

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE

Council of the County of Maui

MINUTES

September 20, 2018

Council Chamber, 8th Floor

CONVENE: 1:55 p.m.

PRESENT: VOTING MEMBERS:
Councilmember Stacy Crivello, Chair
Councilmember Riki Hokama
Councilmember Kelly T. King
Councilmember Mike White

EXCUSED: VOTING MEMBERS:
Councilmember Robert Carroll, Vice-Chair
Councilmember Alika Atay
Councilmember Don S. Guzman

STAFF: Saumalu Mataafa, Legislative Analyst
Clarita Balala, Committee Secretary

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

ADMIN.: Mimi DesJardins, Deputy Corporation Counsel, Department of the Corporation Counsel
William "Will" Spence, Director, Department of Housing and Human Concerns
Clyde "Buddy" Almeida, Housing Administrator, Department of Housing and Human Concerns

OTHERS: Cassandra Abdul, Executive Director, Na Hale O Maui
Zandra Amaral Crouse
Dave Ward

Francesca Carey, President/CEO, FABMAC Homes, Inc
Monique Yamashita, Executive Director, Ka Hale A Ke Ola Homeless Resource Centers
(1) additional attendees

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

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CHAIR CRIVELLO: ...*(gavel)*... The meeting of the Housing, Human Services, and Transportation Committee will now come to order. It's about 1:55 pm, on Thursday, September 20, 2018. 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, myself, as Chair for this Committee, Stacy Crivello, and we have with us today Councilmember Riki Hokama --

COUNCILMEMBER HOKAMA: Chairman.

CHAIR CRIVELLO: Councilmember Kelly King.

COUNCILMEMBER KING: Good afternoon.

CHAIR CRIVELLO: Thank you for being here. And Councilmember...Chair Mike White. Thank you for being here.

COUNCILMEMBER WHITE: Good afternoon.

CHAIR CRIVELLO: Excused today is our Committee Vice-Chair Robert Carroll, and Councilmember Alika Atay, and Councilmember Don Guzman. We are facilitating this meeting with a very bare quorum and if there are any personal needs just do like we do in the classrooms, raise our hands. Thank you. At this time, our Corporation Counsel, Deputy Corporation Counsel Mimi DesJardins. Thank you for being here. And from our Housing and Human Services Department, Human Concerns Director is Will Spence.

MR. SPENCE: Good afternoon, Chair.

CHAIR CRIVELLO: Thank you. And Housing Administrator Mr. Buddy Almeida.

MR. ALMEIDA: Good afternoon, Chair.

CHAIR CRIVELLO: Some of our outside resource people that we have today is Francesca Carey, CEO/President, from FABMAC Homes, Inc, and with us today, of course, my diligent Staff Clarita Balala, Committee Secretary, and Saumalu Mataafa, Legislative Analyst. Members, thank you for all being here. Before we get into discussion we'll start with public testimony. Assisting us this afternoon from the Lanai District Office is Denise Fernandez.

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

CHAIR CRIVELLO: Thank you. And from the Molokai District Office Ella Alcon.

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

CHAIR CRIVELLO: Thank you, Ella. Do we have anyone at our Hana Office? Hana is not in, we don't have the Hana Office open at this time. Thank you, ladies, and if we have any testifiers would you mind e-mailing our Staff? Thank you. Okay. So, for individuals who will be testifying in the Council 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, please sign up with the Council Staff at the location. Testimony will be limited to the items listed on the agenda today. And pursuant to the Rules of the Council, each testifier will be allowed to testify for up to three minutes per item. At two-and-a-half minutes the light will turn yellow signaling 30 seconds remaining. At three minutes the light will blink red, which is the signal for you to end your testimony. When testifying, please state your name and the name of any organization you are representing. Staff, may we have the first testifier?

MR. MATAAFA: Chair, the first testifier is Cassandra Abdul, testifying on agenda item HHT-51.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. ABDUL: Good afternoon, Chair, Members of the Committee. You are familiar with Na Hale O Maui by now. We're a grassroots organization. We provide affordable housing in perpetuity. The County of Maui has generously partnered with us from our inception. And because of that, we now have 33 homes in our portfolio, 33 families, local Maui families, living in those homes. They earn between 80 to 120 percent of the area median income. We have, at last count, 67 children living in the 33 homes. And the homes just make such a difference in their lives. For many of them, it's the first time they've ever had their own bedroom. And you should see them running around the house saying, this is my bedroom, this is my bedroom. It's really heartwarming. And again, we couldn't have done it without the County of Maui. Today I am here before you as a direct result of the foresight of the Department of Housing and Human Concerns. When there was a homeowner in Waikapu Gardens Phase II that wanted to sell, thank goodness the Department exercised its option. That means that after two years this house could've gone to market. But because the Department took the actions that it did, they've preserved the affordability. Under normal circumstances, this house would be affordable for ten years. Under the current request for the grant in kind, this house will change from being affordable for maybe seven more years to forever in perpetuity. It will never go to market price. And I think this is something that is just an incredible accomplishment, and one that we can all be proud of. Your support truly makes a difference for everyone here in Maui County. Your generosity makes a difference for our workforce, certainly for the 33 families that we have living in our houses. Okay. So, finally, I'd like to say thank you very much and please help us make one more family, one more chance at a new affordable home forever and change their lives one home at a time. Thank you.

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CHAIR CRIVELLO: Thank you. Members, any clarification or any part of the testimony to be rephrased? If not, thank you for being here.

MS. ABDUL: Thank you.

CHAIR CRIVELLO: The next testifier?

MR. MATAAFA: Chair, there is no one else waiting to testify.

CHAIR CRIVELLO: Thank you. Members, if there are no other testifiers and as well as our district office, we haven't received any notification of additional testifiers. So, if there are no objections I would like to close public testimony.

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: Thank you.

. . .END OF PUBLIC TESTIMONY. . .

**HHT-51: AUTHORIZING THE GRANT OF THE REAL PROPERTY LOCATED
 AT 95 OHANA HANA LOOP TO HOUSING AND LAND ENTERPRISE
 OF MAUI DBA NA HALE O MAUI (WAILUKU) (CC 18-312)**

CHAIR CRIVELLO: At this time, I'd like to address our first agenda item, HHT-51, Authorizing the Grant of the Real Property Located at 95 Ohana Hana Loop, to Housing and Land Enterprise of Maui DBA Na Hale O Maui, Wailuku. And the Committee is in receipt of County Communication 18-312, from the Director of Housing and Human Concerns, transmitting a proposed resolution entitled, Authorizing the Grant of the Real Property Located at 95 Ohana Hana Loop, Wailuku, Maui, Hawaii, to Housing and Land Enterprise of Maui DBA Na Hale O Maui. The purpose of the proposed resolution is to grant the County-owned property identified for real property tax purposes as tax map keys (2) 3-5-036:046 and a 50 percent interest in (2) 3-5-036:057, a shared driveway lot, to Na Hale O Maui to allow the property to remain in the workforce housing inventory in perpetuity. The Committee may consider whether to recommend adoption of the proposed resolution, with or without revisions. The Committee may also consider the filing of County Communication 18-312 and other related action. So, Members, as stated, the County recently purchased the subject property for almost \$520,000 and in today's discussion of the proposed resolution authorizing the grant of the property to Na Hale O Maui, I would like the Department to address whether it considered methods to recuperate any or all of the money from its recent purchase of the property. And to discuss why those methods were not feasible options. So, also, I'd like to, the Department to discuss with our Committee whether granting property to outside entities is in the best interest of the County. And with that, I would like to turn it over to Director Spence for opening comments and to address some of our inquiries. Mr. Spence?

