Transportation Agency

Honorable Bernard P. Carvalho, Jr.
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin (via remote technology)
Honorable Bill DeCosta
Honorable KipuKai Kuali'i
Honorable Arryl Kaneshiro

The Committee reconvened on April 8, 2021 at 9:00 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning, I would like to call back to order the Committee of the Whole and the Fiscal Year 2021-2022 Departmental Budget Reviews. Let the record reflect that all Members are present. On the schedule today, April 8, 2021, we will be hearing from the Transportation Agency, the Housing Agency, Agency on Elderly Affairs, Office of the County Auditor, and the Office of the County Clerk. As we do each morning, we will take public testimony at the very beginning.

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro: We have no registered speakers, but we received written testimony regarding some of the budget items for today. For today's review, we will start with the Transportation Agency. I will call upon Executive on Transportation Celia Mahikoa and her team to give us a brief overview of their FY 2022 budget.

CELVIA M. MAHIKOA, Executive on Transportation (via remote technology): Aloha. I have present with me this morning Assistant Executive on Transportation Leonard Peters. We want to thank you for this opportunity to share our budget status, where we are at, and just to provide a brief summary of how this past year has gone and how that has impacted the budget you see before you today. In regards to the entire pandemic situation, we naturally had to make adjustments and be flexible within that. We were able to enhance our cleaning protocols in order to properly address the environment in which we need to continue to provide this essential service for the public in the disinfection activities and added cleaning activities we have with our vehicles. We were incredibly blessed to have received allocations of federal funding from the Federal Transit Administration (FTA). That was primarily to ensure the continuation of these essential service for the public, of which the first allocation is currently being drawn and utilized to maintain the manpower levels for our team. As we experienced the vacancies that naturally occur, we have been able to properly fill the vacancies that have happened over the past year as we have been going through this experience. With the federal funds that have been received, we have also been able to have the existing positions for individuals in the agency. You will see and make note of the vast amount of dollar-funded positions within the Transportation Agency's budget. Those funds were being utilized elsewhere within the Highway Fund and the General Excise (G.E.) Tax Fund, of which I believe the salaries and wages for Highway Fund...we have a reduction that you will see of about $2,200,000 and for G.E., a reduction of about $3,400,000. That is primary salaries and fringe benefits. Relatively speaking, the rest of the adjustments that have occurred, there was nothing very significant beyond that. I just wanted to give you an overview and see if there are any questions in particular that you have relating to the budget and/or needing clarification.
Ms. Mahikoa: The first allocation we received was $8,000,000 through Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, FTA CARES funding. About two (2) weeks ago, we were able to implement an updated, much more accurate CAD system for our fleet to assist with operations, which was purchased with those funds. For the most part, everything else is being utilized for keeping staffing levels up, to maintain the level of service.

Ms. Mahikoa: How much of that $8,000,000 is going to be spent in FY 2022?

Ms. Mahikoa: In FY 2022, probably at least $6,000,000.

Ms. Mahikoa: There was a second allocation provided for Council approval, I believe it was last week or the week prior. They called that round Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds; we tend to get the two (2) separate amounts mixed up sometimes. I believe that one would be another...I apologize, I can get back to you with the exact amount.

Councilmember Kuali‘i: On your narrative on page 5, Operational Challenges, number 2, you talked about the alternative fuel supplies and replacing the buses because of the goal of 100% renewable by 2035. At the very end you say, “Replacement of 12 to 15 buses annually.” How many buses do we have total and how long will it take for us to replace them all?

Ms. Mahikoa: The total fleet will typically be around sixty (60) vehicles. That is about four- to five-year rotation on those in order to get the entire fleet replaced. That is on the assumption that we have sufficient funding to get twelve (12) to fifteen (15) vehicles each year. That has fluctuated based on the federal and local funds being made available each year.

Councilmember Kuali‘i: Right below that, there is an item about providing masking on the buses. Have we been providing that with some of the CARES moneys and has that been a heavily needed item?

Ms. Mahikoa: Thankfully, because it is an islandwide directive and actually nationally now through the Centers of Disease Control and Prevention (CDC) making the directive applicable on all transit operations that everyone should have masks available. It is not very frequently that it is needed; however, our drivers carry a couple with
them just in case. We much rather have some on-hand rather than the regrettable needing to deny boarding to someone because they did not have one, but because most people have a mask with them now at all times, it is thankfully a rare occasion.

Councilmember Cowden: I want to thank you for your presentation. When I looked at your synopsis, it is the most deeply varied from anything that we have seen thus far. It is great to know that the federal government came through for us with CARES Act funding. We had the significant improvement with new shelters and I know we just got the new building for offices. I think what I really want to say the most is how much I appreciate the bus drivers. I am sure the entire department deserves the credit, but what I see is the bus drivers from the North Shore to town...I had the opportunity to ride the bus a number of times, especially during my injury. I just have to acknowledge the incredible kindness that I saw extended to those riding the bus, so what you were saying about the masks does not surprise me at all. They were on the frontline during the COVID-19 exposure and I saw relationships between the bus drivers and the people getting on. A part of me, which is from the private industry, that level of customer service made me really proud as a member of the Council. It borders on loving in the most caretaking ways, like mālama. I also want to acknowledge the Transportation Agency for responding to my little panics during these storms and going down to the parks and picking people up. Whether they got on the bus or not, we had a full amount out of Lydgate. Again, I want to recognize that your department has gone above the expected level of service—"good job, Transportation Agency" is what you are getting from me. It looks like your budget is good and I am excited that we will receive federal moneys to pick up the slack and that we can continue to be giving good service.

Councilmember Evslin: I want to send out my appreciation to the Transportation Agency. The drivers here, especially during COVID-19, were really on the front-front lines and still are in so many ways, both in providing a source of daily transportation to people without it, but also while we were all shut down for a period of time, these folks were still out there in a confined box driving. There were a lot of horror stories from the mainland about transit drivers catching COVID-19, yet these folks still did their job well. A huge mahalo to the entire agency. A follow-up to the electrification. I have seen some summaries of the new proposed infrastructure plan coming out of the White House, which is looking like it is going to target money towards electrification. If there were funding available coming from the federal level towards electrification, how much of the barrier on our side is funding for the buses themselves versus electric vehicles, charging stations, and logistics around charging, et cetera. If the funding were there, how quickly could we make the transition and how much other work needs to get done at other levels to facilitate the transition?

Ms. Mahikoa: Thank you for mentioning that because we were actually in the process of submitting an application for this year's FTA Low-No Emission Bus grant. They are making funds available for that. You will be seeing that coming across for the Council's attention within the next week or two. That will help us to get additional vehicles, but you are absolutely right, there are many moving parts involved in making this transition. We are thankful that we have help from Ben Sullivan from the Office of Economic Development (OED), who has been instrumental in helping us understand what is needed above and beyond just our transit impact, as well as the Statewide Transportation Planning Office. We are submitting that grant application in combination with Hawai'i Island and Maui County as well. Hawai'i Department of Transportation (HDOT) is coordinating that application in order to be forwarding the project of the pilot project that the State has for...
zero-emission bus implementation. They have a consultant onboard already who is assisting with getting the application and also working through the details needed in order to identify what type of infrastructure needs there going to be, working with the utilities, and any other actions needed to get us where we want to be, which is basically carrying out the goal for the 2035 full transition.

Councilmember Evslin: Do you anticipate any need to undertake any studies? I know it is never a great thing to hire an outside consultant to tell us how to do something, but as far as this transition, it is not just “plug in the electric buses and go for it.” I just want to make sure we can hit the ground running if a significant source of federal funds become available in making the transition. Do you anticipate the need for external consultation to help get us going in this direction or can you figure this out internally on how to make this work?

Ms. Mahikoa: We very likely will need additional assistance. We are still rather early in defining exactly where we land with the first Low-No allocation that prompted the consultant to be onboard for the statewide initiative, but Kaua‘i has very specific elements that we need to take into consideration as well that may go beyond what their consultant is able to carry out within this contract that they are in. I can see that as we move closer to actually getting vehicles on-island and getting the infrastructure planned out, we want to make sure that “timing-wise” all of this is coming together within at least a practical range of time that everything needs to align well. It takes folks who are experienced in this realm and this is so very new to us, that we are all just learning at the same time and trying to utilize the resources that are being made available for us, which right now for us is DOT and we are very grateful to have Ben on board helping us with that as well.

Councilmember Evslin: Thank you for all the efforts on all these fronts.

Councilmember Kuali‘i: Following up on the potential of the future infrastructure moneys that are coming from the federal government—the bill that has already been passed, the American Rescue Plan Act, I see in there that under public transit, they have $30,000,000,000 and it is being provided to counties at 100% federal share, so that would mean we would have no match requirement. When you do your annual or every six (6) months grant process with the federal government and you go through the FTA, will they then incorporate these additional funds or do you have to apply separately for this new moneys? These are moneys beyond the usual money, right?

Ms. Mahikoa: Yes, that is correct. These federal allocations are specially for the pandemic response—because we are considered a small rural operator, for transit we are a sub-recipient under the HDOT and they have their planning office manage the grant awards for us as well as Hawai‘i Island and for a portion of Maui right now. They are actually the grant recipient, they will get the entire allocation for Hawai‘i and then they allocate to Hawai‘i Island, Maui County, and Kaua‘i. I believe the most recent formula that they have been applying is 40% Hawai‘i Island, 40% Kaua‘i, and 20% to the rural areas of Maui County. It has been the most recent practice with these federal awards, so we are not having to, thankfully, fill out formal applications to get them in. As soon as we are made aware of the additional amount that this will result in for Kaua‘i, we will be moving forward with submitting a request for approval for those funds, like we did with the CRRSAA funds and CARES funds that have been provided in the past. We are not sure how much this Rescue Plan Act will result in for Kaua‘i at this point. They typically have stipulations on the
pandemic response and naturally for transit, it is to keep transit going and to ensure that we are effectively serving the public with the supplies we need or additional actions needed to handle the disinfection of vehicles and other activities that are directly related to the current situation.

Committee Chair Kaneshiro: I do not know if my memory is serving me correctly, but we received an electric bus in the past and at one time we talked a lot about where we are going to set up the charging station. Do you have a status update? Is that bus going around and servicing people? Did we set up that charging station?

