and I'm not trying to be, it sounds harsh, it is harsh but we're just trying to draft language here and for discussion.

COUNCILMEMBER COUCH: Yeah.

MR. UEOKA: But we'd have to change that language to further modify it to allow for, you know, carryovers and our understanding and from what I've been told is that, you know, it's both ways in different jurisdictions. Some say let 'em stay, some say you're doing well please leave these opportunities for others who aren't doing as well and I'm...

COUNCILMEMBER COUCH: Oh yeah and I totally and there's the intent is to absolutely do that but what if there's nothing, as it is today there's very little out there for people to go to. So we're kicking somebody out to bring somebody else in, great but...

CHAIR CRIVELLO: Well, how do you address the list that's out there with the low-income criteria also.

COUNCILMEMBER COUCH: Right. Right.

CHAIR CRIVELLO: So it's both ways.

COUNCILMEMBER COUCH: Yeah that's a big huge philosophical discussion, you know, they made their call now that's what, you know, we get paid the big bucks here to do is to determine which way we want to do that. During times like now definitely it would be very difficult, during better times when there is more out there, more, you know, if the previous committee's group allows gets more housing built, then yeah that's not a problem but we're in a kind of a gap period right now that --

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CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: --I would be real hesitant to kick somebody out of a place, we may have to.

CHAIR CRIVELLO: I don't know if the word is to kick out.

COUNCILMEMBER COUCH: That's what it does.

CHAIR CRIVELLO: Well, when you graduate --

COUNCILMEMBER COUCH: Sure.

CHAIR CRIVELLO: --with higher income because the full purpose is to meet those of the --

COUNCILMEMBER COUCH: Sure. Sure.

CHAIR CRIVELLO: --lower income bracket.

COUNCILMEMBER COUCH: Sure. And I'm guessing that the persons would want to go and say okay we can get a new place now and go out there and look at Craigslist's and there's nothing there or it goes from a, you know, \$1500 a month rent to \$3,000 a month rent.

CHAIR CRIVELLO: What do you suggest, Mr. Couch?

COUNCILMEMBER COUCH: I don't know, that's, that calls for a lot of, I mean that's, you know --

CHAIR CRIVELLO: Yes.

COUNCILMEMBER COUCH: --we I would like to hear what other folks have to say about that.

CHAIR CRIVELLO: Right. Sure.

COUNCILMEMBER COUCH: That's a tough one.

CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: That is a tough one. You know, we can, you can always say must make a diligent effort and show proof that there's nothing out there or something like that.

CHAIR CRIVELLO: Right.

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COUNCILMEMBER COUCH: You know to say, yeah, you know, find something and if you can't we're not going to kick you out if, and I know that would be hard to codify. That's...

CHAIR CRIVELLO: We'll work on it though.

COUNCILMEMBER COUCH: Well I...

CHAIR CRIVELLO: That's why we're having this discussion, yeah.

COUNCILMEMBER COUCH: I'm just, you know, I'm thinking that, yeah, 'cause we do want that unit vacated so that somebody else can come in but at what...

CHAIR CRIVELLO: But your point is well taken.

COUNCILMEMBER COUCH: Yeah so.

CHAIR CRIVELLO: Yeah, so we'll have further discussions on that, yeah. And...

COUNCILMEMBER COUCH: Well, maybe other folks, other Members have questions.

CHAIR CRIVELLO: Thank you. Members, Committee Members, any other questions or comments? Committee Members? None? Mr. Carroll? Ms. Baisa?

VICE-CHAIR BAISA: No, thank you. I don't want to get started again on my concerns about enforcement so I'll just let it go.

CHAIR CRIVELLO: Thank you. Mr. Hokama, any further questions or comments?

COUNCILMEMBER HOKAMA: I'll await the Department's response, Chair.

CHAIR CRIVELLO: Thank you. Mr. Couch, anything further before I go on to Ms. Cochran?

COUNCILMEMBER COUCH: Not right now.