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MR. SPENCE: Okay. Thank you, Madam Chair. Of course, we support this resolution. What I would like to do is turn this over to Mr. Almeida, our Housing Administrator to address the Committee.

CHAIR CRIVELLO: Thank you, Mr. Almeida?

MR. ALMEIDA: Thank you, Chair. Good afternoon, Committee Members. Buddy Almeida, Housing Administrator. As Ms. Abdul mentioned, the County passed, via resolution, the approval to buy back this home in Waikapu Gardens Phase II. It was acquired on July 13th of this year for a little over 522,000. The Department's recommendation with regards to granting the home to Na Hale O Maui goes in line with what Ms. Abdul said. Na Hale's land trust model will keep the home affordable in perpetuity, versus the remaining deed restricted period of approximately seven-and-a-half years as is required by the residential workforce housing agreement. Na Hale will see the home to an income-qualified buyer between 80 and 100 percent AMI. And the proceeds generated from the sale of the home will allow Na Hale to purchase another home and provide housing to another family in need. So, we felt this was a good opportunity to help, not just one, but multiple families through the granting of this property. We did view other means with regards to the disposal of this property. And in conclusion, based on these facts, we felt that this was the best means in order to serve the County of Maui. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Members, I'd like to open the floor for any discussion or questions you may have for the Department. Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, not a question...well maybe just a few, Mr. Almeida. Thank you for what you shared with the Committee and our Chairman. You know, one of the things that I would ask you, and it's more of the resolve clause areas, so, part of it is you're telling...asking us to waive an appraisal and that is because it's going for an affordable project and that the value is not important?

CHAIR CRIVELLO: Mr. Almeida?

MR. ALMEIDA: Thank you, Chair.

COUNCILMEMBER HOKAMA: 'Cause I want to know what I'm subsidizing.

MR. ALMEIDA: Thank you, Mr. Hokama, for that question. I believe per Code, and this can be possibly verified via Corp. Counsel that for this disposition an appraisal's not required. Per Chapter 2.96 Maui County Code when we do...when an owner wants to resell the property back to the County of Maui it's a little bit of a different formula that's used. We get an appraisal at the time that they close and an appraisal --

COUNCILMEMBER HOKAMA: Great.

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MR. ALMEIDA: --at the time they wish to sell. They get 25 percent of the difference. For this disposal purpose, I did not see any clause that required an appraisal to be done to dispose of the property.

COUNCILMEMBER HOKAMA: Okay. I understand what you're saying, Mr. Almeida. And then, they have another parcel ready for purchase if this transaction moves along as you've indicated? There is already in place this next step which is to acquire another affordable component?

MR. ALMEIDA: Chair, if possible we can defer to Ms. Abdul if she has an active list of properties that they are looking at or maintaining. Per discussion, the proceeds would be used to further advance the land trust and acquire more properties as the funds are available. So, I'm not sure exactly if they have a property identified at this time.

COUNCILMEMBER HOKAMA: Okay. So, as far as the Division of our Department is concerned, you don't participate in that component? It's totally up to Na Hale O Maui to do everything after we do this portion? So --

MR. ALMEIDA: That's correct, Mr. Hokama.

COUNCILMEMBER HOKAMA: --we have no say on what other property they may want to use those proceeds for? We just have a sale on what it can be used for and not on what property it can be used for? Is that our understanding of the Committee?

MR. ALMEIDA: Yes, Mr. Hokama, that's correct. The land trust will be bound to their terms and requirements with regards to area median income and the qualifications of the buyers and would be sold to someone in need in those areas. But the County is not actively participant in those proceedings, that's handled by the land trust.

COUNCILMEMBER HOKAMA: Right, right. Do you require a reporting on, to get a, be able to give like this Committee a status of the progress of how this program is working? And with this example, and let's say we've forecasted down "x" years, they would report back and say, you know, that one thing you gave us after eight years and transaction that we now have ten houses up with ten families in it and no additional County funding was used, but we used that first house and did a transitioning of the proceeds and reinvestment and whatnot. Is there a requirement to report?

MR. ALMEIDA: Yes, Mr. Hokama, per the Affordable Housing Fund, there are reporting requirements for the granting and the funds that have been granted and properties that will be granted. They need to report to us and we monitor what they're doing with the funds.

COUNCILMEMBER HOKAMA: Okay. No, I'm happy to hear that. Thank you very much, Chair.

CHAIR CRIVELLO: Thank you, Mr. Hokama. Anyone else, any questions? Councilmember King?

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COUNCILMEMBER KING: No, just, are we going to hear from Ms. Abdul on whether they have immediate plans for the funds or...

CHAIR CRIVELLO: Yeah, if there are no objections, Members --

COUNCILMEMBERS: No objections.

CHAIR CRIVELLO: --I'll ask Ms. Abdul to come down, to give us your listings. Thank you. Mr. Hokama, would you like to address Ms. Abdul?

COUNCILMEMBER HOKAMA: Yeah. Ms. Abdul, thank you again, yeah, for coming.

MS. ABDUL: My pleasure.

COUNCILMEMBER HOKAMA: I believe you've heard our discussion of, should we move this forward, and you know, you're able to get the proceeds and then, you know, your intent is to reinvest it into another similar type of opportunity to place another deserving, or a qualified family into the next unit --

MS. ABDUL: Yes.

COUNCILMEMBER HOKAMA: --and then, this would be on a continuation basis, yeah. Any comments you have already a lot that you've kind of, or lots that you are looking at that should we support this, and then within, you know, "x" couple of months you'll have that transaction of this now family moving into this parcel, this home, I should say, not parcel. You have things already lined up so that this will happen faster than later?

MS. ABDUL: Okay. If I could digress just a little bit so you see how we have worked in the past. We've received between Federal, State, and County funds, about \$5 or \$6 million in total up to now, excluding Kahoma. With those funds, we purchased homes or built homes and then we resold them to other families. We have...that accounted for maybe actually about half of the properties we have. So, we have doubled the amount of properties by taking the proceeds from the sale of the homes that were funded through government sources, like the Affordable Housing Fund, and then putting them into new homes. So, this is what we would continue to do with this particular property. We're not sure of the timing and that's very important in real estate. And the market the way it's moving now, it's fairly quick. So, I don't have anything at this point that I'm looking at to replace --

COUNCILMEMBER HOKAMA: Okay.