Ms. Mahikoa: We had two (2) adventures related to this arena and one was years ago when we purchased a hybrid bus that was actually of limited use because at the point of purchase, we had purchased a very large vehicle and then when evaluating putting it into operation, we were able to determine that you get your greatest savings energy-wise with hybrid vehicles in more town settings. That is what we learned. That was quite a while back. That was maybe about maybe a dozen years ago when we had that bus. It went through its useful life and we retired it. It must be three (3) years now since we had a pilot or a sampling of having electric buses on-island. I do not know if any of you went to the Mayor-A-Thon. We had them out there on display and had transported a group from one side of the island just to test it out to see how we could operate it within the limitations of Kauaʻi. Some of our areas are rather snug and our bus stops are designed for smaller vehicles and our roadways ...so we tested it out. We saw that the full-sized transit vehicles would probably not be practical for Kauaʻi, so thankfully through the years that have passed since then we have seen better options come out related to that. They have somewhat smaller transit vehicles available and more recently we have learned that there are even the cutaway buses, similar to the ones that we already utilize that they are making available in electric. We would like to get a head start on things, but at the same time there are certain advantages to when time passes further advancements are made and we are able to benefit. That is what we have been able to get the advantage of. That has helped us to assess where we go from here as we proceed with the Low-No award. The first one we got that we are working with DOT with the consultant and then with this current application that we are submitting in by next week, that DOT is going to be combining and submitting, if we can get the three (3) vehicles that we are asking for in there as well, we will be able to apply additional knowledge that we are gaining meanwhile what would be the best choice in application for Kauaʻi.

Councilmember Carvalho: Mahalo Celia and Leonard. I am hearing all the great work that has been coming from the Transportation Agency and knowing all the different equipment and operation parts, but I wanted to home in on the Syncromatics Software Deployment. We talked about that a little bit. In here you said it would have to be completed by the end of March. This is all about the experience of the riders and the customers and how is that enhancing their experience on the bus. Can you provide an update on how that is going, the features, and how the new experience is going for our bus riders? This is a great thing because there is technology that is coming into the bus and seeing what they can enhance...can you provide an update?

Ms. Mahikoa: I may need to rely on Leonard to help me, because there are so many pluses that came with this transition with upgrading our system that we have. We are now able to have internal voice announcements at bus stops, which automatically come out as they near the bus stop, it will announce which bus stop it is. This...
helps us maintain clear communication with individuals who are visually impaired, individuals who are not familiar with the island, it helps them to know what is coming. That is an aspect of transit operations that is required for the Americans with Disabilities Act (ADA) compliance. Our bus drivers, who have always been so great with their service in the past, were required to actually be announcing at each stop and now we have that internal voice announcements. Digital signage shows up in the buses now. I do not know if any of you have noticed when following behind the bus, you see the LED display going on for the riders on-board to see the next stop information coming up. There is also a speaker on the outside, so when the buses pull up to stop, it announces what route it is, so that individual who is impaired and/or missed seeing what route that bus was when it pulled up, are able to see. Leonard, help me out. What else do we have?

LEONARD PETERS, Assistant Executive on Transportation (via remote technology):
With the management of our fleet, the system is a much more intuitive and user-friendly option, so it will help us iron out efficiencies where we need to improve times to stop and produce more accurate information. One of the things that came about with the system was we have a website for our customer-facing side of this program. You can go to www.thekauaibus.com right now and the system will tell a rider, depending on where the bus stop is that they are at, what bus is going to be there, how long it will take, and that is measured in real-time considering traffic conditions or any road conditions that are happening right now. We are also able to put announcements of anything that pertains to the Transportation Agency on the website and coming up soon we are going to have a paratransit option. This website offers a mobile application, so our riders can have that on their cellphones or their laptops, which they can run in our buses that are all equipped with WiFi.

Councilmember Carvalho: I hear that at the end of March, you have completed everything already or is there any additional support that is needed, this is a great opportunity to talk about it.

Councilmember DeCosta: Thank you so much for what you do. This is one County department where their employees are working their full 7.5 to 8 hours. It is impressive. They do the driving, cleaning, and you folks have done an excellent job, above and beyond, even before COVID-19. I want to support you folks in any way the Council can. I know the Mayor’s mission is to keep a better maintenance log on our vehicles. Our mechanics that you have, are we budgeting money so we can get them trained as we bring in new vehicles? Bringing in electric vehicles will be new technology that our mechanics might have to learn, and I am all for that. If we can get our people certified with the most updated fuel-versus-electrical buses that we are bringing in, I think we can have better maintenance and we can provide better service, which will make our Mayor happy. Tell me a little bit about what we are looking at for the future with our technical training?

Ms. Mahikoa: Thank you for asking about that. That is a critical part of our operation. Ensuring that we have a good, solid maintenance program set up—and we are incredibly blessed with an outstanding shop team who takes care of that. As far as the emerging into new technologies and such, we are ensuring that funding source is also included in our grant application for the implementation of electric buses and additionally the FTA with every annual allocation they provide for rural transit, they also provide a rural transit assistance program whereby it is strictly for training for transit agencies in many
different areas however we may need training. I greatly appreciate that statement, because it is a critical part of continuing the safe and efficient operation of transit for the public.

Councilmember Cowden: How do I find that app? The Kaua‘i Bus has an app? I want it.

Mr. Peters: It is available through your web browser right now. If you open up thekauaibus.com it will take you to its home page and that home page will be the mobile application of that website.

Councilmember Cowden: Okay, perfect.

Committee Chair Kaneshiro: Any other questions regarding the budget synopsis? If not, we can head into the actual budget. There is not going to be much in the budget. I believe the majority of the funding is coming through the federal money, so you will see a lot of dollar-funded positions, a lot of expenses that are dollar-funded, and it is dollar-funded because it is all taken care of by that federal money that Celia mentioned. It is a different budget than we have seen in the past. I think buses had the most changing budget. At one time it was just Transportation, General Fund, and Highway Fund, then we had G.E. Tax come in and the budget changed a little, and now we have all these federal moneys coming in. It is a great thing to have this federal money come in because it helps subsidize our Transportation Agency and then it gives us more money to spend on our roads and highways with G.E. Tax. With that, we will go into the actual budget. We will start with General Fund-Administration. This is page 246.

Ms. Mahikoa: Just to explain the G.E. Tax and Highway Fund been primarily transit operations, we were able to take it down to dollar-fund and the reason and the amount needs to remain for the General Fund is 10% and that is because we continue to carry out the repairs for the County’s small equipment for all the other departments. Because we have that in our operation and our administrators, our positions are helping to manage and carry out the fiscal responsibilities and everything else, to have that operation located in our agency. The Highway Fund, the G.E. Tax funds, and the FTA funds cannot be allocated for that purpose, so that will typically need to remain there just for compliance with the role that we have with having that entity of small equipment repairs in our agency.

Committee Chair Kaneshiro: Are there any questions? If not, we can move on. From Operations to Small Equipment Maintenance. Again, this is for the General Fund. If not, we will move on. Next is the Highway Fund-Administration. This is money coming out of the Highway Fund. Page 277.

Councilmember Kuali‘i: I met with you folks a month or two ago and I got an update on how this was going, but can you tell us about the line item on advertising totaling $45,000 and how that is being expended? Is this new pilot program a success or not?

Ms. Mahikoa: On page 278 within the advertising line item there is the transit outreach program for $25,000. That was first in the FY 2021 budget, and I want to thank you for that opportunity, to which we had our fiscal team calculate and research which agencies on-island were already purchasing bus passes with us or would like to and we were able to contact them. So far of the $25,000 we were provided, I believe we are just at the end of that, there may be another $1,500 to $2,000 left of which we are following
up with the agencies each month to encourage them to draw down their allocated amount that they have been provided. We are set on ensuring that the full draw will occur. They are being provided funds to provide very needy individuals bus passes for...daily passes or monthly passes, a couple of them have provided annual passes as well for their clients. It has been primarily to help those individuals who are having a very difficult time right now. This has been a wonderful resource for them, that we were able to carry out.

Councilmember Kuali‘i: Thank you for doing that and thank you for keeping it going.

Committee Chair Kaneshiro: Any other questions for Highway-Administration? If not, we will move to Highway-Operations.

Councilmember DeCosta: Page 281. $450,000 is that the R&M vehicles—is that part of our maintenance, is it part of putting moneys back into the vehicles that we have? Can you explain that to me?

Ms. Mahikoa: Those funds are for the ongoing maintenance and repairs for keeping our bus fleet going, which is all the very many parts that we need to purchase and tires and all the other supplies that it takes to keep these large vehicles going each day.

Councilmember DeCosta: How much do we contract out that we cannot fix within our own mechanic shop? Do we fix everything?

Ms. Mahikoa: Once in a while we need to send things out. Typically, if it is a warranty issue, then it needs to go to the dealer after discussion with the vendor from whom we purchased the vehicle. For the most part, we have an excellent team here who has been able to keep up with just about everything they come across. Once in a while there may be a job whereby we need to send it out, say like body jobs, we do not have the facility that could do a repaint and things of that sort, so those we need to have a vendor carry out the job. Those are quite rare.

Councilmember DeCosta: Do we ever cross over to different departments and use their painting or body and fender abilities to assist you in your department?

Ms. Mahikoa: Not that I can recall. That does not mean it has never happened, but I do not recall anything specifically recently.

Councilmember DeCosta: I was just thinking if we did have a good body and fender person or the auto shop group of people in the Department of Public Works maybe could assist you in your department and instead of sending it away and getting a higher price, we could do it in-house. I can look into that for you.

Ms. Mahikoa: We appreciate that. We always look at the cost element plus the time getting the vehicles back on the roads. Thank you.

Committee Chair Kaneshiro: Any further questions? If not, we will move on. General Excise Tax-Administration, which only has one item. G.E. Tax-Operations.
Councilmember Kuali‘i: Page 292, near the bottom of the list, Position 9395 Mechanic Helper, it said in the vacancy report, “Offer made,” so did this position start yet? When is the start date?

Ms. Mahikoa: As of right now, May 1st is the anticipated hire date for that position.

Committee Chair Kaneshiro: Are there any other questions? I have a question on our Internet Cable Data line item. The prior year, we had an item for Routematch annual maintenance and data plan for about $53,000, is that money being covered somewhere else this year?

Ms. Mahikoa: I would need to check because we had this conversion from Routematch to Syncromatics and then with the extreme movement in funding...I am going to need to research that and get back to you.

Committee Chair Kaneshiro: Okay. No problem. Any other questions for the Transportation Agency? If not, thank you, Celia and Leonard. We will move on to the Housing Agency.

Housing Agency

Committee Chair Kaneshiro: Adam, can you provide us with the update on your budget. We will ask some questions and then go through the actual budget line items.