CHAIR CRIVELLO: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And let's see, so first of all I mean I'll just state clearly that I am completely not in favor of credits at all. I have always been a staunch proponent of having the physical structure dwelling and, you know, I've been hearing a lot from constituents especially in West Maui wondering, you know, what has been built, what hasn't been built, what's been given credits not and so there's just a lot of these questions flying around in that area. So for me until those things are settled once and for all and figured out, has it been productive, has it been positive, has it been whatever, all the questions answered then I'm very much not in favor of credits first off no matter how it's sliced and diced. But and if it were to go through as in especially for rentals, a huge, huge again proponent of perpetuity and if

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they are to receive any type of credit then I would really like to see that unit continued to be in perpetuity with no, you know, timeline whatsoever, 30, 50, 100 years I don't, that's just my take on that. And lastly in regards to Page 5, No. 6 kind of in the middle of that paragraph the if after a 30-day period the unit remains vacant and I believe, Mr. Couch, you were addressing this just now, remains vacant owner, owner's representative has made its reasonable best efforts as determined by Director to rent the unit to an income-qualified individual, owner representative may rent on the open market. And so this part I mean if I'm going along the lines of this perpetuity thing then that for me would not stay in there. So that part I mean I would look to delete that completely because, you know, I don't think this will ever happen, as we've all been stating we have this housing crisis whether it's for purchase or for rental. I don't think there's never not going to be a waiting list number one. I mean let's hope one day but I'm sure it's not going to be very soon and of course so that's my reasoning that I think that portion ought to be not even there. Other than that, you know, I thank you, Chair, for saying you're going to defer 'cause I really believe this is not in a form to pass out today so I appreciate that. And, you know, I really don't have a whole lot else to elaborate on at this time but looking forward to further discussion on the matter and those are just a couple of my key points. So thank you very much for that time.

CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Ms. Cochran brought up one section there that I wanted to talk about as well. Where it says for a period not to exceed 12 months or until a...yeah, the whole...let me read it out loud just so it makes sense. If after a, you have 30-day period the unit remains vacant and an owner or owner's representative has made its reasonable best efforts, as determined by the Director, which is good we have the Director can make a call, to rent the unit to an income-qualified individual, owner or owner's representative may rent the unit on the open market for a period not to exceed 12 months or until an income-qualified tenant is found, whichever is sooner. That sounds like that might work because you have the whichever is sooner portion in there or is that...

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just I understand the Council's concerns. We were asked by one of the developers who, you know, I understand that there probably won't be a shortage of people wanting to rent but in the event that there is, you can't find a renter, it's very difficult for an owner/management company to hold onto units for months at a time empty without getting any income from it so he asked that he'd have the right to rent it on the open market and that also ties back into that other section where they're not going to get rich off of it. They're going to give the Affordable Housing Fund the money, the difference in rent if they rented on the open market. That's the deal because they won't be qualify, or meeting income qualifications. So the 12-month period we figure that's about the standard term of a lease and after the 12 months is up or if they leave, so if you leave under 12 months they have to try and get it back into residential workforce housing eligible or if not it has to go under, after 12

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months they have to try again and same deal the 30 days, you know, that's the idea behind it. But the, that "penalty section" was intended to make sure that there was, there's no real incentive for a developer to violate this 'cause they'll just be giving any extra income back to the Affordable Housing Fund. So that was what we thought of. Thank you, Chair.

CHAIR CRIVELLO: Mr. Couch?

COUNCILMEMBER COUCH: Okay. Understood, 12 months might be a little long, 6 months might be better, I mean that's the minimum you can do anyway. Yeah, I'm not sure how many people would go rent a place for 6 months knowing that they may have to go out, may have to leave right after that. So I understand the concept, it's just that leaves that unit unavailable for a pretty good chunk of time if it comes up. I doubt, like I say I doubt it's going to happen in our lifetimes probably but if it, if we're fortunate enough to get everybody housed and whatnot then that's a good escape clause. I doubt it is ever going to come up so alright, thank you, Chair.

CHAIR CRIVELLO: Thank you. Ms. Baisa?