MS. ABDUL: --once this house is sold. We don't know the condition of the house. We don't know how long it'll take us to bring it up to speed. Then, we have to notify our qualified buyers and they have to decide whether they are interested. We have to go through the vetting process. They have to get a mortgage. And so, we're looking at

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probably anywhere from four to six months before we ever close on this property, you know, which could be shorter or longer, depending on circumstances. So, what's available now in the real estate market is not going to likely be available in six months when we're ready. But we do watch all the time. We are always checking. We're looking at foreclosures. It has been, you know, the pricing has been pretty high. And the other thing you should be aware of is that because of our program and the way that we market these homes to qualified families, Buddy had mentioned that the appraised value was, I'm sorry, the resale value based on the formula was over 500,000. That's much higher than the prices that we sell our homes for. We retain the land. So, automatically that portion, you know, doesn't get passed on to the buyer. I can't imagine that, and I don't know, you can't really hold me to this 'cause I don't know what the market is like, who's out there. But I would imagine, I would guess that we'll probably sell it for less than 400,000. The balance will be the subsidy that stays in the property forever. And from that sale price, we of course, will share appreciation with our homeowners. But after a long-winded answer, the short answer is no, I don't have anything ready to repurchase right now.

COUNCILMEMBER HOKAMA: No, I appreciate your, I think you read the market quite well and more than likely it's too true than I want to believe it to be 'cause it creates more problems for us, right? But I appreciate you stating it. So, I guess from one perspective with the proposed State amendment that wouldn't be considered an investment property anymore, right? Since we control equity and affordability? That wouldn't qualify as an investment property? I don't know, I'm just asking the question, you know. You know, you're our professionals. I'm just wondering, does then --

CHAIR CRIVELLO: Department?

COUNCILMEMBER HOKAMA: --that become non-investment because we control equity growth, and percent of growth of value?

MR. ALMEIDA: Thank you, Chair. Thank you, Member Hokama. I understand exactly what you're saying, and I think from the view and how you stated it that it could be viewed, yes, as an investment based on the equity status. I'd probably have to research a little bit further with Corp. Counsel with regards to the exact legal term of how it's viewed though. Thank you.

COUNCILMEMBER HOKAMA: And again, I just ask that because we got to, we need to prepare if things move forward in a certain venue, then I'm, we're going to have to look at either how to increase the revenue by increasing taxation, or what we are going to cut in operations to reduce the impact on the cash flow. Okay. 'Cause obligations are obligations. We're required to pay those things. We're required to pay debt. So, that won't change. All we can make adjustments on cash is the amount of employees and the type of services we provide and the quantity of that we provide. So, I'm looking at, like we talked to Kauai yesterday up to maybe a 25 percent impact dependent upon what becomes investment properties or not. So, I'm just curious how this may impact, because Kauai's concern, and I bring this up, and I appreciate you allowing me to

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speaking, Chair, is because they're concerned how this State proposal will impact their affordable housing projects and how they currently support those that rent to affordable margins, they are given a special property tax rate and they use the homestead rate which is \$3-something per thousand. Okay. So, they're now even wondering is this going to undermine the whole County's affordable housing program because the investment, where now, it's not a doable thing for us at all. So, I just want us to know what is at stake with a lot of things floating around that may impact programs like what we're trying to do with Na Hale O Maui. So, I appreciate you allowing me this opportunity to share some thoughts, Chair. Thank you.

CHAIR CRIVELLO: Thank you, Mr. Hokama. Any further...

COUNCILMEMBER KING: Just a quick question.

CHAIR CRIVELLO: Councilmember King?

COUNCILMEMBER KING: Yeah, and I think just to follow-up by that was one of the biggest problems with that bill is there's no definition of what investment property means. But no, I just wanted to know if, and thanks again for being here, for this issue 'cause it, this directly affects you, but do you have a running list of qualified buyers that you keep?

MS. ABDUL: Yes.

COUNCILMEMBER KING: Understanding that that will change, that may change, people may come in and out of that realm.

MS. ABDUL: Absolutely. To become a qualified buyer, our people go through our four steps. They start by coming to a seminar to learn about us because we're different, right? We sell leasehold. So, we help them understand. They decide whether or not they're interested. We have them prequalify with a lender of their choice. They go to the eight-hour HUD approved financial and homebuyer educational program. And then, they meet with us and go through our lease in detail. At that point, if they are still interested in proceeding with us, they are put on our qualified buyer list. Right now, we have about 100 people on that list.

COUNCILMEMBER KING: Wow.

MS. ABDUL: When we sell a house...not everybody wants, is looking for the same area right? So, if we sell something in Kihei, maybe 15 or 20 of those 100 are interested, and it goes on from there. But we have a large number. We probably have about 40 or more that are interested in the Kahoma project. And we'll have another seminar this month, I'm sorry, next month in October at the end. So, that will add because every time we have a seminar, we add to the numbers that we have on our qualified buyer list.

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COUNCILMEMBER KING: And do you choose the actual buyers by lottery or by first come first served among the qualified and the ones who are interested in that geographic area?

MS. ABDUL: What we do is we do have a process. It's a blind selection process. We have a subcommittee of the board that meets. They have buyer A, B, C, and D. They don't know who the buyers are. They look at our primary qualifications like income, you know, that they're adults and things like that. And then we have a set of secondary criteria that we look at. Does the family size fit the housing size? Is it an area that they work in or, you know, live in, or things like that? So, there are a number of, probably about 12 different points that they look at and they make that decision. Now, if the board, if the subcommittee is unable to make a decision, we do have the fallback of going, taking that reduced number generally, and then lottery, picking the buyer out of a hat. So, we have the ability to combine both.

COUNCILMEMBER KING: Okay.

MS. ABDUL: But we've found that our process serves us very well.

COUNCILMEMBER KING: Okay. Thank you. Thanks for sharing that.

MS. ABDUL: My pleasure.

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

MS. ABDUL: Thank you.

CHAIR CRIVELLO: Members, any other further questions for the Department or for our resource people on this? So, Members, if there are no further discussion, I would like to entertain a motion to recommend adoption of the proposed resolution entitled, Authorizing the Grant of the Real Property Located at 95 Ohana Hana Loop, Wailuku, Maui, Hawaii, to Housing and Land Enterprise of Maui DBA Na Hale O Maui; and incorporating any amendments made at today's meeting; and any other non-substantive revisions that may be needed; and filing of County Communication 18-312.

COUNCILMEMBER WHITE: So moved.

COUNCILMEMBER KING: Second.

CHAIR CRIVELLO: Thank you. So, there's been a motion by Councilmember...Chair, Mr. White, and seconded by Councilmember Kelly King. Any further discussion? Mr. Hokama?

COUNCILMEMBER HOKAMA: Real quickly, Chairman, I speak in support of the motion before us this afternoon. This is an entity that has a track record of successes, and success breeds success. So, I'm, will be happy to continue my support for this entity

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to continue to do the good work that they've shown through their past efforts. And again, they're a proven entity, Chairman. So, I'm confident that they will continue to move this program in the direction that the Council feels in the best interest of our community. Thank you.

CHAIR CRIVELLO: Thank you, Mr. Hokama. So, Members, any further discussion? If not, I'd like to call for the vote. All those in favor?

COUNCILMEMBERS: Aye.

CHAIR CRIVELLO: Okay. There's four "ayes," no "noes," and I have excused, Mr. Carroll, Mr. Alike, and Mr. Guzman. So, Members, our motion is passed and as stated with this resolution. For the record, I'd like to make note the in-kind grant that was signed by Cassandra Abdul that is attached as Exhibit "A". The tax map key where we have the 50 percent interest in driveway should be corrected to read, (2) 3-5-036:057.