ADAM P. ROVERSI, Housing Director (via remote technology): My lead Accountant, Tess Abigania, is also listening in, in case we need a more in-depth response to something. I will just quickly recap our written presentation to Council. As you see our personnel expenses are actually reduced this year by approximately $100,000. If you recall in last year's budget, I requested General Fund moneys for a couple of our Section 8 positions that had been vacant for some time, so that we could build up the Administrative capacity and increase our issuance of rental assistance vouchers. Thankfully the Council approved the hiring of those folks with the General Fund last year. We were able to significantly ramp up our Section 8 voucher program by 30%. It gone from a little over 600 vouchers issued to the public to a little over 900 and we project that this year we will be able to utilize the United States Department of Housing and Urban Development (HUD) Section 8 administrative funding to fund those positions, so they have been removed from the General Fund, which is what we predicted when we came to you pleading for those positions last year, so thank you for that. That is an item of success. Other highlights—we are coming back to you with a request for about the same level of development funding, which is the Housing Agency Revolving Fund that provides direct County funding to our projects. The Mayor's budget is requesting $2,600,000 for that fund. We would always love it to be higher so that we could move quicker into developing affordable housing, but we realize we are all in lean budget times and we have to deal with the reality that we are faced with. A couple highlights that we put into our presentation to the Council. Lima Ola Phase I infrastructure, which is the largest housing project the County has ever done is well under way. We had some minor rain delays, so that has pushed our expected completion date of November 2021, probably into January 2022, but it is still on track and moving ahead quickly. That leaves us with the strong potential of moving forward with the actual construction of the lots within Phase I during the upcoming
FY, so that would be a clear use for the development fund moneys that we are requesting in our budget.

To highlight one of our accomplishments of this past year, as you folks know, we completed and fully occupied the housing project on Pua Loke Street, which is the first project the County of Kaua‘i has ever done expressly to serve the homeless or houseless community. We have just under 70 previously homeless individuals and children living in that project right now. It is fully occupied since the first of the year. I believe the last unit was moved in to it in February. That is a stunning success and we hope to repeat it in other locations on Kaua‘i in the future. That is the crux of the presentation and I am happy to answer any questions.

Councilmember Cowden: Great job. I am so happy with that project and a lot of the work that is being done. With those 900 HUD vouchers, do you know what percentage of them that we are able to successfully applied to securing housing for those recipients? Sometimes you can have a voucher, but you just cannot find a place. Do you know if the 900 applicants got housed?

Mr. Roversi: That 900 number is the number of people who are actually housed.

Councilmember Cowden: That is good.

Mr. Roversi: In September of last year, we began pulling names from our 2019 waitlist, that had well over 1,000 people waiting. We went through the entire 2019 waitlist process, all of those applications issued vouchers to everyone who was qualified out of those 1,000 people. That is how we realized about a 300 voucher increase out of that pool of people that were on the waitlist. There were numerous people who were pulled from that waitlist that either did not receive a voucher because they did not qualify in some way or received a voucher but were unable to find a home to lease. I do not have the exact number in front of me, but we found that during that waitlist pull—we did one in September/October and we did another in January—that the percentages of people who were able to find housing were dramatically higher than they have been traditionally in the past. I think that is for two (2) reasons. We do not have firm data on this, but just anecdotally, it seems like landlords were much more willing, generally across the board, to accept HCV voucher holders because of economic distress that people generally were seeing during COVID-19. Landlords had an increased level of desperation to find people who could pay rent. Separately, and this is what I really do not have firm numbers for, at least anecdotally it seems that some increased percentage of homes that were previously transient vacation rentals were converted at least for the near term into longer term rentals that could house HCV tenants. I do not have any firm numbers on how many TVRs we saw moving from vacation to permanent rentals. Once the tourists begin coming back and those year-long leases expire, there is not a lot of stop from reverting back to vacation rentals.

Councilmember Cowden: One thing that worked out well with the HUD vouchers, and this is really a question to hear your feedback, is when we had the time when there has been no evictions. When people are getting a HUD recipient, they know they have guaranteed rental payment. Is that anecdotally consistent with your experience?

Mr. Roversi: I think you are right, yes.
Committee Chair Kaneshiro: Councilmember Kuali'i.

Councilmember Kuali'i: I appreciate your report and it is nice to see all the successes. I am especially excited about Lima Ola. Can you say a little bit more about that? When you say approximately one hundred fifty (150) affordable homes coming online in Phase I, are all of those in the first group of homes for the lowest income, lowest AMI to meet federal requirements? How does it work? And with those first group of homes, what will come along with those homes? Will we also have greenspace, park space, or the community center? I know this plan has so much there and it will take many years to get through all the phases. Will those first one hundred fifty (150) homes start to enjoy some of those amenities?

Mr. Roversi: Phase I will have three (3) to four (4) large multi-family lots that are designated for multi-family projects. It will have thirty-eight (38) single-family home lots. The exact income requirements that will be imposed on each of those lots is not pre-determined. It will be set by how we are able to compile financing for the vertical construction. The funding that has gone into that project so far comes from Bond funding, and a Dwelling Unit Revolving Fund loan from the State. Those funding sources do not impose specific income limits on the project aside from the general pledge that the entire Lima Ola project be workforce housing that we define as one hundred twenty percent (120%) AMI and below. There is at least an opportunity to serve a wide range of income groups and not just our traditional low-income projects. As we move forward and we strategize on ways to fund the specific vertical construction of each lot and single-family lots, that will determine the income levels that will be required to be served. That is where the strings come as to where the money is coming from. If we rely primarily as we have in the past on LIHTC funding, that imposes income limits on those projects of generally sixty percent (60%) AMI and below. We are doing our best to explore alternative funding sources. It is not that we do not want to build sixty percent (60%) AMI and below units, but we would like to have some flexibility so that we could have a wider mix of income ranges. If we can identify additional possibilities of funding that allow us to stretch a little bit beyond those limits to do that, that would be ideal. Phase I also contains the planned community center and park space. This was preliminarily designed to have a large building with an outdoor meeting space, as well as a commercial kitchen. It has large greenspace and parking areas. It has an outside imu pit and BBQ area, play courts, basketball courts, a planned skatepark, and some exercise locations that are part of a walking trail. We are currently pursuing federal funding to allow us to begin vertical infrastructure on at least a portion of that projects, sort of in parallel with the kick-off of the vertical construction of the first housing units. It is a little bit of an open-ended question with that federal funding to begin the actual physical construction of the actual structures of the park space at the same time as the housing utilities. The worst-case scenario is if we do not get the funding to build out the community center, it would be a green open space for the community’s use until funding is available and we can get that off the ground. We are putting in all the infrastructure at this time to accommodate that including the waterline stub-outs and the other stub-outs on roadways to serve it, and we are doing the general grading of the community center site.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I have a couple of questions. First, thanks to you Adam and your whole team at the Housing Agency. You have done amazing work this last
year in pushing out federal moneys in an unprecedented way that really helps our community. You mentioned the skatepark at Lima Ola and the possibility of trying to build that recreational equipment sooner rather than later. We have $400,000 in the budget for skateparks from this last year. It sounds like we are going to do prototype work in Hanapepē before a real skatepark is built. Is there a possibility, as you wait for federal funds, that you use those Capital Improvement Projects (CIP) moneys to build? Has there been any discussion to use those CIP moneys to build a skatepark at Lima Ola now?

Mr. Roversi: To be honest, I was not aware that the Department of Parks & Recreation had that funding or project. So we have not discussed cooperation, but we certainly could.

Councilmember Evslin: Thank you.

Mr. Roversi: We wanted to be sure that we have housing units going up and community living in the area before we start building out the community center. I would not want to beat the way in our housing construction and put a whole lot of funding to build out the park if there are not people living there to use it. I guess beggars cannot be choosers and we will take advantage of any funding available.

Councilmember Evslin: The only reason I am sounding pushy is because if you are looking at the Kapa'a Skatepark, there are 7,000 kids there every day, and it is overcrowded. There is a demand for skateparks even if there are no houses; if there was a parking lot, it would be instantly utilized. It would be worth having the conversation with the Department of Parks & Recreation, Office of the Mayor, et cetera, to see if that is an option. My real questioning was on the Housing Development Fund. You mentioned that you would have the capacity to spend more money if it were available, while recognizing that times are tight right now. Can you give a brief rundown of what you are hoping to spend the current funding level at? In your ideal world, what can you spend, and what you can get federal matching funds for? How much money could be leveraged if you are able to access more funding?

Mr. Roversi: We have the potential of allocating what we have tentatively allocated $1,000,000 of the Development Fund between two (2) separate projects. We allocated $500,000 to the Rice Street Apartment project, which is proposed at the Central Pacific Bank building site, across from the Historic County Building. We allocated an additional $500,000 to the Kai Olino project, which is an affordable housing project proposed in Port Allen, overlooking the Port Allen Small Boat Harbor. This is being developed by the Ahe Group. The funding allocated for both projects is our attempt to leverage the developers Low-Income Housing Tax Credit (LIHTC) applications for this coming year. They both applied for LIHTC funding during Hawaii Housing Finance and Development Corporation (HHFDC) this year. They will not know if they received the LIHTC awards until June or July. Our ability to put development funds into those projects is critical to leveraging the LIHTC funds. It increases their application score and the chances that the LIHTC projects will come to Kaua‘i as opposed to going to Maui, Hawai‘i County, or Honolulu. It is a competitive intercounty process to get those funds. Those are two (2) exciting projects that we have tentatively allocated those funds to, depending on the LIHTC project. We will be also utilizing development funds and have a bottomless ability to extend them for the 150 plus units that we mold. As I mentioned, the exact financing mix we are going to use to get those projects off the ground is still being worked on. We would also sensibly utilize
development funds in partnership with our upcoming allocation of Federal HOME and Housing Trust Fund (HTF) moneys to create the necessary subsidies that a developer needs to make those low-income units pencil out.

We are also working on a potential new project in Puhi that will be presented as a Council agenda item in the next few weeks. We are doing the preliminary design, engineering studies, feasibility studies, community engagement, and outreach. It is not a done deal and it is still in the early stages; but the development funds could go to that.

We are also working on the parameters for a North Shore affordable housing project using the Community Development Block Grant – Disaster Recovery (CDBG-DR) Funding. Housing Development Fund moneys can assist in leveraging the DR Funds to increase the prefeasibility and size of the success for that project.

Separately from that, last year, we received twelve (12) separate lots from the State that we are generally referring to as the “Scattered Lots Project.” There are four (4) in Wailua, four (4) in Hanapepe, and two (2) or three (3) in Waimea. The Development Funds could be critical in providing the subsidy gap that enables a developer to build and offer them at an affordable price. In the upcoming fiscal year, we hope to be dealing an RFP to the development community and seeking partners to get those lots off the ground. That would most likely be affordable single-family homes.