VICE-CHAIR BAISA: The, we've been talking about over income having to be refunded, you know, if they rented for over income. How are we going to decide what is okay and how much is over income? What's the standard that we're going to use? Is it the HUD rental guidelines?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yes, Ms. Baisa, we planned on using the, you know, 'cause in each group, you know, you'll have certain units that are supposed to be below 60, certain below 80, certain below, you know, 100. And where Mr. Almeida would be looking at in his quarterly, semi-annual, annual certification or income reports, how many of the units are being rented in those ranges and if they're short in the, you know, the 100 percent and they find that someone was paying, you know, let's say \$1,700 and 100 percent was \$1,500 per month they'd owe that \$200 per month.

VICE-CHAIR BAISA: And if they rent under, they get nothing?

MR. UEOKA: Yeah, if...yeah, if they rent it below the residential workforce housing. And on a side note, if they were unable to rent to a, like maybe they couldn't they had a below-60 unit and they were unable to find a below-60 renter but they were able to find a below-80 renter to rent it to, they would still owe us the difference between the 60 rent and the 80 rent into the Affordable Housing Fund. 'Cause the below-80 renter I'm assuming they would charge 'em the below-80 rent and but that unit is supposed to be in the below-60 range so they would owe us the difference. Thank you.

VICE-CHAIR BAISA: Okay. Again I'm concerned about the bookkeeping that's involved here, you know, this is not going to be easy to track and administer. Thank you.

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CHAIR CRIVELLO: Any other comments or questions from the Committee? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so I guess we have, I have a couple developments in West Maui in particular that are under the affordable workforce housing and one's going to, looking to go into total rentals which is Pulelehua and then the other one is the Kaiaulu. So how would those, well, I mean for not for rentals but the credits too, so my question I guess in regards to the rental portion and credits, how is this going to play out for say Pulelehua's project if they are to implement this and ask for credits in his? Because and I think the history behind Pulelehua is it is built, it is being built for credits for Kapalua Mauka.

CHAIR CRIVELLO: Is this a 2.96 project?

MR. UEOKA: Thank you, Chair. I'm not aware of if it's being built for something else, we...it might be. I'm not...

COUNCILMEMBER COCHRAN: Okay. So if not then just focus then if it's rentals how would this play out for that project if it's seeking credits?

MR. UEOKA: Okay. Thank you, Chair. Under the assumption that it is not being built to satisfy the residential workforce housing requirement for another development, it'd be the same 'cause they're not going a 100 percent residential workforce housing units so it would be whatever number of market rate units they need or they're building they'd owe us 25 percent of that number as residential workforce housing units. If they build over that 25 percent, like let's say they were going to build 800 market units so 25 percent of that would be 200 I believe and let's say instead they do 300 residential workforce housing units so we'd redo the math 'cause they'd have less market units and more residential workforce and we'd just subtract it out and that's how many credits they would get.

COUNCILMEMBER COCHRAN: Okay.

MR. UEOKA: Yeah, it just all really depends on what their specific numbers are and that will be all reflected in their residential workforce housing agreement.

COUNCILMEMBER COCHRAN: Okay. And then credits are only to be utilized in that district?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I believe the most recent changes in 2.96 made 'em more similar to the State Act 141 credits. So they're useful I believe in the County or at least on the island.

COUNCILMEMBER COCHRAN: Okay.

MR. UEOKA: Thank you, Chair.

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COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR CRIVELLO: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. You know, should the deed restriction set forth guidelines and restriction for the resale of the housing units consistent with the provision of the chapter so that it is recorded somewhere that if you want to resale you're restricted to this. You know, you could say you see 2.96 for the restrictions but what if that changes? See I have some concerns is okay so you come up with deed restrictions and you put 'em in and there's resale requirements so what if it's something in the deed restrictions pointing to 2.96 and 2.96 changes, you know, which...when you record this deed what restrictions are in place now? Have you looked into that possibility?

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Typically what you do is you go and look back what the law was at the time of the, you know, the signing of it and also see if any of the further amendments were retroactively applicable. So those are the kinds of things we would look at or hopefully not me but someone else would be looking at in 30 years if it does come up and but it will be a deed restriction, it will run with the land and for these types it will be for 'cause these are rentals, this is a rental, you know, this is a rental deed restriction so it's stuff like County has the first option to buy, you know, those types of things. And it does state in here that any new owner must comply with deed restrictions, that will be a deed restriction. Thank you.