VOTE: AYES: Chair Crivello, and Councilmembers Hokama, King, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Carroll, and Councilmembers Atay and Guzman.

MOTION CARRIED.

ACTION: Recommending ADOPTION of resolution and FILING of communication.

CHAIR CRIVELLO: Thank you. Thank you very much.

HHT-29: GRANT G4551 (FABMAC AFFORDABLE HOUSING PROJECT)
(MISC)

CHAIR CRIVELLO: Our next agenda item, HHT-29, Grant G4551, Fabmac Affordable Housing Project. The Committee is in receipt of the following, Miscellaneous Communication, dated November 3, 2017 from the County Clerk, referring Grant G4551, between the County and Fabmac Homes, Inc. for the Fabmac Affordable Housing Project (Ordinance 4456), and two, Miscellaneous Communication, dated September 7, 2018, from the County Clerk, referring Grant G455-1 [sic] between the County and Fabmac Homes, Inc., for the Fabmac Affordable Housing Project (Ordinance 4456). The Committee may receive a status update on the Fabmac

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Affordable Housing Project. The Committee may also consider the filing of the Miscellaneous Communications and other related action. So, Members, on September 25, 2017, the County granted to Fabmac Homes, Inc. \$1.5 million from the Affordable Housing Fund for the acquisition of land, to help subsidize the cost of nine single-family housing units. The original contract specified a project completion date of June 30, 2018. The County and Fabmac Homes, Inc. recently agreed to a contract amendment to extend the date of project completion through June 30, 2020. Today, we will we receive a status update from CEO/President Francesca Carey on the progress of Fabmac's proposed project and discuss current and future obstacles that this project may encounter. Members, with that I would like to turn it over to Ms. Carey who's joined us here.

MS. CAREY: Thank you, Chair. So, I've given you some information and we've signed a contract in escrow with the West Maui Land Company for the purchase of the nine lots. And if you look at the little foldout map in there, you can see how I've found nine of my models that are going to fit on those lots. Six of the models will be sold at 80 percent or lower median income, according to the HUD affordable housing guidelines, and three of the houses are the four-bedroom houses and those will be sold at 90 to 100 percent. I've given you some of the floor plans and there's also a small sketch, and eventually we'll have sketches of all of those plans.

CHAIR CRIVELLO: Director, would you like to add any further to this presentation or what we have before us from Fabmac? Mr. Almeida?

MR. ALMEIDA: Thank you, Chair. Just a brief update on the status of the project, infrastructure is underway and should be complete by the end of the year. Home construction will start in December or January, applications and the lottery is to occur in the first quarter of 2019, and the homes should be ready for occupancy closings estimated, you know, to begin in mid-2019. They currently have all their permits and final subdivision approvals in to the County and they're being processed. Hopefully they'll receive approval anytime now, and then they'll be able to commence with the project. Thank you.

CHAIR CRIVELLO: Thank you. Do you have any further comments before I ask my Committee if they have any questions or comments...

MS. CAREY: No, I'm open to any questions, Chair. Thank you.

CHAIR CRIVELLO: Thank you. So, Members, I'd like to open the floor for discussion for any questions or inquiries you may have regarding this particular project. Councilmember King?

COUNCILMEMBER KING: Thank you. Thanks for being here, Ms. Carey. So, because I wasn't here when the original proposal was made, can you just share with us what the, about a two-year delay with the, what was the cause of the delay in the timing of it?

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MS. CAREY: A lot of the delays were just simply due to the hearings not happening when they should, the application was actually submitted in 2016, and was not heard until 2017, and was not approved until late 2017. And now we're in 2018, so, you know, that was a lot of it.

COUNCILMEMBER KING: Okay. And are these prefab homes?

MS. CAREY: They're, yes, they are.

COUNCILMEMBER KING: 'Cause that's what you do, right?

MS. CAREY: Yes, I do.

COUNCILMEMBER KING: Okay. Okay. So, that, does that make them go quicker once they do get...

MS. CAREY: Yes, it does.

COUNCILMEMBER KING: Okay. So, what...

MS. CAREY: Yes. So, my hope is if, once they get the final County approval, which they're still waiting for, they'll, they're already working on the infrastructure as Chair said, so, we'll be able to bring houses onto that property I'm hoping in January and be completed probably by March. And then...

COUNCILMEMBER KING: Of next year?

MS. CAREY: Yes.

COUNCILMEMBER KING: Oh.

MS. CAREY: And the West Maui Land has a list of people that are interested in purchasing and they are going to be doing a lottery system. And I don't really know how that works because they're in charge of that.

COUNCILMEMBER KING: Okay. So, you actually will hopefully meet, be ahead of that new deadline of 2020?

MS. CAREY: Yes.

COUNCILMEMBER KING: I thought that was, yeah, Chair, is that the new deadline, June 2020?

CHAIR CRIVELLO: Yes.

MS. CAREY: Yes, well ahead.

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COUNCILMEMBER KING: Okay.

MS. CAREY: Yeah.

COUNCILMEMBER KING: Okay. That, I guess that's my main question. Thank you.

MS. CAREY: Thank you.

CHAIR CRIVELLO: Thank you. Mr. Hokama, and then followed by Mr. White.

COUNCILMEMBER HOKAMA: Thank you. So, just so I can get it clear, these lots will have a unit on it and then it goes out to lottery?

CHAIR CRIVELLO: Ms. Carey, or Mr. Almeida?

MS. CAREY: I'm sorry, that's going to have to refer to Buddy, thanks.

MR. ALMEIDA: Thank you, Chair. Thank you, Member Hokama. Yes, these nine lots are being purchased in the Waiale Elua Project --

COUNCILMEMBER HOKAMA: Right.

MR. ALMEIDA: --and the developer's going to hold the lottery to determine the buyers. And the homes will be constructed on and will be sold completed.

COUNCILMEMBER HOKAMA: So, the buyer doesn't get to pick what model?

MS. CAREY: No, apparently the way it's going to work is I've already laid out which lot gets which model. And so, when the lottery happens, the buyer will be allowed to pick a lot model combination. And that's apparently true for the entire 70-unit subdivision from what I understand.

COUNCILMEMBER HOKAMA: Okay.

MS. CAREY: So, if you pick lot number 45, that's the model you're going to get on it, yeah.

COUNCILMEMBER HOKAMA: Interesting way of doing it. Does this project satisfy a requirement of development for an entity or person, Department? Are they using our money to take care of their needs?

CHAIR CRIVELLO: Mr. Almeida?

MR. ALMEIDA: Thank you, Chair. No, Member Hokama, the, this is a 100 percent affordable project and Fabmac Homes has purchased nine lots and will comply with the restrictions in the 201H approval.

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COUNCILMEMBER HOKAMA: No, I'm just wondering if for the master developer this is one of his affordable housing requirements that now they're using our money and our Department's time to do their requirement of providing the units? 'Cause that wasn't the intent of Council that we pay for the private developer's fulfillment of housing. So, that's why I asked the question. And we can take that the Department's answer today is no, this does not in any way satisfy any requirement of a private developer, or a condition of approval.

MR. ALMEIDA: Other than the fact that, again, it is a 100 percent affordable project and it will comply with the requirements, I do not believe that this subsidizes or assists the developer in any way. I believe they, and Ms. Carey can verify this, that the lots are being sold at a discount, Ms. Carey? So, they are also assisting in the process to help subsidize these homes through the sales, to Fabmac Homes. Thank you.

