

## PUBLIC HEARING

JULY 20, 2022

A public hearing of the Council of the County of Kaua'i was called to order by Arryl Kaneshiro, Chair, Committee of the Whole, on Wednesday, July 20, 2022, at 8:32 a.m., at the Council Chambers, 4396 Rice Street, Suite 201, Historic County Building, Līhu'e, and the presence of the following was noted:

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

The Clerk read the notice of the public hearing on the following:

“Resolution No. 2022-22 – RESOLUTION PROPOSING A CHARTER AMENDMENT RELATING TO A HOUSING DEVELOPMENT FUND,”

which was ordered to print by the Council of the County of Kaua'i on June 15, 2022, and published in The Garden Island newspaper on July 5, 2022.

The following communications were received for the record:

1. 'Imaikalani, 'Iokepa Hanalei and Inette Miller, dated June 26, 2022
2. De Souza, Marjorie, dated June 26, 2022
3. Edmonds, Jim, dated July 20, 2022
4. Graff, Larry, dated July 20, 2022
5. Luck, Alice, dated July 19, 2022
6. Murakami, Tracy, dated June 26, 2022
7. Shimonishi, Ken, dated July 20, 2022

Committee Chair Kaneshiro: We have received written testimony.

JADE K. FOUNTAIN-TANIGAWA, County Clerk: The first registered speaker is Ken Shimonishi, followed by Alice Parker.

Committee Chair Kaneshiro: Ken. You know the rules, but I will state it for anyone in the room. You have three (3) minutes. The light will turn green when your time starts. The light will turn yellow when you have thirty (30) seconds left. It will turn red when your three (3) minutes are up. If you need another three (3) minutes, we will go around the room first so that everyone gets their first three (3) minutes first. Once everyone has testified, then you can have another three (3) minutes for your testimony. Please state your name for the record.

**KEN M. SHIMONISHI:** *Aloha*, Councilmembers. Ken Shimonishi for the record. Although I am employed by the County as the Budget Administrator and I previously served as the Director of Finance, I am here on my own personal time to provide personal testimony on Resolution No. 2022-22, which seeks a Charter Amendment that would require a minimum of two percent (2%), but no more than five percent (5%) of real property taxes to be contributed to the Housing Development Fund. To be clear, I fully support the contribution of funds towards housing development; however, I strongly oppose using the Charter as the mechanism to enact such funding. The County Charter is the basic document that defines the organization, structure, powers, functions, and essential procedures of the County. The Charter is comparable to the United States Constitution or a state's constitution. It should not be amended frequently and should reflect broadly the general and essential functions of the County and, in my opinion, should not be used to address specific budgeting appropriation items.

First, I would ask, "What is the County's policy for funding housing development projects?" I do not know that such a policy exists. I have never been told that the annual budgets, which I play a major role in compiling, analyzing, presenting, and administering, does not meet the "housing development funding policy," so I can only conclude that there is none. Despite not having a policy, this Resolution, if adopted, proposes the most restrictive method of funding. Which again, I believe the Charter is not the proper place for such action. But more importantly, without such a policy, should we not try the least restrictive legislative action first?

Questions that should be asked: What should the contribution amounts be annually? Is two percent (2%) to five percent (5%) proper? What about using any excess of reserves? What is the limit for accruing the fund balance in the Housing Development Fund? Is there a prioritization of future bond issues to include housing projects, or dedicated bond issues for these housing projects, or other third party financing, et cetera? I can understand the desire to force the County to make these contributions through a Charter Amendment; however, there is also a downside that should other events require shifting of funds as needed, such as an economic downturn or natural disaster, the County would lose such flexibility.

Committee Chair Kaneshiro: Ken, that is your first three (3) minutes.  
Alice.

**ALICE PARKER:** I am also referring to the budget. Good morning, all. We need correction wording to County employees' contracts to ensure that a convicted and incarcerated Councilmember, i.e., the Arthur Brun case, is not entitled nor receives his or her salary while in jail. Pensions must also be addressed if related. We need to remove necessities for expenses of special elections to fill an unexpected vacancy in elected office, to wit, the Office of the Prosecuting Attorney when Justin Kollar suddenly moved off the island recently. We taxpayers all understand that the County budgeting process is a detailed, time consuming duty to each participant, but we do appreciate your attention to these inadvertent loopholes of loss moneys. *Mahalo nui loa*, thank you.