Councilmember Evslin: That is a lot of projects. I take it then, if you folks have double of what you are getting right now, you would have no issues spending that money during the next fiscal year.

Mr. Roversi: No, I do not think so. But I also think that it is a very good strategy, and this might seem counterintuitive, not to spend every penny of the development fund down to zero each year. Opportunities come along at unexpected times. Whether is it a parcel of land that becomes available that we can acquire or federal funding that we did not know about that requires matching funds. Strategically, it is really important that we try to maintain minimum pool of funding so that we are able to take advantage of opportunities when they arise, as opposed to trying to spend down to zero every year and start over again. It provides long-term stability and maneuverability for the Housing Agency to be more creative.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: This is my acronym disability. You have a lot of them. CDBG-DR, I understand that is Community Development Block Grant Disaster Recovery. That is regarding the 2018 flood that happened on the North Shore?

Mr. Roversi: Correct.

Councilmember Cowden: LIHTC, I cannot remember what that stands for? I know it has to do with taxes, but can you give me the acronym?

Mr. Roversi: Sure, that stands for Low-Income Housing Tax Credit.
Councilmember Cowden: Low-Income Housing Tax Credit. That is basically giving discounts to the developer, right? It is not actually funding; it is a trade? Is that right?

Mr. Roversi: Those credits are issued by the Hawai‘i Housing Finance Development Corporation (HHFDC). It is in an annual competitive application process. Essentially, it incentivizes private investors to provide money to the development over a ten-year period because they received tax credits on their investment. It provides a private financing vehicle to the developer and the project in exchange for getting tax credits.

Councilmember Cowden: Thank you. While I am working with people on ideas, even though it is private financing, it is still considered a “federal program” because it goes in for tax credits, right? When we are looking at how we can target housing, LIHTC is considered federal even if it is coming from private investment. Do I have that correct?

Mr. Roversi: It is strictly governed by federal rules, regulations, and tax credit requirements. For example, that is where the income level requirements come from. For example, to qualify for the LIHTC tax credits, they must meet the federal regulations, which impose the specific income requirements on the project. There are many other requirements that are attached to the project beyond the income requirements.

Councilmember Cowden: When there is an inquiry, what is challenging is people who might be a resident for two (2) days can be equally qualified as those here twenty (20) generations. LIHTC would create the federal guideline. If they wanted to target a community, can LIHTC credits help it be directed at “people who are caught up in the flood”? When we have the CDBG-DR funds target people who are caught up in the flood, can the LIHTC credits also target a community or not?

Mr. Roversi: Broadly speaking, we can provide preferences for various categories of applicants for a housing unit. Whether it is or buy or rent a house, we can provide preferences that are based on area of employment or are where they currently live. We can impose a residential requirement. Like you mentioned, someone can come to Kaua‘i and become a resident in a short period of time, and the United States Constitution denies us the ability of imposing durational requirement on residency. It is against the law for us to say, “You have to be a resident for five (5) years before you can qualify.” It is my understanding that it is unconstitutional if you are a state.

Councilmember Cowden: I am sorry, I am going to explore two (2) more acronyms. The Housing Revolving Fund (HRF), that money comes from the County moneys that we squirrel away, is it coming from multiple sources, or is it coming from State or Federal money?

Mr. Roversi: HRF, the 512 Account, is funded by the County’s General Fund allocations. We have a separate 211 Revolving Fund, which is funded by the proceeds from past Federal programs. For example, but not always, there is an option where we can do a CDBG project or a HOME-funded project, which is another avenue, that is in the form of a loan to a developer instead of a grant. As that loan is paid back over time, it goes into that separate 211 Revolving Fund and can be used for future projects. Traditionally, the County has never put funds into that separate 211 Account, it is funded by income from various historic Federal programs.
Councilmember Cowden: Okay, one last acronym. I like to be sure that I really understand. When these letters come at me so fast, I lose focus a little. HDF, can you break that down for me and what does it stand for?

Mr. Roversi: HTF stands for Housing Trust Fund, which is a Federal very low-income housing program. We circulate every three (3) years, between Kaua‘i County, Maui County, and Hawai‘i County. We receive an allocation of HTF and HOME funds from the Federal government, the two (2) total approximately $3,000,000...and we get that every three (3) years. Each program comes with its own income-based requirement.

Councilmember Cowden: Thank you so much, that is very helpful for me. I am getting most of what you are saying, but when I can understand, it is a lot better. Thank you.

Council Chair Kaneshiro: Back to Councilmember Evslin for the remainder of his questions, followed by Councilmember Chock, and Councilmember DeCosta.

Councilmember Evslin: Adam, of the $2,600,000 for the Housing Development Fund, and it looks like some component of that is helping to leverage LIHTC funding. If you went over $2,600,000 to, say, $5,000,000, would you be able to leverage further sources of Federal funds? Beyond your additional allocation, are there other LIHTC projects possible or other sources of Federal money available if we had matching funds here.

Mr. Roversi: There is only one (1) window for LIHTC applications each year, and that window has passed. There will not be more LIHTC projects in the upcoming fiscal year other than the two (2) that I mentioned. If we held over development funds, that could go to that projects next year. We are pursuing...and I am doing my best to educate myself on the process and availability of alternative revenue bond funding for projects and development funds. We are not ready to intelligently brief the County on exactly how that process works. I am trying to learn in discussions with the Department of Finance, Bond Counsel, and outside bond authorities, how that system operates and whether it is appropriate for the County. The development funds could potentially operate together with that alternative financing. This is not necessarily leveraging Federal money. For example, for a single-family home on scattered lots, most of the Federal program funding is all for multi-family housing development. If we wanted to offer the single-family homes that we are building on the scattered lots at affordable prices rather than market rate prices, we are looking to the private development community to build them for us. The development fund itself could provide a subsidy that makes it economic feasible to build those and sell them at below-market rent. That is not leveraging Federal money, but it is making the project possible and to offer affordable homes to our community. It does not provide the exponential leveraging when they are paired with LIHTC.

Councilmember Evslin: Okay, thank you. Last question, Additional Rental Unit (ARU) subsidy. It looks like $113,000 was more than enough for this year. Is there any expectation on whether that is going to be used up this year and whether that is adequate for next year?
Mr. Roversi: Our year-to-date expenditures on the ARU program is just under $35,000. It is significantly below the total that Council allocated to that program. To be blunt, we most likely need to do a second round of public relations work about that program. There was an outpouring of applications when the administrative rules were first passed and there was a press release. We received twelve (12) to twenty (20) inquiries and enough applications to issue $35,000 in payments. Since then, I do not think we received any applications. We need to circle back to boost public awareness of that program. I know that the Planning Department contemplated doing a series of seminars regarding both Additional Dwelling Units (ADUs) and ARUs. This was in hopes of making the public aware of what the opportunities were and if it was a possibility. If so, we would partner with the Planning Department when that outreach work takes place. Given the low level of expenditures this year, we did not think that it was necessary. We basically put in what is included in the ordinance that the Council passed, assuming that it would be an ongoing allocation.

Councilmember Evslin: Thank you. I am sorry, I have a final question along these lines, and it may be a little of a tangent. The ARU subsidy which covers the Facilities Reserves Charge (FRC)...in theory, not all ARU permits will require the FRC subsidy. For example, if it is built within someone's house, they do not get the FRC subsidy. By any chance, do you know how many total people for the ARU incentive program versus how many might have utilized the FRC?

Mr. Roversi: I do not have that information, but I would be happy to find it and get that to you.

Councilmember Evslin: Those are all the questions that I have.

Council Chair Kaneshiro: Follow-up by Councilmember Cowden.

Councilmember Cowden: Just because this is a public relations opportunity, maybe someone watching can understand what we are talking about. ADU means Additional Dwelling Unit. ARU means Additional Rental Unit, which means you can possibly build a house right next to your house. FRC means Facilities Reserve Charge, which is a fancy phrase for your water meter and the ability to hook up to water. In the Housing Development Fund and the different funds, there is ways to help people put an extra unit on to help others in their family or whoever they want to rent too, if it is affordable rental pricing. Is that correct?

Mr. Roversi: Correct. If someone wants to work with us in the ARU program they can save just under $20,000, over what they would be faced with spending if they were to do it on their own and not participate in our program.

Councilmember Cowden: Thank you.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you. Adam, I know that the $135,000 was for the ARU and for the installation cost and reimbursement. I cannot remember how we
framed it in terms of flexibility. I am wondering if any of it can be utilized for the promotion of the ARU program.

Mr. Roversi: I would have to go back and read the ordinance. I think that the funds the Council allocated were specifically to make payments to the Department of Water for peoples FRC charges. We have the website and help from the Office of the Mayor and the Public Information Office; with relatively little expense, we can do press releases to get the word out. We could do a mailing program or more extensive public outreach work, but that would take additional funding to be allocated.

Councilmember Chock: With the success of Kealaula, I am wondering if Kaua'i is ready to move on to the next project? We have envisioned having a similar project duplicated possibly on the west side or north. I think it is timely with the need we are experiencing with the closure of our parks. ‘Ohana Zone funding is no longer there. The Housing Emergency Declaration that the Governor issued is no longer in existence. Where can we look for financing in the future? You and I have talked about specific properties, at least on the west side of the island. This includes “Waimea 400” and some of the other locations that you have already mentioned. I am just curious as to the likelihood of building on some of those locations.

Mr. Roversi: The Planning Department is spearheading the community feedback process for the use and design or master planning of the 400 acres the County acquired in Waimea. My hope, and I have been working with the team at the Planning Department, is that we will incorporate a project similarly modeled after Kealaula on the Waimea 400 parcel that is of the same weight and of greater scale. It will at least be of similar scale to what we have done in Līhu'e. I think that would be a great location. Over the last five (5) years or so, based on non-profit surveys, the areas with the greatest need have always been the greater Līhu'e area and on the west side. Having constructed the Kealaula project to serve the homeless community in Līhu'e, the most logical place for a second location would be the west side, because it has the largest demonstrated need. The Waimea 400 property or at least portions of it, are ideally suited with offsite infrastructure. There is an available sewer plant right there on-property that could be tied in. As with Kealaula, we would hope to partner with the State. I know that our State Representatives and Senator were strongly supportive of the Kealaula project and I hope that they could drive some of the State allocations of funding for homeless to that property. We would be responsible for matching funds if we can motivate them to drive State funding our way. We would use our Housing Development Fund as the source for those matching funds. That would be an additional use of the $2,600,000 we are requesting. As you recall, the Līhu'e Kealaula project as a model cost in total $4,200,000. For just that project itself, if we are to follow the same model, the County funded the first half of the bill and the State funded the rest. Building another Kealaula project would draw down virtually the entire development.