COUNCILMEMBER HOKAMA: No, no, I appreciate your response, Mr. Almeida, 'cause I have taxpayers who have an issue with us paying for our own requirements. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Mr. White? Oh, your green light. Okay. Thank you. So, I note here with our handout--is this from you, yeah--is the Chapter 16.28, is that in reference to...no it's not, it's my next agenda item. Thank you, sorry.

COUNCILMEMBER HOKAMA: Chair, I have a question.

CHAIR CRIVELLO: Yes, Mr. Hokama?

COUNCILMEMBER HOKAMA: Yeah, I...another question, please? With this project, shucks, I had the question I was ready ask, then as soon as I asked the Chair I forgot what I was going to ask you about this project. I apologize, Chair. I apologize. I'm trying to figure out about the money. Rats, I cannot think of it. I apologize, Chair.

CHAIR CRIVELLO: That's fine, thank you. Ms. King?

COUNCILMEMBER KING: Maybe I can take up a little bit of time while you're remembering. But I just have a question while Mr. Hokama was speaking. So, we got two other handouts with this project folder and one of them is on experimental and demonstration housing projects. Is this for this item?

CHAIR CRIVELLO: No, that was --

COUNCILMEMBER KING: Oh, okay.

CHAIR CRIVELLO: --where I erred, it's for the next item.

COUNCILMEMBER KING: Oh, okay. I was just going to ask you why is it on experimental.

CHAIR CRIVELLO: Yeah, thank you.

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COUNCILMEMBER KING: So, never mind.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER HOKAMA: I recall now, Chair.

CHAIR CRIVELLO: Okay. Go ahead, Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER HOKAMA: When we heard about the 80 to 90 percent or whatever, and the rest at 100, and you guys mentioned HUD, that includes what we adjust for Maui County or that is just the straight HUD numbers please, Mr. Almeida? 'Cause I know that we have two different numbers, if we do the adjusted Maui County number or we just go with the straight HUD number. Do you know how this project is approaching it?

MR. ALMEIDA: Thank you, Chair. Member Hokama, for the median income, when HUD provides it to us, for Maui County we take the figure that they calculate for us and then we adjust for Lanai, Molokai, and Hana. Those are the internal adjustments that we do. But we use the median income that HUD provides for the rest of Maui County.

COUNCILMEMBER HOKAMA: Okay. So, for this project there wouldn't be any additional adjustments within the division or the Department?

MR. ALMEIDA: That's correct, no there are no additional adjustments.

COUNCILMEMBER HOKAMA: Okay. No, I just wanted to know if there was, because I know it makes a difference on the bottom line of the price, yeah, whether we go with the adjusted or the straight HUD numbers. So, I just wanted to be clear on that. Thank you very much.

CHAIR CRIVELLO: Thank you, Mr. Hokama. Any other questions or further discussion? Members, if there is no further discussion, the Chair will entertain a motion to recommend filing of the Miscellaneous Communication dated November 3, 2017, from the County Clerk, and the Miscellaneous Communication dated September 7, 2018, from the County Clerk.

COUNCILMEMBER HOKAMA: So moved.

COUNCILMEMBER WHITE: Second.

CHAIR CRIVELLO: We have a motion by Member Hokama, seconded by Chair White. Any further discussion?

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COUNCILMEMBER HOKAMA: I got one.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER HOKAMA: And I need to say it because I find it interesting that this afternoon, Chair, you've had representatives from two different nonprofit entities working on housing and telling us they're able to come within a reasonable timeframe to get people in homes.

MS. CAREY: Yes.

COUNCILMEMBER HOKAMA: What is wrong with the private sector? I mean, we just heard it from two different entities and they're trying to hit the mark 'cause they've heard us bitch and moan about where are the units, where are the units? Why are we waiting so long? And yet, here's two entities that are going to make it happen sooner than later and I just want to make a, make it like I'm, give them an acknowledgement that I appreciate that those efforts and the ability to get finally people in built homes. So, thank you very much for allowing my comment.

CHAIR CRIVELLO: Thank you, Mr. Hokama. I appreciate it. So, we have the motion. Any further discussion? All those in favor?

COUNCILMEMBERS: Aye.

CHAIR CRIVELLO: Any opposition? Any "noes?" So, we have four "ayes," Hokama, Crivello, King, and White; and excused is Mr. Atay, Mr. Carroll, Mr. Guzman; no "noes." The motion passes.

VOTE: AYES: Chair Crivello, and Councilmembers Hokama, King, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Carroll, and Councilmembers Atay and Guzman.

MOTION CARRIED.

ACTION: Recommending FILING of the Miscellaneous Communications, dated November 3, 2017, and September 7, 2018.

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CHAIR CRIVELLO: Thank you.

HHT-50: MODULAR HOMES (CC 18-302)

CHAIR CRIVELLO: Our next agenda item, please, is HHT-50. But before I go any further, do we need to take any personal break? Do we need any personal break right now? We can continue on? Okay. Thank you. Thank you. So, Modular Homes HHT-50. The Committee is in receipt of County Communication 18-302, from myself, Councilmember Chair for this Committee, Stacy Crivello, relating to Modular Homes. The Committee may receive a presentation from the Department of Housing and Human Concerns and discuss related matters. But no Legislative action will be taken. Mr. Spence? Thank you, Department.

MR. SPENCE: Okay. Good afternoon, Madam Chair and Members. This discussion comes up 'cause we've been working with some members of the community regarding providing housing, especially for our homeless population. And as you know, the, our homeless population, a lot of those people are working. They're just down on their luck and our, you know, we have a serious lack of inventory right now. So, there's, we're just looking for opportunities to put people in permanent housing. So, one of the things we've been talking about, especially with Ka Hale A Ke Ola is the idea of doing, you know, let's think about some modular homes on some properties. And you know, we've had discussions with a couple different developers who say they have, you know, who have ties to modular home manufacturers. And, you know, how do we do this? How do we go about and produce something that's economical to do, you know, we can serve a number of people but at the same time be economical and, you know, see how we can get a quantity of units? So, just honestly, when I was, when I became Housing Director I did a quick search through our County Code for Housing Director. And what came up was something that I've never noticed in the Code before. And I don't think it's ever been used, at least in my knowledge after 20-plus years working with the County. What it is, is Chapter 16.28, it's titled Experimental Demonstration housing projects, and there's some definitions. It goes through the Council, who the Director is, what an experimental and demonstration housing project is, et cetera. And what it boils down to, and it references Hawaii Revised Statutes 46-15, what it is, this is the implement, this is our implementation of this part of Hawaii Revised Statutes, and it authorizes the Council to approve projects in a very similar manner as 201H projects. So, 201H-38, as you know, developers come to us and say they want to do certain things and they want exemptions from all different parts of our Codes and fees, and General Plan, and zoning. And so, you know, the Council has 45 days to conduct their hearings and approve, or disapprove, or approve with conditions. So, this is a little bit different avenue where there's no timeframe. But it goes, it's entirely a County process. There's, you know, if there's certain acreages, well, if there's certain acreages it still goes, you still have to address the Land Use Commission. But in looking up 46-15, it's also titled Experimental and Demonstration Housing Projects, the Mayor of each County, after holding public hearing on the matter, and receiving approval of the respective Council, shall be empowered to designate areas of land for

