The Special Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Arryl Kaneshiro at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, March 17, 2021 at 8:30 a.m., after which the following Members answered the call of the roll:

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

Council Chair Kaneshiro: Good morning. Today's meeting will be conducted pursuant to Governor Ige's Supplementary Emergency Proclamations with the most recent relating to the Sunshine Law being his Eighteenth Supplementary Emergency Proclamation dated February 12, 2021.

APPROVAL OF AGENDA.

Councilmember Carvalho moved for approval of the agenda, as circulated, seconded by Councilmember Cowden.

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion for approval of the agenda, as circulated, was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

COMMUNICATION.

C 2021-60 Communication (03/09/2021) from the Housing Director, requesting Council approval of the indemnification provision contained within the Smartsheet User Agreement. The use of the Smartsheet software platform is a requirement of the $22,000,000.00 Emergency Rental & Utility Assistance Program and
will be used for data management, application processing, and ensuring there is no
duplication of Federal benefits.

Councilmember Carvalho moved to approve C 2021-60, seconded by Councilmember Cowden.

Council Chair Kaneshiro: I am going to suspend the rules and Adam, can you provide the Councilmembers with a brief description of this item and why we are rushing it?

There being no objections, the rules were suspended.

ADAM P. ROVERSI, Housing Director: Thank you, Chair. Adam Roversi, Housing Director. I first want to both apologize for requesting this special session. I know it is a burden on the Council and staff, and I want to thank Chair Kaneshiro for entertaining the request and the rest of the Council for agreeing and cooperating.

The Smartsheet is a software solution that provides the data management backbone for the pending emergency rental assistance program. It is the same software platform that was utilized by the State for the first Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, round one rental assistance program. It is critical that we are able to finalize our contract with them as soon as possible, so they can begin building the Kaua'i-specific software solution that will enable us to ramp-up this rental assistance program as quickly as possible. Despite the fact that they are a nationally and internationally known company, they have a relatively small tech-force design to create the software for our geographic area. They do it on a first-come, first-served basis, so we felt it was critical to get this before the Council as quickly as possible, so that we can get in the queue to have them begin working on the software that will enable our program to get up and running as quickly as possible. It will be admittedly challenging to administer the large amount of funding that we have to provide Kaua'i residents in the timeframe that we are given, so every week counts, in my mind, to get this going as quickly as possible, so that we can get the assistance to people's hands as quickly as possible. Essentially, we are just asking today for the Council's approval of the indemnification provision that is contained within their software user agreement. It is a type of agreement that if you or I were purchasing their products, we would just click a box and move on. It is generally “boilerplate” language that is included in most contracts that we have to deal with, so the County Attorney has already reviewed this indemnification language, and approved it as to form and legality. Unless there are any questions, that is where we stand. We are asking for the Council's approval of these indemnification provisions, so we can move ahead with the contract.

Council Chair Kaneshiro: Are there any questions from the Members?
Councilmember Cowden.
Councilmember Cowden: First, I really appreciate knowing that...and I am not surprised that the Office of the County Attorney has gone through it and really looked at it. I read it, but like you said, it reminds me of what you look at and you have to push whenever you get some software. I do not have a problem approving this. What I am curious about is, are we going to be in line with fifty (50) states? How big is the line?

Mr. Roversi: As I understand it, the folks working on this with the Smartsheet Corporation, they are also serving Maui County, the State of Hawai‘i, possibly Hawai‘i County, and west coast customers. I am told that we should have...there is no firm date given to me, but I am told that if we can get this done quickly, we should have the software up and running sometime in April.

Councilmember Cowden: Okay.

Mr. Roversi: There is no firm date at this point, until we get the contract inked and submitted.

Councilmember Cowden: I just wanted to make sure it is not August, you know? Okay, thank you.

Council Chair Kaneshiro: Are there any other questions from the Members?

There being no objections, the meeting was called back to order, and proceeded as follows:

Council Chair Kaneshiro: I am going to vote to approve it and I saw the necessity in the rush. The federal government is giving us twenty-two million dollars ($22,000,000) to disperse through the island for rental assistance. It is a requirement for us to have this software, in order to get the money out. There is a deadline on when we need to get the twenty-two million dollars ($22,000,000) out; it is September 30, 2021. The faster we can get the software up and running, the faster we can start getting the money out, the faster we can divvy out the money. The last thing we want to do is be stuck waiting for the software that we are required to use and we start getting close to the deadline and we are not able to get all of the twenty-two million dollars ($22,000,000) to people on the island. If we do not get all of the twenty-two million dollars ($22,000,000) out, it goes back to the federal government, which I know we all do not want to see or do. We want to keep as much money as we can here on-island; the faster we can get it, the better. Councilmember Kuali‘i.