Councilmember Chock: Are there any other federal sources of funds that you are aware of that could be utilized? Are you aware of any State-driven allocation efforts towards this?

Mr. Roversi: We do not have all of the details yet, but I know that in the past, either federal American Rescue Plan (ARP) Act funds have specific funds for the homeless or houseless community. We do not yet have information exactly how much will be allocated either to Hawai'i or to the County of Kaua'i, but it is projected to be over...
$1,000,000. That is a potential source of federal funding specifically for homeless or houseless projects. It has only recently passed Congress and we do not know by which vehicle it will come to the County. Typically, the funding is given to the State, which then allocates it to the County via a specific mathematical formula. We do not know all of the details about that yet.

Councilmember Chock: One last question about the project. The wraparound services are integral to helping transition our current applicants at Kealaula. I keep hearing about a lot of these occupants being displaced and about having options for them to work towards. This could include reconciliation with their families. My question is about the focus of casework support for each of these families that are currently in the program. Has that been established well enough so that we can view this program on where it needs to go, and if not, what sort of project is necessary to take that on?

Mr. Roversi: For the Kealaula project, the wraparound social services budget for that project, which came from the State Department of Human Services was about $2,250,000 over three (3) years. That is $375,000 a year to provide wraparound social services. It is a little too soon to come to any conclusions about that specific project, because it has only been fully occupied since February. Preliminary indications are that the social services that are being provided are successful. For the people who have moved in there, who came in from a homeless situation, they have by and large been able to reach a level of stability that they are working and are able to pay their portions of the rent for the project. After three (3) months, we are already beginning to transition some of the initial occupants from that project to permanent housing where they are able to stably reside and we are able to open space at Kealaula for additional people on the waitlist. I was pleasantly surprised that after just that short period of time, they have already succeeded in starting to transition out of the housing project into more permanent homes.

Councilmember Chock: That is amazing work. Thank you, Adam.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I have always told you that you are an asset to the County and we are so happy that you did not get elected as a Councilmember, because you serve us so much better as the County’s Housing Director. I have so many questions that I will try to compile. Affordable housing, low-income, and middle-class housing...you make me excited when you said that under a wider mix of financial thresholds, you would like to serve not only the low-income, but other income brackets. Adam, you only have $2,600,000. Councilmember Evslin mentioned this earlier, but if you had another $2,400,000 to $4,000,000 on the wish list, could you do something for Kaua’i for our middle-class threshold residents? This would be for Hawai’i residents, Kaua’i residents, and not something that we are going to develop that would be unconstitutional, and not something that the Europeans can come and buy, but something for the middle-class? We are looking for something that we can do right above the lower-class to middle-class. Could you explain how you could make that happen?

Mr. Roversi: A simple example would be the single-family homesites at Lima Ola. There are thirty-eight (38) single-family homesites. Single-family homes generally do not qualify for most of the federal direct construction funding projects. That is an ideal opportunity to utilize County development funds or Bond funding as we
explore that more carefully. We can utilize private developers to construct standard single-family homes, not luxury homes with granite countertops and stainless steel appliances, but nice homes with a modest subsidy from funding and sell them at prices that are truly affordable to middle-income, working families on Kaua‘i. It could be $400,000 and below, which is certainly not a cheap house, but it is well below the $800,000 median sales price for a home on Kaua‘i. That is in a simplistic format with a relatively low-level for developers to build houses, given that we are providing the land and infrastructure essentially to the developer for free. That relatively modest level of subsidy from development funds would allow us to sell reasonable-priced homes to residents.

Councilmember DeCosta: $400,000. What is the income threshold that those middle-class people can go up to without going into the next income bracket that they would not qualify for the Lima Ola project?

Mr. Roversi: Provided that we are not utilizing federal funding and relying on the Housing Development Fund for Lima Ola, which is one hundred twenty percent (120%) AMI and below under the amended Housing Policy, the income limits on Kaua‘i for one hundred twenty percent (120%) and below for a single individual is $85,500. For a family of four (4) that would be $122,200. HUD is scheduled to release the new 2021 numbers any day now and that could be adjusted up or down slightly, but that is what it is currently.

Councilmember DeCosta: I had a small suggestion for the Lima Ola project. You mentioned the *imu* pit and the skateboard park.

Mr. Roversi: We went through a lengthy community planning process and after receiving input from the Hanapēpē-'Ele’ele area, those were included in our eventual final plans.

Councilmember DeCosta: Was there not a plan for a small animal farm or fruit orchard?

Mr. Roversi: Not that I am aware of.

Councilmember DeCosta: I know that kind of thing would bring camaraderie to the community and would deter your higher-income people when they hear a rooster crowing in the morning. Thank you, Adam.

Committee Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: Adam, thank you for all of your work. There are a lot of great things happening. Where are we at with the Safe Routes to School program and how is that connected to the Lima Ola project as it relates to crossing the main highway to the 'Ele'ele subdivision and the school? I remember talking about a roundabout for Port Allen and a crossing over the highway so that the kids can get to school safely. I know there are a lot of things happening, but that was a big area of concern.

Mr. Roversi: Phase I infrastructure work includes the installation of improvements at the intersection there and the installation of a traffic signal with a pedestrian crosswalk to the other side. The design work was provided to us by the
State Department of Transportation to meet their requirements. At this point, they requested a traffic signal, enhanced turning lanes, and a pedestrian crosswalk, not a roundabout. We are building that intersection to the specifications that HDOT provided to us.

Councilmember Carvalho: Thank you.

Committee Chair Kaneshiro: Councilmember Kuali‘i.

Councilmember Kuali‘i: Regarding Section 8, you mentioned that the HOME funds come once every three (3) years. Do the Section 8 funds come every year? When I look at the page specifically for Section 8, it has approved for 2019-2020, $6,300,000. Proposed for FY 2021 is $7,400,000. Then proposed for FY 2021-2022 is $10,600,000. I see that large increase there which represents success, right? We are getting a lot more vouchers out to our families and that is money value just from the rent itself? This was for two hundred seventeen (217) families. Why is this in the current fiscal year? Is that something that we ask for in advance and start spending it before we get it? When do we receive the funds?

Mr. Roversi: The HousingChoice Voucher fund, commonly known as Section 8... the allocation that we get every year is based on how much we were able to spend the previous year. It is a mathematical formula and it is not based on a request coming from us. It is based on our performance, with some adjustments for inflation and federal funding availability. Traditionally, the Housing Agency has had difficulty spending down all of its allocation. Over the last several years we have made a concerted effort to spend down all of our funding. We are ensured to meet that same level of funding next year as well as to spend down reserves that HUD sets aside for our program. We receive a funding letter of what HUD plans to allocate to our program each year about this time in March or April. We incorporate that into the funding they also set aside for reserves. We made a concerted effort, especially as it is reflected in the last couple of years to spend down every penny of that funding, including the reserves. This year we even asked for additional funds because of COVID-19, and our hope is that it pressures the upper limits of our funding to get more funding through special circumstances so that we can drive an increase in funding for future years based on that mathematical formula that HUD uses to allocate funding based on past years’ performance.

Councilmember Kuali‘i: In your narrative you said that this 30% increase in clients will benefit the program’s success and that has strained our administrative capacity. When I look at positions at the bottom of the Section 8 chart, I see that there is a position with a line through it. Senior Clerk Position 9541. Was that a position that was eliminated prior or do you foresee with all of this additional Section 8 moneys moving into your budget that you will be adding staff to help with that? It seems like you are increasing your revenue coming from HUD for Section 8 and that you are putting it out to the community. It makes sense that it would be a strain on your administrative capacity. You also mentioned that we did not get the moneys yet, but that it is expected. I would think we would at least need to fund the two (2) dollar-funded positions or even add positions in the next year.

Mr. Roversi: The two (2) dollar-funded positions are positions that had been vacant for many years and the Council provided General Fund moneys for us to hire that last year. Those positions are still filled. They were dollar-funded on the chart
because there were open questions as to whether we would receive sufficient HUD funding to take them out of the General Fund category any pay them with HUD funds. We are confident that they will be funded by HUD moneys in the upcoming year. Those two (2) positions are still filled and working. They are critical for us to be successful moving forward. If our projected programming increases come through, as well as our potential of adding additional administrative support in the future, we would want to first get a firm idea of what the HUD funding picture is before we actually try to make that request for additional positions.

Councilmember Kuali'i: It looks to me that those positions are slated to pay for themselves. Adding positions would bring us more federal dollars. That is what is happening. As you get more federal dollars, I would not want to see your Agency strained further.

Mr. Roversi: I agree.

Councilmember Kuali'i: Regarding the CDBG funding cycle, is that funding annual? Is there a delay like the delay we talked about with Section 8? How do we make that available to the public? Do we have a grant process? When do they apply and when do those funds become available?

Mr. Roversi: We receive CDBG funding every year. Kerrilyn Barros, our CDBG Coordinator, operates an application process every year. I would have to double-check with her, but I believe that she holds a public meeting and we do public notices about the availability of funds. I believe it is in January of each year. We recently sent a resolution to the Council to approve the proposed projects for the year. This was the resolution recently considered by the Council. The funding amount fluctuates. We had more funding this year, as there were supplements for that program. Due to COVID-19, you saw additional resolutions last year that were closer to $1,200,000 with the additional funding.

Councilmember Kuali'i: When I look at the list of projects for CDBG, they have projects with large amounts through this current fiscal year, and then nothing. It shows zeroes for FY 2021-2022. Will those larger projects be completed by the end of this fiscal year?

Mr. Roversi: When CDBG projects are awarded each year, they have several years to complete the project. The applicant is not required to complete it in the same year that they receive the award. For some of the projects listed in 2021, the project to purchase the mobile trailer—the blessing for that is actually tomorrow out at Salt Pond. They have been participating with us in the parks events to the homeless community and safe camping zones at our County parks. We also allocated all of the funds designated in the Utilities Assistance Program that was disbursed prior to the beginning of the year. All of these funds were disbursed in cooperation with the Agency on Elderly Affairs providing produce bags to qualified individuals. The Lihu'e Senior Theater Energy Efficiency project, I believe that is still ongoing, but I know work has begun on that project. One item in this list was repurposed and we have actually increased the funding to Kaua'i Economic Opportunity (KEO) recently to connect them to the sewer system that we installed when we built the project across the street. KEO has had historic problems with several aging septic systems. We reallocated funding to KEO to eliminate their old septic system and connect them to the sewer system, which in the future enables KEO's emergency shelter to be
expanded and creates a much more efficient operation there. For upcoming projects that were not listed in the budget that was presented to the Council in the resolution, I think we were still reviewing applications at the time so I can quickly review or summarize those. We have allocated moneys to a project in Kapa‘a to install a photovoltaic system to reduce electric costs. We are doing park improvements to Laukona Park in Hanama‘ulu and we have some administrative funding. Those are the upcoming projects that will be ongoing this fiscal year. You can add to that list the repurposed ongoing project to improve the KEO wastewater system and to connect them to the sewer.