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experimental and demonstration housing. The idea is, the purposes of which are to research and develop ideas that would reduce the cost of housing in the State, except here and after the experimental and demonstration housing projects shall be exempt from all statutes, ordinances, Charter provisions, and rules or regulations of any government agency, or public utility relating to planning, zoning, construction standards for subdivision, development and improvement of land, and construction on the sale of homes thereon. So, it's very similar to the language in 201H. And then, down towards the bottom it does mention the Land Use Commission. It's a little bit confusing. It's not entirely clear on, do you have to do this in every case where there's ag land involved, even less than 15 acres, I'm not sure. But the idea is, if we wanted to go forward with, you know, we're looking at a number of properties with Ka Hale A Ke Ola, and, you know, we're certainly willing to work with other nonprofits as well. You know, the idea that a project has to pencil out of course is very important, and also because the nonprofit's mission we're trying to serve as many people within our community as possible. So, like one of the properties we're looking at is the, is right by the Wailea Fire Station, owned by the County, zoned Public/Quasi-Public, you know, the idea that we could put some modular homes on there, smaller ones, lower cost, but providing permanent housing. The Public/Quasi-Public may or may not be able to fit, you know, some kind of housing in there, depending on how it's structured. But going through with an experimental type of housing that would be approved by the Council, you could waive the zoning requirements, you could waive the community plan requirements. But it would still, you know, be transparent. It would still have to conduct a public hearing and get the community involved in it. We're also looking at a couple other properties within the County. A couple, two of them are owned by the County, or excuse me, one's owned by the County up by the police station, the other one is in Honokowai, that's EO'd to the County that...for emergency access and affordable housing purposes. And then there's a private property in the middle of Kihei that, where the owner has expressed the desire to, and he's made his money, he has no desire to make a killing on every single deal, but he expresses he would like to give back to the community. And he's offering the possibility of using his property for just such a project. And so, you know, we're, typically the zoning of these properties would not, may or may not allow different kinds of housing. Certainly with this kind of experimental idea, we come to the Council, present the idea, and gain certain approvals just like you would in 201H.

CHAIR CRIVELLO: So...

MR. SPENCE: Things we're talking about would be we're, when we're referring to modular homes we're talking about prefabricated units, smaller units we're thinking, you know, 60,000 to \$70,000 a unit and these being long-term rentals, not, you know, these are, would not be shelters. These would not be transitional housing. These are for our residents, just for the very, very low-income part of our, segment of our community. So, there would be an income stream to help maintain and et cetera. So, this is a, I think this is a good avenue that we have not explored yet, particularly for the very needy part of our community. This kind of process could also be, I mean, we're talking in terms right now about modular homes, but it could also be used for apartment buildings or, you know, it's a creative tool that we haven't used, and it

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could be used for a lot of different things. So, we're hoping to attract some attention with this and see what else we can do towards providing housing.

CHAIR CRIVELLO: Thank you, Mr. Spence. I'd just like to give a little bit background how we've come to this discussion because we all know about the homeless situation that has been an increasingly hard problem to address. And then, the State has thrown money into Ohana zones and they have their homeless tsar. But then, we also look at what the Kahauiki Village was on Sand Island by the public and private sector. However, it, the conversation actually started with the Kihei Community Association and what the Ka Hale A Ke Ola has in their coffers I think, \$1½ million dollars that, of in 2005 was extended to them from private developers to address providing housing, or some sort of provisions for our homeless population in Kihei. So, we've had that discussion with Councilmember King and her community association. And it has expanded to this because there seems to be an urgency, and then maybe Monique Yamashita can come down and explain to us what this means under 1.5. And then, this is how we started to talk, what can we do, and modular homes came up, tiny homes. And we also have an advantage with Mr. Spence with his land use expertise and identifying properties in the Kihei area. So, before I open up for discussion, I just want to say it, this is a link that came out because we're trying to address specifically for this particular item it's what's happening in Kihei and the homeless problem that we have there and how we're going to address it. So, if there are no objections, I'd like to call Monique Yamashita down. Monique is the Executive Director of Ka Hale A Ke Ola.

MS. YAMASHITA: Is it on? Thank you, Chair Crivello.

CHAIR CRIVELLO: Thank you. So, would you like to give us a little bit background on your, the monies for the Kihei district in addressing the homeless situation in South Maui?

MS. YAMASHITA: Yes, thank you. It is true, we started having these talks maybe over a year ago when it, and after I became the Executive Director of knowing that we had this \$1.5 million sitting in our bank that was earmarked for homeless services and affordable housing on the south side of Maui and looking at what can we do with the funding. So, we had a two-part interest, and also in keeping with the agreement that we have with our developers in the County, that we address not only homeless individuals, but also how do we house those who need the housing the most. I know in 2018 according to the homeless point-in-time count there was at least 110 individuals identified as homeless or unsheltered on the south side of Maui. And so, part of this funding can be used to identify land and address the homeless situation and the need for affordable housing for our most vulnerable community members.

CHAIR CRIVELLO: Thank you. So, Members, I'd like to open up the floor for discussion and...Ms. King?

COUNCILMEMBER KING: Thank you, Chair. And thanks for being here, Monique. Yeah, it was about a year ago when we had the first community meeting and we had two community meetings mostly focused on homeless. So, I think we're this, you know, to

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me this, I was hoping to, that we could actually look at some post...potential shelter units because that seemed to be one of the greatest needs. But just for the Committee's information, our working group in Kihei is on two tracks now, two parallel tracks, one with addressing directly homeless needs through a mobile hygiene unit, and the other through looking at the actual housing needs of the homeless through these, what we're calling tiny home, tiny modular homes I guess. So, I guess we're, you know, and I understand from Mr. Spence, talking to Mr. Spence that we're still, there's still that possibility of that four-acre private property that we might be able to negotiate with one of the folks on our working committee, so. But if we, if the mobile hygiene unit is, I mean, to me I thought it was kind of a separate component. So, we were looking for separate funding. But if we're, if we're actually, if that's the only component, or maybe you can explain to me how we're going to target these homes for the homeless population, the, when we, if we can get this tiny home project going so that it doesn't end up being, you know, the, I understand the very low income. But we also need to address, you know, some kind of shelter for some of our homeless population. And I think there is a sizable population that is working and living in their vehicles because they can't afford the rents that are in Kihei. But I just want to make sure that we're not just creating a separate affordable housing project that may be inhabited by people from outside of Kihei with low incomes and how we're going to make sure that we're targeting the problem in Kihei as it was meant to, that 1.5 million.