Councilmember Kuali‘i: I primarily want to say a special mahalo nui loa to the Housing Director for jumping on this and taking the initiative to asking for
this special meeting, so that we could move as quickly as possible. The only other question I had, and I do not remember if you told us about it before...this funding is limited just for that single purpose of rental assistance?

There being no objections, the rules were suspended.

Mr. Roversi: Both rent and utility assistance. It can help with electric, sewer, water, internet, and it can provide rental assistance, both for past due amounts and future amounts to people who have been impacted by COVID-19.

Councilmember Kuali‘i: Is this funding not available to help with building any affordable housing or housing for homeless and things like that?

Mr. Roversi: No. It is for the very limited purpose of just rental assistance. As I understand it, just for informational purposes, there will be additional funding in the just recently approved latest round of federal assistance, the one billion nine hundred million dollar ($1,900,000,000) package. There will be additional funding in that package, specifically to address homelessness, as well as mortgage relief. The current funds we are talking about are only for renters, but there will be additional funding and programs for mortgage assistance. I do not know about construction projects for housing—how that will be folded into the upcoming funding or really any of the rules and regulations surrounding that; it is yet to be presented to us, but there are more federal programs coming that will serve a broader array of purposes.

Councilmember Kuali‘i: So we can look forward to hearing from you when you get more of the details on the new funding and the potential for building more affordable housing?

Mr. Roversi: Yes.

Councilmember Kuali‘i: Thank you so much.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Good morning, Adam. Thank you for everything that you and your department do. I wanted to ask you, can you provide us a really brief description on how to go about securing these funds and if it goes to the tenant directly. I know you explained it to us before, but I wanted to make sure it is shared again with our community and whoever is listening. Does the money go directly to the landlord, does the tenant apply for it? How does that work?

Mr. Roversi: Broadly speaking, the tenants will be the ones applying for the funds, but in the first instance the moneys are intended to be paid directly to the landlord and/or the utility providers, not to the tenant. But in the event
that we have landlords who are not cooperative or not providing the necessary information to receive a direct payment, we are able to make payments directly to the tenant. We have to satisfy certain procedural requirements before we can do that, to demonstrate that we have attempted to get the information from the landlord, because that is the preference in the program, payments directly to landlords or to utility providers. We are not going to deny an application in the event that a landlord is not cooperative in receiving the funds. In those instances, we can make payments directly to the tenant.

Councilmember DeCosta: There are protocols that the tenant has to go through to provide documentation to prove how long they were a tenant with the landlord. Am I correct?

Mr. Roversi: Correct. They have to provide evidence of a lease or a rental agreement, they have to provide evidence of their income, they have to provide evidence that they have actually suffered some economic loss related to COVID-19. There is a list of documents in the federal agreement and the state agreement that calls out how they go about doing that.

Councilmember DeCosta: My last question. I know landlords have to pay General Excise (GE) tax on the money they receive from their rental income and they also have to show that they have lost income, so it can cross over and correspond with the tenant's rent that they did not pay, am I correct? Is that the way it is going to be done?

Mr. Roversi: Here is a quick example. A tenant applies, we have to get from the landlord their tax information. When the State was operating the CARES Act round one rental assistance, they ran into situations of landlords who did not have GE tax licenses and were not paying taxes and therefore could not provide or would not provide the required tax information, so that program could make payments directly to the landlords. In that case, under the CARES Act program, the tenants essentially were out of luck, because the program was not set up in a way that payments could go directly to the tenant. The second program, they have carved out an exception for those situations where we have a landlord who may be out of compliance with tax regulations, where we can make a payment directly to that tenant. The overall goal is to keep people in their houses, not to enforce the tax law, per se.

Councilmember DeCosta: Thank you.

Council Chair Kaneshiro: Is there any other discussion from the Members? Councilmember Cowden.
Councilmember Cowden: I just want to thank you again. You apologized at the beginning for bringing us in, but that is our job. I am happy to be here and I am happy to assist in any way we can on something this important. Thank you.

Council Chair Kaneshiro: Is there anyone else?

There being no objections, the meeting was called back to order, and proceeded as follow:

(No written testimony was received and no registered speakers requested to testify regarding this agenda item.)

The motion to approve C 2021-60 was then put, and unanimously carried.

ADJOURNMENT:

There being no further business, the Special Council Meeting adjourned at 8:43 a.m.

Respectfully submitted,

JADE K. FOUNTAIN-TANIGAWA
County Clerk

:dmc