Councilmember Kuali‘i: So the amount of project funds for FY 2021-2022 will go up significantly when you add those projects in?

Mr. Roversi: Correct. The total projects column will be updated to incorporate some of the additional COVID-19-related funding that is not part of the regular CDBG allocation.

Councilmember Kuali‘i: Basically, these are just showing up in the fiscal year that they are awarded and it could be multiple years that they are expended until the project is completed?

Mr. Roversi: Correct.

Councilmember Kuali‘i: The CDBG Disaster Revolving Loan program, it has been zero for the last couple of years and is zero for this coming year. Do you know when we last had this program and why it does not exist anymore? I am sure there is funding available for this purpose, but is it just not something we are capable of managing? Do we not have the staffing? Why do we not do it? Was there no demand for it? I know at least in the homesteads, there are many kupuna with old, dilapidated homes that could use assistance for this program.

Mr. Roversi: I actually had a conversation with our CDBG Coordinator about that program just a week or two ago. It has been about five (5) years since that program was active, or even a little longer. In short, it was killed because of red tape. The requirements that were imposed by HUD for the use of the CDBG funds for rehabilitation rendered the projects unworkable for our local contractors. For example, this is a simplistic example, but it was a story that was relayed to me about trying to do a roof replacement for a home that needed rehabilitation work. The HUD requirements required that a roofing contractor have a $1,000,000 bond and had to meet certain wage requirements. Our local contractors on small roofing jobs are simply not prepared or willing to go through the bonding and wage requirements that the federal government is imposing. For the relatively small amount of funding that we received for CDBG each year, when you break that down into multiple applicants, we did not have that much money in the program from our on average $700,000 in CDBG funding each year. No one was willing to do the work because it was not feasible for them from a financial perspective.

Councilmember Kuali‘i: Thank you. I will discuss this further with folks from our Hawaiian Homestead and I will work to communicate with you on that.

Mr. Roversi: Okay.
Councilmember Cowden: I want to thank you for all of the creativity that goes into the housing effort here. We have thirteen (13) out of the fifteen (15) pages of different projects that are not related to the General Fund. I am going to be talking for a moment about retaining housing. Retaining housing is important. I want to first recognize the $22,000,000 that we just received for rental assistance. People can get that through the Kaua‘i Government Employees Federal Credit Union (KGEFCU) for rental assistance. Assistance for those in mortgage forbearance and those who finally made it to the top of the cliff and bought a home, they all had COVID-19 challenges. Do you know what is in the ARP whether we will get anything to help those with mortgage forbearance? That has not happened in the last year. There have been people who have not been able to pay their mortgages and that balloon payment is coming up. There are people very stressed that they will lose their homes. Keeping people in housing can be as important as getting people into housing. Can we expect anything in that direction? I do not see anything designed to help people with the mortgage crisis.

Mr. Roversi: The current $22,000,000 Emergency Assistance Program was funded by the federal government at the very end of 2020. It provided $200,000,000 to the State of Hawai‘i, of which the County of Kaua‘i received $22,000,000. Those funds can only be used for rental assistance. That was a condition of the funds. The recently passed ARP provided an additional $152,000,000 to Hawai‘i broadly for rent and utility assistance, and provides $50,000,000 for mortgage assistance. That is a total of another $200,000,000 in total with $50,000,000 specifically for mortgage assistance. We are still awaiting details from the State on how they are going to administer those funds. How that will be allocated to the counties would probably be based on a similar formula to the current $22,000,000 that we have. At least on paper, there is mortgage assistance coming, though it is a much smaller pool of funds than was provided for rental assistance. We presume that some of that will be coming to the County of Kaua‘i, but we do not have amounts or timing or even how it is going to be administered. The very first CARES Act assistance that became available was all administered directly by the State and none of it was given to the County. The second time, under the current plan, the State opted to pass all the money through to the counties, because they did not want to have to administer it. My presumption is that is what will happen with the ARP funds, but I really do not know yet. That was only just recently passed by Congress, and we have not received the details yet.

Councilmember Cowden: Thank you. I think this will be good to get whatever we are going to get and I hope we can distribute it quickly. Anecdotally, we are losing long-term residents. I know many people are having to either sell out from bad tenants and sell their own homes to leave. Many of them never lived in the continental United States before. That is a community that I am concerned about. We are losing people who work important jobs in our private sector. We need to bring up the curve from being inverse, to being a flat line. I am hearing that we have a little piece coming in and I just wanted to put it out there that this is an area of dire need.

Mr. Roversi: Before the CARES Act moneys were released for rental assistance, the County utilized its own CDBG funds of over $600,000 and made those moneys available for both rent and mortgage. They went very quickly, but we did what we could with what we had.
Councilmember Cowden: Thank you for doing that. I remember that now?
I appreciate that.

Committee Chair Kaneshiro: Follow-up question from Councilmember Kuali‘i and then we are going to take our ten-minute caption break.

Councilmember Kuali‘i: Adam, you said that when we received moneys from the State, the State was having difficulty in getting the moneys out for rental assistance. Of the $22,000,000 we now have, it is kind of unfortunate that it is limited to only rent and utilities. Are we going to have a hard time disbursing that? The need may seem great, but there are not that many people taking advantage of it.

Mr. Roversi: It is the case that the CARES Act rental assistance program that was administered by the State...they were unable to spend all of the funds available in the tight timeframe that was imposed by the federal government. Unfortunately, if they did not expend the money by December 26, 2020, the Federal government took it back. I am sure it could have been used if the deadline was extended. Similarly, for the $22,000,000 that we have available to us now, we have a deadline imposed on us by which we have to expend all of the funds. It will be administratively challenging to spend all of the funding. We will do our best. We were required to make a pitch to the State as to how much funding we thought we would need based on our numbers of renters and the incomes of people on Kaua‘i. It was difficult to estimate, because we have imperfect information. We estimated the need on Kaua‘i to be between $13,000,000 and $21,000,000. That is a wide range. We are keeping our fingers crossed that when the program rolls out, it will go smoothly and we can get every penny out into the pockets of Kaua‘i’s residents. We are going to make a concerted effort to do as much public relations as possible so that everyone knows about it. We are not just going to provide online opportunities, but in-person opportunities for people who do not have access to being able to complete the online application or who have difficulties going through that process. We will do our best, but it will be challenging to get all of that money allocated. I think we have to get that all allocated by the end of September or we have to give it back.

Councilmember Kuali‘i: The National Association of Counties (NACo) did a legislative analysis for counties, which I shared it with Councilmembers at our first budget meeting and also shared it with the Managing Director...I do not remember if I shared it with you...if not, I should, if the Managing Director has not already...very specifically, they have this Home Assistance Fund. I think that is the $50,000,000 that you were talking about our share of the $10,000,000,000 that is coming to Hawai‘i. That helps with mortgage payments, but it also helps with property taxes, property insurance, utilities, and other housing-related costs. This could support small businesses and the Office of Economic Development would obviously work with partners like the Kaua‘i Chamber of Commerce and other business organizations to get the word out. I think a lot of this has to be accessed by them. We will not necessarily receive the money and regrant it. In this case of this funding, how do you think that is going to work? What kind of supportive role can we play in making whatever portion of the $50,000,000 from the State of Hawai‘i get to our homeowners?

Mr. Roversi: However we end up administering these funds, whether we engage with a nonprofit partner as we are for the current rental assistance program, it will be important that we and that partner engage robustly with all of the outside groups, specifically for the mortgage assistance folks. For the current rental and utility
assistance, we actively engage with all of the utility companies to share data. We enter into agreements with them to provide us with a list of all their delinquencies. We have worked with the Public Utilities Commission (PUC) to establish forms without violation of privacy and something parallel would need to take place with the usual suspects of lenders who work with loans in working to communicate not just with homeowners, but with the mortgage holders themselves. For example, we are working with KIUC to help us send out mailers to their account holders so that they are all aware of the potential for utility assistance. Ideally, we could do the same thing with mortgage lenders who are notifying delinquent members.

Councilmember Kuali'i: They have two (2) other programs for homeless assistance for $5,000,000,000 and there are additional moneys that may possibly go through the State and we would get our fair share.

Mr. Roversi: Those HOME funds that are allocated to homeless populations or that I was referring to in response to Councilmember Chock’s question about potential funding sources for Kealaula... the moneys you are referring to, we are aware of and are awaiting distribution to the counties via some sort of mathematical formula but we are not yet aware of the details. We are aware of those pots and are even beginning to contemplate potential projects they could go towards.

Councilmember Kuali'i: Thank you.

Committee Chair Kaneshiro: With that, we are going to take our ten-minute caption break.

There being no objections, the Committee recessed at 11:10 a.m.

The meeting was called back to order at 11:24 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are still on the Housing Agency’s budget. We have asked a lot of questions regarding their budget. I think we are at a point where if we need to go line-by-line, then we can. If most of your questions were addressed, then I would say we can move on to the next department or agency. I know we have talked extensively about all parts of the Housing Agency’s budget. Please let me know if you have any further questions. I do not have any questions regarding the line item budget. Councilmember Kuali'i.

Councilmember Kuali'i: On the vacation Position 9537, Public Housing Program Specialist III, the Vacancy Report states that it is continuously being recruited. What is your recruitment update and has it been filled? Is it going to be filled soon?

Mr. Roversi: We are not currently recruiting for that position, but we hope to do so in the upcoming fiscal year, primarily to assist with vertical work at Lima Ola and other pending projects. We are not actively recruiting that at the moment.

Councilmember Kuali'i: Thank you.

Committee Chair Kaneshiro: Are there any further questions from the Members regarding the Housing Agency’s budget? If not, thank you, Adam. We are going to move on to the Agency on Elderly Affairs.
Agency on Elderly Affairs

Committee Chair Kaneshiro: We have Kealoha available. Good morning. Would you be able to give us a brief overview of your budget?