COUNCILMEMBER COUCH: Right. That's why either you put 'em all the restrictions as they were at the time of signing and regardless of the changes in 2.96 unless they're retroactive but even then the people agreed and bought the house with these restrictions or I'm not...the rental unit, yeah, the owner's bought the apartment complex with these deed restrictions they should just stay. To go back and forth if 2.96 changes or we go to 2.96B it's going to be tricky so I would think you'd want to tell them to codify the deed restrictions completely. Well, I mean put the deed restrictions in, you don't say pursuant to 2.96, you actually put the actual restrictions and the contents of a lot of 2.96 in there. I don't know that's one of those chicken and the egg things.

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. We'll definitely take that into consideration, Mr. Couch, when drafting the residential workforce housing agreements and reviewing the deeds when these projects come up. I appreciate the input. Thank you.

CHAIR CRIVELLO: Thank you. Members, any other comments or questions? Ms. Cochran?

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COUNCILMEMBER COCHRAN: Thank you, Chair. The value of credits, so rental unit, you get a credit for that rental unit, now a person, another development gets, it's like, you know, equal-equal so they get a credit for a rental unit, not a single-family dual home. I mean so where's the dollar amount attached to each credit and what it was built, originally built as I guess is my question.

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I believe that's how the credit system was set up in the first iteration of 2.96 where there were credits depending on what you built, what income range you built it for, et cetera. In the latest iteration of 2.96 it was just a residential workforce housing unit credit is a residential workforce housing unit credit. So that's right now, yes, if you build a rental, excess rental units and you get 5 credits for it and you have another development that's single-family homes in another community plan area and you need 5 resident, your requirement is 5 residential workforce housing units, you would be able to use the 5 rental credits or I'm sorry 5 credits earned by building rental units to satisfy the 5 unit, 5 single-family unit requirement in a different community plan area. That's the way the Code is worded right now. Thank you, Chair.

COUNCILMEMBER COCHRAN: Okay, very interesting. Yeah, more work. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: We keep going back and forth. Okay so that brings out a point, you know, somebody builds a one-bedroom apartment then they get credit for five...three-bedroom home let's say should you, should we consider, should the Committee consider, you know, if build...it's number of bedrooms they have to deal with so you're not getting credit for a three-bedroom home here when you only build a studio or apartment. I don't know. If that was discussed when 2.96 came out way at the beginning, I can understand that but that seems a little incongruous.

CHAIR CRIVELLO: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just for clarification, we did look at this and again the State law currently is pretty broad and just for clarification that if you're building it does happen were they're building single-family home projects but they satisfy the residential workforce housing unit requirement by doing multi-family or, you know, that type of thing. So it doesn't say in the Code where you must satisfy single-family three-bedroom homes with single-family three bedroom...like it doesn't say that anywhere and that we could work on that of course. And on a side note also there was a, part of the drive behind this was the interest of promoting affordable rentals and the idea that while it is not a single-family home, a single-family home under, is deed restricted for at a max right now 10 years whereas this apartment or rental unit, whatever you want to call 'em is going to be a residential workforce housing unit for 30 years. So and no, nothing's perfect, there's rubs everywhere but that was just the method behind our madness. Thank you.

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CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COUCH: And madness it is. I mean it's hard to grasp 'cause you have all these little nuances that just keep coming up.

CHAIR CRIVELLO: Right.

COUNCILMEMBER COUCH: So I appreciate your keeping on top of these guys for doing this. Thank you.

CHAIR CRIVELLO: Thank you. Members, any further comments? If not, Ms. Cochran?

COUNCILMEMBER COCHRAN: Sorry. Thank you, Chair. Thank you. So in reference to my previous question, is there a breakdown of sorts on that like what was built, value, credit given, you know, so is there any type of I don't know spreadsheet of sort something --

CHAIR CRIVELLO: Mr. Ueoka?

COUNCILMEMBER COCHRAN: --that can articulate those details?