MS. YAMASHITA: Yeah, thank you. I definitely can address that. So, when we look at the programs that we have that are going to go to the south side, we will be working with the homeless population to get them in the homeless management information system which would also put them in the coordinated entry system for the County as well. And that helps us identify those who are homeless and are in need of housing, whatever type of housing that might mean. So, it may mean they need emergency shelter initially, they might be identified as getting transitional shelter, they also may be identified as permanent supportive housing, which our agency will have that in place by next year, or rapid rehousing. So, that will be the first steps for us to identify who is homeless in Kihei, and how can we help them. So, it would be an immediate response where we can refer them to our shelter or maybe Family Life Center shelter, or they might get into permanent housing right away through the housing first model. So, that might happen. And when we look at the affordable housing in Kihei, it'd be a natural progression that anyone that we work with, with our, with this mobile hygiene unit and outreach to not only say, maybe you can have shelter if you'd like that but you also may be eligible for affordable housing that we have in place in Kihei when that happens. So, we would be able to look at the community on the south side and offer the resources to them that we have throughout the entire County, the entire island, not just our agency, but all the homeless services that are provided on the island.

COUNCILMEMBER KING: Okay, so...

MS. YAMASHITA: It'd be quite comprehensive.

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COUNCILMEMBER KING: Okay. Because I just, I mean, I think one of the main concerns is that we have affordable, we have homeless resources in South Maui because right now we're really limited to --

MS. YAMASHITA: Right.

COUNCILMEMBER KING: --those sources. So, working together between the mobile hygiene unit and the potential housing. Okay.

MS. YAMASHITA: Yes.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER KING: Thank you.

CHAIR CRIVELLO: Any further questions or discussion on this matter? Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. You know, there's no definition of what is a demonstration project or experimental housing. I'm just wondering if the Director has any clue what that means? Because it would appear to me that if it's, if the requirement is to be...I can see Corp. Counsel pointing out a definition, but I'll read the definition. It means those housing projects approved under the provisions of this statute. And so, that's very broad, obviously. But the question in my mind is, do these have to be something that we haven't done before, and are not necessarily, are we going to be able to, if it's something that we do under this provision on an experimental basis, will be able to do yet another experimental project under the same statute if we've already done it once before? So, I just don't know how much flexibility this gives us. It sounds pretty exciting, but it doesn't sound like it's something we can use over and over again, I'm just wondering.

CHAIR CRIVELLO: Mr. Spence, or do we need that from Corporation Counsel?

MR. SPENCE: Madam Chair, I'll make a comment and then I'm sure Mimi will have things to say. But I, that is a very good question, if you use the same experiment over and over again --

COUNCILMEMBER WHITE: Is it...

MR. SPENCE: --when does it quit being an experiment --

COUNCILMEMBER WHITE: Right.

MR. SPENCE: --and something that you can just use all the time?

COUNCILMEMBER WHITE: Or demonstration.

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MR. SPENCE: Yeah, I don't have the answer to that. I can tell you in our Code, experimental and demonstration housing projects means those housing projects approved under the provisions of HRS 46-15. That doesn't really tell you anything. So, you go to 46-15 and it's just, the purposes of which are to research and develop ideas that would reduce the cost of housing in the State.

COUNCILMEMBER WHITE: And I think the challenge that I have is that if you do it the first time, you avoid all statutes, you avoid all, you know, regulations, Code, and whatever else, and both Code and statutory. What happens the second time? Because essentially, we're able to do a 201H by avoiding a lot of these things. But if we do a demonstration, there's no 201H that we're utilizing --

MR. SPENCE: Right.

COUNCILMEMBER WHITE: --it's kind of a one-shot deal. And I'm just wondering how good is the demonstration if we can only demonstrate it one time and we get huge cost savings, but we don't get to do it ever again?

MR. SPENCE: I certainly think that, well a couple of things with this, one, this is all subject, such a project is subject to Council approval. So, you can say, you know, I would think it would be kind of like a 201H where someone would come and, I don't think they're automatically exempt from everything. I think it's up to the Council to determine what --

COUNCILMEMBER WHITE: Yeah, that's correct.

MR. SPENCE: --is going to be exempted from, and what it's not going to be exempted from. Likewise, I mean, this is written very, very broadly. I think it's going to be up to the Council to say when does it cease being an experiment or a demonstration 'cause you could demonstrate on the South Side, well, but I don't know if it's going to work on the West Side. So, let's go demonstrate over there. I mean, it's just that broad that, you know, it's going to be up to the Council to decide when it's, when this is a good method and it should just be codified, you know, as a, it's no longer demonstration, we know that this works. Let's write a statute that this particular method works for affordable housing projects.

CHAIR CRIVELLO: Yeah, I have tons of questions. So, this has been, I think 1983, do you know if it's ever been implemented, if any projects were done?

MR. SPENCE: I am not aware that it has ever been used. I'm also looking at HRS 46-15, the last code on here, I see 1977. It's been a long time...

CHAIR CRIVELLO: Nineteen eighty-four.

MR. SPENCE: Okay, '84.

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CHAIR CRIVELLO: Mr. Hokama, excuse me, we'll ask our institutional member there. Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, this is a long-standing ordinance in the Maui County Code. The County has used this on Molokai, specifically for Kualapuu.

CHAIR CRIVELLO: Right.

COUNCILMEMBER HOKAMA: And again, this was during an era where some of the larger plantation operations were making adjustments. And for Molokai, we had three big operators, Libby, Del Monte, Dole, and they were making shifts and adjustments. And that is why Kualapuu is under a different type of zoning if you look at the lots, road sizes, easements, it's all adjusted to meet Kualapuu.

CHAIR CRIVELLO: Right.

COUNCILMEMBER HOKAMA: Okay. And if you look at the State law, the reason why the County pushed it forward is because this talks about projects in plurality, not about an individual project. This is about experimental and demonstration projects, before we had project districts, zoning concepts, before we had planned development concepts supported by the departments and the Councils or the Board of Supervisors. So, yes, it does work, Chair. And one of the reasons that this County embraced it is because this County, on every island, or just on this island, whether you go Makawao, or Lahaina, roads are very different. Okay. Molokai, your Maunaloa roads, your Kaunakakai roads, your Manae roads, they all have some differences. Even on Lanai, our street widths, how Jim Dole had planned Lanai is geared for that 1920's mentality that where people going walk, you're not going to have all these vehicles. So, our streets are very different. We don't make normal standards of Maui County Subdivision Code. So, this was used as a way to move certain things forward without adjusting and disturbing the existing community and what standards they live currently under. And that's why when we look at Country Town zoning proposal, it fits the community it's in. It's not a one-size-fits-all approach. And so, for this County, Madam Chairman, your island was the test case and it worked on Molokai, and the Council supported it, I think it was in the late '60s, maybe early '70s during the adjustments of the big plantation owners on Molokai, Chairman. So, I would still support this. Again, we've got a lot of tools, we could do a project district, set our own standards. Okay. This is the only one that I would agree with Mr. Spence that is kind of interesting is we still would go back to the Land Use Commission for anything not Urban classified. So, you still go through potentially a lengthy bureaucratic process with the Land Use Commission, unless they going to honor that current 15-acre rule. And if you say, oh this demonstration is 14.99 acres, then you just come back to the Council, they're going to approve its own demonstration project to get the reclassification because that's what currently is allowed by law. So, it's kind of interesting, the authority the Council will have on, dependent upon the submittal of the project. And I understand what Mr. White is concerned about if we repeat it, you know, is it still a demonstration project? Well, part of the demonstration project, and why I'm looking even for Lanai on our County housing project is 'cause I'm looking at

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new technology that's not currently part of the current Electrical or Plumbing Code, but it gives us the opportunity to bring in lower priced infrastructure because of the technology advancements in sewer and in power. Okay. So, part of the experimental exemptions that we get through this provision in our Code allows us now to make exemptions regarding that type of standards. And we can try as a demonstration whether or not these new technologies really work for our new subdivision requirements and make those appropriate adjustments, especially if it brings in cost savings and reduces the need of three more pump stations that will not be needed because we found a technology that does away with that kind of requirements. This is what this type of projects can help us achieve, Chairman. And so, I believe there's a place for it, whether it's with the homeless issue or not, possibly. But I still think this is an important tool we should try and utilize for various parts of the County because it's all different and all unique. So, I appreciate this discussion this afternoon, Chair. And one thing again, you know, I can say we've utilized the tool. So, yes, this was still under Mayor Cravalho, the real, our first Cravalho, Elmer, not Bernard, and I believe it was under, at that time, was, the County was just called Department of Human Concerns. I didn't think it was called Housing and Human Concerns yet in that era. So --

CHAIR CRIVELLO: And I...