LUDVINA K. TAKAHASHI, Executive on Aging (via remote technology): Yes, thank you. You have my budget comparison from last year to this year. The difference is $101,646, and the major change was related to the dollar-funded Aging Programs Planner position. That was basically it. For Operational Challenges, as you all know, is the uptick in our aging population, especially for those sixty (60) years old and above. There is an estimated twenty-one thousand seventy-nine (21,079) kupuna on-island, and that is 29% of our total population on Kaua‘i. From the period July 1, 2019 through June 30, 2020, we served an estimated four thousand four hundred eighty-eight (4,488) persons under an unduplicated count. That is just 22%. Since July of 2020, through February 28, 2021, we have assisted seven thousand four hundred thirty-five (7,435) callers. This basically had to do with the COVID-19 pandemic and all of the concerns that arose, especially for those families looking for food, housing, medical, transportation, counseling, and with the vaccinations. As you all know, many have been impacted by this pandemic, but at this time it is really obvious...not obvious, but with the pandemic, our Agency has been at the forefront in helping those that are in our targeted group of seniors. I have a great team that has been so helpful in getting the word out and helping as much as we can. The growth of our older adults is inevitable and so is the need. Under Operational Highlights, I mentioned that as part of our home-based community services, we did home-delivered meals and personal care. Throughout, KEO, our service provider for home-delivered meals was able to provide three hundred seventy-four (374) consumers with meals totaling thirty-nine thousand two hundred forty (39,240) meals as of June 2020 through December 2021. This continues to be a major need for our kupuna. Of course, we could not have done a lot of our operations without our Retired Senior Volunteer Program (RSVP) volunteers and I have highlighted the work that they have done in the community. They have helped in distributing food, produce, and doing a complex number of things. Certainly, they have been the heart of our operations. I also wanted to highlight our Healthy Aging programs that we continue to provide virtually at this time. We also opened up classes at the Kapaa United Church of Christ to five (5) participants on a pilot program basis. That is going well. That is about all I have. With me, I have our accountant Teresa Caires who can address any financial questions you may have. Do you have any questions for me?

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Thank you for the excellent work that your Agency does to help our seniors and others during this pandemic. I want to acknowledge your national recognition for doing a great job. Has the Agency on Elderly Affairs received CARES Act funding or can you receive ARP funds somehow to offset costs?

Ms. Takahashi: Right now, all the moneys received will trickle down to our State Executive Office on Aging. As of this date, we have not heard anything on what that would entail, how much that would be, for what kinds of services, or how that would be administered.
Councilmember Cowden: What about last year? You did an awful lot last year. Did any of the CARES Act funding make it over to the Agency on Elderly Affairs as we saw with the Planning Department?

Ms. Takahashi: Yes, it did. We received CARES Act funding that went to services to provide home-delivered meals with the uptick. We served congregate meal participants as well and used that funding to provide those meals. As for what other things we did, I can get that for you.

Councilmember Cowden: Okay. Those moneys are out there. I am going to be pushing to get that long-range planner position funded somehow. I think that you all did more than that. You were doing phone calls, managing quite a number of concerns, and really expanded to also address the houseless senior community more than in the past. The long-range planner position, I know that is for a plan every four (4) years. When does the beginning of the next cycle start?

Ms. Takahashi: The beginning of the next cycle starts in 2023. It will be October 1, 2023 and it will run for four (4) years ending in October of 2027.

Councilmember Cowden: Okay, thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Thank you so much for all you do for our kupuna. Based on our Mayor’s concerns, he made it a point to stress that our elders were taken care of. We had our ups and downs and people believed that the economy had to stay closed. Our kupuna are the most precious. Thank you for serving them. We had quite a number of letters of support coming in for the Aging Program Planner position. I just wanted you to explain to us how confident you are in distributing these responsibilities to your staff to continue to see that our kupuna are taken care of. Are you confident that your staff can do it? Could you explain that to us?

Ms. Takahashi: Right now, staff has their hands full. What it would entail is that a lot of that work will fall on my shoulders, having been a planner in the past. Many of the smaller items would entail doing research, especially on the data side of things. It would entail doing what you call focus groups to get input from the community and service providers to find out what the needs are. After establishing a needs assessment, we would then address those needs as to what types of programs we need to implement. It would entail talking to a bunch of groups, service providers, our consumers, and of course, going to each community to get their input and feedback. Then it would be compiling that and planning for the future. We would definitely need all the staff to be on-board to get those groups situated, especially in helping to plan interviews, getting workshops started, and conducting meetings. We would definitely need everyone helping. It could also be in the form of phone calls coming in where they would tell us what their needs are. People constantly call us and express their needs. It also includes gathering information and making it easy to establish a needs assessment. It is a lot, but our team is very competent. We will do our best.

Councilmember DeCosta: Thank you for explaining that.
Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin:

If you were taking on a fair amount of those responsibilities, do you expect a decline in your ability to provide services in your role as the Executive on Aging, or in your role trying to fill this other position at the same time? There must be some huge cost associated with this. Could you lay out what that might be and what we could expect?

Ms. Takahashi:

As far as services are concerned, the services will continue. It is more about the way we have to plan our time better. Especially my time, so I can accommodate more meetings. These meetings are national and statewide, and I need to be able to follow up on certain items. As far as services that we provide directly to kupuna, it would not affect them. It is more about my time, staff's time, and addressing those day-to-day issues that might arise. I do not anticipate any of our services being impacted or delayed. It is more about time management.

Councilmember Evslin:

Thank you.

Committee Chair Kaneshiro:

Councilmember Kuali'i.

Councilmember Kuali'i:

If we were able to find the funding, and I believe Managing Director Dahilig responded to me with the potential of using ARP Act funding and the potential $14,000,000 that is coming to the County, that we could have this position considered for some of those funds—if the funding is there, are you going to be able to recruit quickly to fill it before July 1st? Is there potential for this to be an in-house promotion? Or will you have to go outside and recruit?

Ms. Takahashi:

That is a good question. Prior to this being dollar-funded in the County's budget, I was planning on doing an in-house promotion and having someone fill that role as our planner.

Councilmember Kuali'i:

Thank you. My other question is related to page 240. There is a line item for Other Services, Home- and Community-Based Services. Can you tell us a little more about what that is? Is that a contract with KEO? What do we get for that?

Ms. Takahashi:

We use that to help pay for services of home-delivered meals and any other in-home services like a homemaker, personal care, and services that we would need to address. Right now it is for home-delivered meals.

Councilmember Kuali'i:

Thank you.

Committee Chair Kaneshiro:

Are there any other questions for the Agency on Elderly Affairs? Councilmember Kuali'i.

Councilmember Kuali'i:

I am hoping that this analysis from NACo on the ARP Act got to you. Under Aging Servicing, they are providing an additional $1,400,000,000 towards the exact things that you are doing and the funding you receive from the State Executive Office on Aging that we hear of from time-to-time. I believe this funding is in addition to those moneys. I do not know how much. It is up to the State of Hawai'i and I am
not sure how much will come to the County of Kaua‘i. Please follow up and see what additional moneys we can get from there. Thank you.

Ms. Takahashi: Certainly. It usually comes in a letter of intent from the State as they make their award. You will be notified. Thank you.

Councilmember Kuali‘i: Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to acknowledge the good job our past planner did. That was a lot of work. When I look across all of the departments, we are seeing retirements of senior people. I know you are past retirement eligibility and I worry about the wisdom of giving you two (2) jobs, because you already work so hard. I am thankful for what is being suggested as a way to pay for that planner position. The Office of the Mayor and Administration will hear more from me on that one. I am trying to keep that position filled and I want to help. I appreciate the work that you do.

Ms. Takahashi: Thank you.

Committee Chair Kaneshiro: Are there any further questions for the Agency on Elderly Affairs? If not, let us take a five-minute recess and come back for our reviews for the Office of the County Auditor and the Office of the County Clerk. Thank you, Kealoha.

There being no objections, the Committee recessed at 11:43 a.m.

The meeting was called back to order at 11:50 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are on our final review, which is for the Office of the County Clerk and Office of the County Auditor. Jade, did you want to present a briefing on the Office of the County Clerk’s budget?

Office of the County Clerk

JADE K. FOUNTAIN-TANIGAWA, County Clerk (via remote technology): Did you want us to go through the narrative first?

Committee Chair Kaneshiro: Yes.

Ms. Fountain-Tanigawa: Okay. You all have received our narrative and I just wanted to highlight probably one of the more significant accomplishments that our Office has gone through this past year. That was the launch of our first vote-by-mail election. Due to the pandemic, many municipalities had to transition to a vote-by-mail system. This meant securing vendors, equipment, and supplies. Thankfully for the County of Kaua‘i, the State Legislature in 2019 adopted vote-by-mail for the State of Hawai‘i. We were really ahead of the curve and already started our planning. We had already secured our vendors, equipment, and supplies. That was a huge jump start for us. At that point, we did not have to compete with other municipalities for pretty much the same things. Although it was challenging, I am proud to report that Kaua‘i led the state with a 72% voter turnout. Thanks to Lyndon, his staff, and the many volunteers who worked so hard to put the elections together during
the pandemic, it was a success. It really says a lot about the hard work and dedication of both our County employees and the volunteers that Lyndon was able to secure. I also wanted to thank the voters for participating. I know it was a very awkward time, but for them to take the opportunity to vote was nice to see. We led the state with a 72% voter turnout compared to a nationwide average of about 66%. We also welcomed two (2) new Councilmembers to the Council, Councilmembers Carvalho and DeCosta. Staff has worked hard to get them settled in their new positions. As far as any other narrative, I do not know if there is anything else you wanted me to touch on. Those are things I really wanted to highlight. Under very challenging circumstances, Lyndon and his team did a really good job.

Committee Chair Kaneshiro: The budget presentation was excellent and you provided a lot of information. I do not have any questions. Councilmember Cowden.

Councilmember Cowden: Something I think deserves narrative at least here is that we were just talking about doing two (2) jobs at once. Our Deputy County Clerk has been an exceptional audio/visual person.

Ms. Fountain-Tanigawa: Yes.

Councilmember Cowden: I am proud that our Council has done a good job of being visually available to the public. I think we have been the leader in the County for doing a good job at that, and I watch him working hard all the time, while also doing his regular job. I think we have done an excellent job at doing all of our Council work despite the COVID-19 challenge, and being able to...I just wanted to at least acknowledge that really big accomplishment.

Ms. Fountain-Tanigawa: Thank you, Councilmember Cowden. We do have a terrific staff, and I am proud to work alongside them every day.

Councilmember Cowden: I have to throw in one (1) more thing...we are getting help from all of our staff and the help is really excellent.

Ms. Fountain-Tanigawa: Thank you.

Councilmember Cowden: When people get benefits out there from our Council, it is not just us sitting here, it is the team behind us that supports us and lifts us up.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Thank you for that, Councilmember Cowden. I just want to say that the word, "great" has a new definition when we talk about our staff here at the Office of the County Clerk. It starts with the administration, with you and Scott being great leaders. I came aboard, you mentioned Councilmember Carvalho and I as the new Members. Councilmember Carvalho is a former mayor with a lot of experience. I am kind of a newbie and I came aboard very nervous. I am still nervous and if it was not for you, Scott, and the County support system, including Eddie and everyone else...I am just floored. I think we have the best staff in the nation, and I am not joking. I think we have the best staff. That is an understatement. I am not going to ask you any questions about the budget. Thank you very much.
Ms. Fountain-Tanigawa: We really appreciate it. They are all good people.