Committee Chair Kaneshiro: Thank you. We will make a copy for everyone on that. Is there anyone else in the audience wishing to testify on the Charter Amendment? If not, Ken you can have your second three (3) minutes.

LARRY GRAFF (*via remote technology*):

I would like to testify.

Committee Chair Kaneshiro: We are taking those in-person first and then we will take testimony from those on Zoom.

Mr. Shimonishi: In my opinion, a policy that is adopted through collaboration between the Council and the Administration has the best outcome for success, and we should not underestimate the power and effectiveness of a simple resolution. Examples of this includes the Structurally Balanced Budget Resolution and the Amended Reserve Fund Policy Resolution. In Fiscal Year 2010 through Fiscal Year 2014, the General Fund suffered year-over-year deficits to such a degree that the General Fund fund balance declined fifty-three percent (53%) in just four (4) years. On this continued trajectory, the County was headed for insolvency. The Council and the Administration held a working session where they identified common areas of cooperation or goals for the County. The number one item identified was the need for long-term financial planning. In Fiscal Year 2016, the Administration submitted its first budget to adhere to the practices as recommended by the Government Finance Officers Association (GFOA) and the Long-Term Financial Planning Project that was taken on to address this issue. This practice continues to this day and has positioned the County well to deal with unforeseen circumstances such as the State's withholding and final elimination of the shared Transient Accommodations Tax (TAT) revenue, roughly revenue shortfalls that amounted to seven million five hundred thousand dollars (\$7,500,000) in Fiscal Year 2021 and fifteen million dollars (\$15,000,000) in Fiscal Year 2022. In closing, again, I am all for funding housing development, especially affordable or subsidized housing projects as the vast majority of our residents are priced out of the market, but I am opposed to doing this via the Charter. Thank you for your time and your consideration.

Committee Chair Kaneshiro: I have a clarifying question from Councilmember DeCosta.

Councilmember DeCosta: I have a couple clarifying questions. Ken, you mentioned bond rating, as a Councilmember I understand that if this becomes law where we put two percent (2%) of our moneys into this Fund, that is the first bill that we have to pay within our budget. Am I correct?

Mr. Shimonishi: That would be a required amount to be contributed from our budget, correct.

Councilmember DeCosta: Correct. How would that affect our ability to float a bond, because now we have less revenue, and it is going to get tied up in another account? Can you explain that?

Mr. Shimonishi: Right. I want to be careful, because the County has a Director of Finance who would be the person to address these issues. I would say that in my past experience, when the bond agencies do ratings for the

County, one of the things that they look at is our budget flexibility as a plus so to speak. Obviously, we have to pay our bills and our debts, but that is a factor that is looked at and, of course, it is a requirement that we fund debt service. That has to be paid. Any pre-earmarked moneys would, if those amounts are needed elsewhere, would need to be made up somehow, right?

Councilmember DeCosta: I have a second clarifying question.

Committee Chair Kaneshiro: Some of these questions might be better directed towards the Administration at the next meeting. Ken is here on his personal time. The question should be clarifying something in his testimony.

Councilmember DeCosta: You mentioned Fiscal Year 2016 where you addressed the economic downturn and you collaboratively worked with our former Mayor here to solve it. Do you think this could be done again for our public housing, instead of going through the Charter?

Mr. Shimonishi: Exactly, that is my point. What is the County's policy to fund housing? Here we are ready to put in a Charter requirement or amendment. Really, what is the policy? My hope is that the Council, working in collaboration with the Administration, can come up and develop a policy to adopt. They can use that going forward with the County's budgeting process.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Clarifying question from Councilmember Carvalho.

Councilmember Carvalho: The process that was taken with the Structurally Balanced Budget process, you are saying that instead of going through the Charter process...we have done that process...we went through that process as a County and that would be the best way to secure the funding that way? I am just clarifying the process.

Mr. Shimonishi: What I am saying is that when both sides agree on the priority, then it is a lot easier to adhere to a policy and not necessarily have to embed something into the Charter, which again, I do not believe is the appropriate place to try to address budgeting items.