COUNCILMEMBER HOKAMA: --that's what I can add to the discussion, Chair.

CHAIR CRIVELLO: It was driven by really the Council too, yeah, for this.

COUNCILMEMBER HOKAMA: It worked closely with Mayor Cravalho --

CHAIR CRIVELLO: Yeah. To my recollection.

COUNCILMEMBER HOKAMA: --because of the changing employment structure of our big drivers, which was agriculture.

CHAIR CRIVELLO: Right.

COUNCILMEMBER HOKAMA: Yes.

CHAIR CRIVELLO: Right. Thank you. Thank you for that. King, Ms. King?

COUNCILMEMBER KING: Yeah, thank you. Well, I was really happy to hear about this potential when Mr. Spence brought it up at one of our meetings in Kihei. Do you know, we went and visited, maybe Ms. Yamashita knows, but we went, when we went and visited those projects on Oahu and the tiny home projects that, do you know if they utilized this in any of those projects, this actual experimental and demonstration designation?

MS. YAMASHITA: No, I'm sorry, I don't know that.

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COUNCILMEMBER KING: Okay. 'Cause I know they had quite a few small homes on a small piece of property, like an acre or something. We went and looked at like three or four different projects over there and one of them had about 16 homes on I think an acre or two, not more than that. So, it would've had to be outside their, you know, normal zoning I would think. But anyway, maybe we can check into that and find out what, if that, if they were utilizing this and, you know, we're trying to do something, a different type of, a modular type, theirs wasn't really modular. I mean, it was, when you look at the homes their, the units over there were very different than what we're looking at for, you know, prefab, we're kind of looking at something that's like prefab.

CHAIR CRIVELLO: Right, so, I'll ask Staff to follow-up on what process. But this is Maui County Code, this particular experimental.

COUNCILMEMBER KING: Right, but the statute, the State statute, yeah.

CHAIR CRIVELLO: Yeah, there are statutes mentioned in this. So, I'll ask Staff to follow through with your inquiry --

COUNCILMEMBER KING: Okay. Thank you.

CHAIR CRIVELLO: --on this. Corporation Counsel, do you want to add anything to this discussion?

MS. DESJARDINS: I'm not real familiar with 46-15. But under the rubric of 46 itself, HRS, it really talks a lot just about the general powers given by the State to the counties. But it would be interesting to look as a whole at that statute and see...this seems to just sort of stand out as a standalone piece of legislation because if you look at 46-15.1, and 46-14, they aren't connected to this at all. So, it's been on the books it looks like since 1970. So, and then it looks like the Maui County Code section was promulgated in 1983, it looks like just to facilitate the State statute. But it really isn't intended to be counter, or have anything, you know, to take away from 46-15. So, it looks like an interesting piece of legislation.

CHAIR CRIVELLO: So, maybe we can ask for a more expansive kind of follow-up from your office if that would be...

MS. DESJARDINS: Definitely, yes.

CHAIR CRIVELLO: Thank you. I appreciate it. So, any other questions, comments, or further discussion on this particular agenda item? If there are no further discussion, Members, I'd like to, if there are no...

COUNCILMEMBER HOKAMA: Chair, Chair?

CHAIR CRIVELLO: Yes, yes?

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COUNCILMEMBER HOKAMA: Just one question, yeah, 'cause some people might get real excited that they're hearing about this new venue called experimental demonstration. Okay. But the key component yet is someone still needs to put a proposal together for consideration, okay, which takes time. So, again, there's still that frontend work that needs to be done to present something for consideration.

CHAIR CRIVELLO: Right.

COUNCILMEMBER HOKAMA: And that is something, you know, again, the Director may need some Staff assistance and legal assistance to have enough guidance so that if and when we put our proposals for such a project or projects, that at least he is clear of what the expectations are to be, one, to submit, and then again, to be presented to Council for full review and approval or disapproval. But I think we have opportunities on all the islands --

CHAIR CRIVELLO: Right.

COUNCILMEMBER HOKAMA: --through this component, Chair. And again, maybe '83 was when the last time we...

CHAIR CRIVELLO: I think that was...

COUNCILMEMBER HOKAMA: Because I remember Mayor Cravalho was really pushing this on Molokai and the Kualapuu area where you had Mr. Colatario and whatnot in Kualapuu...

CHAIR CRIVELLO: I think that was in the '80s, the early '80s --

COUNCILMEMBER HOKAMA: Yeah, well --

CHAIR CRIVELLO: --yeah, when I think about the shutdown --

COUNCILMEMBER HOKAMA: Masa Fujimoto's, and, you know, all those --

CHAIR CRIVELLO: --yeah, right.

COUNCILMEMBER HOKAMA: --old-time Molokai residents. I remember that was the era.

CHAIR CRIVELLO: Right, and then we had Uncle Pat.

COUNCILMEMBER HOKAMA: Yeah, and we had Papa Lindo --

CHAIR CRIVELLO: Yeah.

COUNCILMEMBER HOKAMA: --from Hoolehua. So, yeah. Thank you.

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CHAIR CRIVELLO: Thank you. Thank you, Members. So, if there are no objections, the Chair will defer this item.

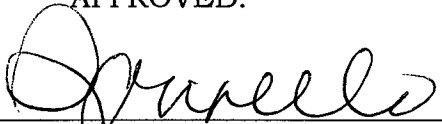
COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: AA, RC, and DG)

ACTION: DEFER PENDING FURTHER DISCUSSION.

CHAIR CRIVELLO: Thank you. Department, thank you for being here, Mr. Spence, Mr. Almeida, as well as Corporation Counsel, Mimi DesJardins. And I'd like to thank Saumalu Mataafa and Clarita Balala, but most of all, Members, I want to thank you for being here to be part of this discussion with our bare quorum. So, Members, we have completed today's agenda. Thank you again for attending. With that, the September 20, 2018 meeting of the Housing, Human Services, and Transportation Committee is now adjourned. . . .(gavel). . .

ADJOURN: 3:15 p.m.

APPROVED:



Stacy Crivello, Chair
Housing, Human Services, and
Transportation Committee

hht:min:180920:mt

Transcribed by: Marie Tesoro

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CERTIFICATE

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

DATED the 5th day of October 2018, in Wailuku, Hawaii

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

Marie Tesoro