Committee Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: From my heart, I know what it is like with my previous role, but coming to this side and being part of the team...just having follow-up and understanding the operational side of things. I get the big picture stuff, but from Jade, to Scott, to everyone...I am just trying to adapt and follow through to get the right support that is much needed on this side. It makes a big difference to me personally, to understand the operational side of things. Thank you for the support as a newly elected Councilmember. As far as the budget, everything seems aligned pretty well. It is better for me to understand that side and get really involved in it. I am very happy to be here, especially with the support every step of the way. Thank you very much.

Ms. Fountain-Tanigawa: Thank you.

Committee Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: Jade and Scott, thank you, and to our staff, for everything that you do for us in keeping us on-track. Under Lyndon's leadership, I know there was a lot of apprehension about going into a new system and the timing with COVID-19. It actually worked to our advantage in terms of positioning that, so thank you to Elections for that. This is a loaded gun, but I will throw it out there. There are some State bills that are...I think the County of Maui proposed them, but they related to the Sunshine Law and having these kinds of public online meetings continue even past the pandemic and after the emergency order is discontinued. I think they have been good from the standpoint of being able to enlist people from afar into our meetings here, and I personally would like to see that option continue. I was curious...because the flipside of that is that some of the requests that we have been receiving from the community is about returning to in-person engagement. From your seat, I would love to hear what our Council Services' point-of-view is on that and what we might be able to work towards in the future.

Ms. Fountain-Tanigawa: The bills that are going through the State Legislature right now...and I do not know how it is going to end up and what it will say. For the lack of a better term, we will roll with what is provided. If the system is kept, and we are allowed to run meetings in this fashion, we will probably have to invest in additional technologies. Whether it is having Hō'ike back or having another person running the system...that I do not know. It will help relieve Scott of his audio/visual duties. I can see the benefit in it. I do have some concerns just from a logistical perspective as to how we handle the people. Do we have enough bandwidth? Scott and I have talked about it a little bit and those things have to be worked out for this system to be successful and for us to reach the people we want to. We also have to see if people are interested in it. I know that it makes it much more convenient for people to testify. We have seen people pull over on the side of the road to provide testimony. We will adapt and change, as necessary.

Councilmember Chock: I appreciate that response. I look forward to us always improving, which I know happens with your Office. Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.
Councilmember Evslin: Just to add to what my colleagues are saying... a huge thank you to Jade, Scott, and all of the staff here for the services that you provide. It is truly amazing. We put in a request and almost instantly the request is settled in some capacity by the Research Section. Everyone here is really phenomenal. I sometimes wish that staff were sitting here, because I think they would make better decisions than I do on the floor. They just do a good job. This narrative has a lot of great data in it, which I think really helps us look at the work that Council Services has been doing over the last year. For me, it is the type of information that I would like to see more of from other departments. It breaks things down into easily-viewable and digestible metrics and synopsis. Lyndon, as Jade said, a resounding success, especially in a year where there was so much critical coverage of elections—great job in pulling off the seamless election year on Kaua'i. One quick question, because I should turn this into a question, we have a reduction in Regular Salaries like most departments. Is that primarily due to the reduction from the two (2) six-month funded positions?

Ms. Fountain-Tanigawa: Yes, the reduction is coming from the two (2) six-month funded positions.

Councilmember Evslin: Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Regarding the line item budget, I noticed that pretty much across-the-board, we are either down slightly or flat. There is a little bit of consulting maybe $5,000 here and there. Overall, our costs have gone down and I think we ended up six-month funding two (2) positions. Is that also related to travel savings? We have done pretty good. Do you want to speak to that? I do not have a lot of questions, because I do not see any problems. Why is our budget down a little bit?

Ms. Fountain-Tanigawa: When the budget directions came out this year, due to the financial state of the County, we were asked, as were other departments, to take a look and make some cuts. We did that. As mentioned earlier, the cuts in the position to six-month funding was a reduction. It was offset a little by an increase in our Elections budget, because we need to budget for mailing, paying our pro rata share of election costs, and for education. We had the League of Women Voters express some concerns, not necessarily with the County of Kaua'i, but with the State as a whole. They wanted more accessibility. As the County is working with other counties, we will be trying to get out there more and providing additional services. Lyndon, if you want to jump in and provide a little more detail, please do.

LYNDON M. YOSHIOKA, Elections Administrator (via remote technology): Staff put together a very comprehensive plan that we were going to roll out prior to the 2020 elections. Of course, like a lot of things, COVID-19 really required us to not implement that plan. As a matter of fact, a lot of the sites that we were about to actually visit contacted us and said that we cannot do it. We want to try and roll that out again prior to the 2022 elections. We also want to expand our presence on social media. I am a little hesitant in some respects regarding that, but that would allow us to reach additional segments of the voter population, which may not utilize customary news outlets like newspapers, online media outlets, et cetera. We are looking at that as well. We are also hoping to discuss with
the Office of Boards & Commissions what they utilized during the 2020 elections to really increase the turnout for the charter amendment questions. I believe it was a very successful operation that they put together. We could possibly utilize some of what they learned from the experience and incorporate that into our operations as well. Those are a lot of the things we would like to do. Unfortunately, what we want to do outreach-wise depends on what the virus dictates.

Committee Chair Kaneshiro: Councilmember Kuali'i.

Councilmember Kuali'i: Lyndon, on master page 19, under Other Services, that is the only line item that seems to go up significantly. What is Elections Pro Rata Share?

Mr. Yoshioka: That is our share of the voting system expense, which includes voting equipment, support services from the voting system vendor, ballots, et cetera. We are required to pay half of our share prior to the election, which falls within this budget. The second half of the payment is due after the election, which would fall into the following year's budget.

Councilmember Kuali'i: My question was going to be about how it varies from year-to-year and whether it is an election-year cost or not. This amount would be consistent. Is it bulk mailing costs that would vary?

Mr. Yoshioka: Yes, we expend quite a bit of money on that. Postage is likely our highest expense right now. We are sending out in excess of seventy thousand (70,000) to eighty thousand (80,000) mail pieces and getting them mailed back to us. This is a proportionate amount. Postage is a huge cost. We put money in this budget this year and we will add more money in next year. The money that we put in this year will be used for voter notification mailings and other types of voter election information that occurs in the next calendar year.

Councilmember Kuali'i: Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Lyndon, thank you for everything that you do in the Elections Division. It has been a positive experience every time I ran for office, and this time even more so since I got elected. You and your staff have helped me and I am very honored. Being that I am being warm and fuzzy, I have to give a shoutout to our two (2) Secretarial Assistants, Chauncie and Lisa, and all of the other staff members. I checked the budget and I like budgeting. I asked difficult questions, but this one is so concise and precise. It answers all of my questions. I am just astonished at how competent this Office is. I am done. Thank you.

Committee Chair Kaneshiro: Are there any further questions? Councilmember Kuali'i.

Councilmember Kuali'i: Lyndon, for Elections, I do not see anything for training. I do not know if you are participating in a conference sometimes statewide, or even if it is virtual, there are still fees you have to pay, correct?
Mr. Yoshioka: A lot of the trainings that we do undergo are actually coordinated through Council Services. We really did not budget for that. As far as election-related meetings and what have you, there are not many trainings conducted per se. We take part in trainings primarily geared to our volunteers that work in the counting center and voter service centers. Those trainings we do in-house. Counting center training is conducted by the State Office of Elections and they fly here for the day and do the trainings to get people certified. There are really no direct costs for training in our budget.

Councilmember Kuali'i: Thank you. A big mahalo to you, Jade, Scott, and everyone in Council Services and Elections. Keep up the great work and keep serving our people. I appreciate you.

Mr. Yoshioka: Thank you.

Committee Chair Kaneshiro: Are there any other questions from the Members? If not, we will move on to our final department, the Office of the County Auditor.

Office of the County Auditor

Committee Chair Kaneshiro: As everyone knows, we are still on continuous recruitment for the position of County Auditor. The budget remains relatively flat. I think we have $7,000 in one account for postings and other expenses, and then we have the $260,000 for the annual Comprehensive Annual Financial Report (CAFR).

Councilmember Kuali'i: You mentioned the CAFR. What about the additional audits?

Committee Chair Kaneshiro: That is in the Council Services budget.

Councilmember Kuali'i: Okay.

Councilmember Cowden: We have this $260,000 budget here. If we choose to do an audit, this is where the money comes from?

Committee Chair Kaneshiro: Our audit budget line item is in our Council Services budget. This $260,000 is for the annual CAFR.

Councilmember Cowden: Right. In our Council Services budget we have $200,000. For the public, even though we do not have a County Auditor, that does not mean we are not doing audits. We just hire a third-party auditor and we have $200,000 to do that in the year. They are happening. It is not a responsibility that we have just dropped without putting anyone in that position. Thank you.

Committee Chair Kaneshiro: Are there any other questions? If not, this is our very last department. Thank you all again for a very thorough review. As we have progressed fairly efficiently, I will be canceling the Departmental Call-Backs so that the Administration and Councilmembers are able to free up time in your calendars for other business. Call-Backs that were scheduled for April 9th, 12th, 13th, 15th, and 16th are now canceled. We anticipate receiving the Mayor's May Supplemental Budget Communication on or before May 7, 2021 given that May 8, 2021 is a Saturday. Our next budget-related meeting will be May 12, 2021.
where we will hold our 5:00 p.m. public hearing. We will have an 8:30 a.m. Special Council Meeting on Friday, May 14, 2021 to schedule the public hearing for the Mayor’s May Supplemental Budget Communication and then proceed into Budget Decision-Making that same morning at 9:00 a.m. Additional Decision-Making sessions are scheduled for May 17th and 18th, if needed. Not seeing or hearing any objections, the Departmental Budget Reviews for Fiscal Year 2021-2022 are now adjourned.

There being no objections, the Committee adjourned the Fiscal Year 2021-2022 Departmental Budget Reviews at 12:16 p.m.

Respectfully submitted,

Scott K. Sato
Deputy County Clerk

Darrellyne M. Caldeira
Council Services Assistant II

KarLyn Sukehira
Council Services Assistant I

Jessica Young
Council Services Assistant I

APPROVED at the Committee Meeting held on May 5, 2021:

ARYL KANESHIRO
Chair, Committee of the Whole