MR. UEOKA: Thank you, Chair. Councilmember Cochran, my understanding is there's been one 2.96 project done in the County and it was years ago up in Makawao or something, we can probably try and dig up the numbers, the specifics on that, but other than that we've never, there have been no other, Kamalani's the next one for 2.96. The other residential workforce housing units constructed on Maui were I believe kind of by, done by nonprofit types. Kehalani has a requirement which is a project district requirement, Maui Lani has a project district requirement. There's probably more than I'm skipping here, but generally speaking as far as 2.96 credits issued for 2.96 projects, none that I'm aware of. We may have...I'd have to check further but maybe Waikapu Gardens II. Yeah, that was a 201H project but it was allowed in the 201H process to issue them some residential workforce housing credits but I am not overly familiar with that as we speak right now.

COUNCILMEMBER COCHRAN: So the Dowling Waiehu one isn't a workforce housing, those credits were not based off of this ordinance?

CHAIR CRIVELLO: Mr. Ueoka or Mr. Almeida?

COUNCILMEMBER COCHRAN: I think the...

MR. ALMEIDA: Thank you, Chair, and thank you Member Cochran. The Dowling credits if you're referring to the...they were, yeah, Waiehu Kou are State credits, Act 141 credits so they are not residential workforce housing credits.

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COUNCILMEMBER COCHRAN: Oh okay, and then lastly, Chair. So nothing, none of this type of...has, none of this has occurred in West Maui at all then, this workforce housing credit?

MR. ALMEIDA: Issuing of residential workforce housing credits.

COUNCILMEMBER COCHRAN: Right.

MR. ALMEIDA: To date.

COUNCILMEMBER COCHRAN: Has not occurred yet?

MR. ALMEIDA: To date no.

COUNCILMEMBER COCHRAN: Okay.

MR. ALMEIDA: Correct. As far as have been earned, actually been earned, built and earned, it has not happened yet.

COUNCILMEMBER COCHRAN: Right. Okay.

MR. ALMEIDA: Kaiulu is a project, is 2.96 project that we're hopeful will be commencing with construction shortly and there will, it is a 100 percent affordable project and there are credits for that project once completed but it has to go through the process of being built and verified. Thank you.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR CRIVELLO: Okay. Mr. Couch?

COUNCILMEMBER COUCH: Yes. It's like ping pong. You know, the more I'm looking into this and thinking about the whole, you know, size of the credits and whatnot, this is kind of is an incentive if you don't have the, you know, room for room kind of thing, it's an incentive to get the rental stuff built because somebody will want to get credits that they can sell later and we get the rentals and that's what we're trying to do. I would like more than 30 years but that I can understand how you wouldn't want to do the room-for-room thing to encourage more affordable rentals to come up. That's going to be one of the only ways to encourage to come up actually is to --

CHAIR CRIVELLO: To give incentive so that they will --

COUNCILMEMBER COUCH: --give them incentives to build it so that...

CHAIR CRIVELLO: --consider to build, because government, will government build it?

COUNCILMEMBER COUCH: Right. Agree.

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CHAIR CRIVELLO: Can we ask that question, will government build and develop.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR CRIVELLO: Any further questions or comments, Members? If none, so you can understand why I'm suggesting for us to defer this item for further discussion and to try and compile all of your concerns and comments as well as questions. So, Members, I'd like to at this time thank our representatives from the Administration and the Department of Corporation Counsel for their participation as well as our diligent Staff, Tammy Frias and Michele Yoshimura. Members, thank you for being part of this meeting as well as, Ms. Cochran, appreciate you being here. Members, we have completed today's agenda and I did say without objections, I will, Chair will defer this matter.

COUNCILMEMBERS: No objections.

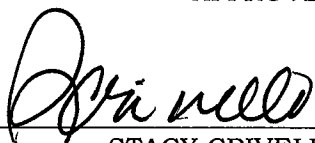
COUNCILMEMBERS VOICED NO OBJECTIONS (excused: DSG, MPV).

ACTION: **DEFER pending further discussion.**

CHAIR CRIVELLO: Thank you. Thank you. Meeting is adjourned. . . .(gavel). . .

ADJOURN: 2:40 p.m.

APPROVED:



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

hht:min:161117:jp

Transcribed by: Jean Pokipala

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

November 17, 2016

CERTIFICATE

I, Jean Pokipala, 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 12th day of November, 2016, in Wailuku, Hawaii

A handwritten signature in cursive script, appearing to read "Jean Pokipala", is written over a horizontal line.

Jean Pokipala