Councilmember Carvalho: Okay, I just wanted to clarify that.

Committee Chair Kaneshiro: Is there anyone else in the audience wishing to testify?

TARA ROJAS (*via remote technology*): Yes, hello.

Committee Chair Kaneshiro: Hold on. We are going to take the Zoom testifiers after the in-person.

Ms. Parker: By the way, I forgot to say, bus stop on Pahe'e Street. I am still holding my breath. Right, Councilmember Carvalho? You were working on it for me. Thank you.

Committee Chair Kaneshiro: Okay, on Zoom, I have JoAnn Yukimura.

JOANN A. YUKIMURA (*via remote technology*): Good morning, Council Chair Kaneshiro and Members of the County Council. Can you hear me?

Committee Chair Kaneshiro: Since you are on Zoom, we will give you your full six (6) minutes, because it is too hard to shuffle between testifiers. You can have your full six (6) minutes. I will let you know when you have thirty (30) seconds. I may just interrupt you a little bit to tell you when your six (6) minutes are up.

Ms. Yukimura: Thank you, Council Chair. I am here today to strongly support Resolution No. 2022-22, which would earmark two percent (2%) of real property taxes in the annual budget for the development of affordable housing. I am sorry to have to disagree with my good friend Ken Shimonishi, but here it goes. By passing this Resolution, you will be giving the voters of Kaua'i a chance to approve a Charter Amendment that will grow the County's Housing Development Fund. In doing so, the Council will be taking a big step towards implementing policy number two in the General Plan, which is to provide affordable housing. The provision of affordable housing policy number two says requires "adequate capital." That is precisely what the proposed Charter Amendment would help to provide. I want to highlight three (3) reasons the Charter Amendment is needed. First, we simply cannot build the housing we need at the rate we need it, without unrestricted development funds that the Charter Amendment would provide. The General Plan says that we need to build nine thousand (9,000) housing units by 2035. It costs about five hundred thousand dollars (\$500,000) to six hundred thousand dollars (\$600,000) to build a house today. Given that kind of cost and the deep subsidies required to make housing affordable, I estimate that we would need four hundred million dollars (\$400,000,000) just to build one thousand (1,000) homes. Consider that the Legislature just passed six hundred million dollars (\$600,000,000) for the Department of Hawaiian Home Lands (DHHL). While these numbers may seem overwhelming, it is important to realize that the capital can be leveraged. When I was Mayor, my Administration leveraged forty-two million dollars (\$42,000,000) in unrestricted Federal funds received after Hurricane Iniki. We gave out some of the money as loans rather than grants and we mixed and matched some of the forty-two million dollars (\$42,000,000) with Federal Housing Tax Credits, HOME Investment Partnership Programs (HOME) and Community Development Block Grant (CDBG) funds, and inclusionary zoning contributions. The forty-two million dollars (\$42,000,000) built four hundred seventy-eight (478) units at a rate of about ninety thousand dollars (\$90,000) per unit.

The second reason, with the money earmarked by the Charter Amendment, the County would be able to provide housing for more families and in more income brackets, and develop better quality projects. A case in point is the recently built Koa'e project in Kōloa-Po'ipū, which was built with Federal Low-Income Housing Tax

Credits (LIHTCs). It is thus limited to families at or below sixty percent (60%) of area median income (AMI). If we had sufficient County development moneys when Koa'e was being planned, we could have built some of the units with unrestricted County moneys. This would have enabled families with incomes at eighty percent (80%), one hundred percent (100%), and one hundred twenty percent (120%) of AMI to qualify to live in that development. That would have made affordable housing available to a broader range of workforce families, including teachers who are my special concern. It would have made Koa'e a better housing project as it is well-known that putting together families with a diversity of incomes usually creates a more successful community.

The third reason is, a robust Housing Development Fund would give the County's Housing Agency the flexibility and agility to buy land as the opportunity arises. Kalepa Village and the Rice Camp housing projects would not exist today had the County not had the moneys available to buy the land when it became up for purchase. With the forty-two million dollars (\$42,000,000) in post-'Iniki Federal funds, which was the last big infusion of capital the County received, some of the following existing projects or housing projects were made possible: Kalepa Village, Lihu'e Court, Anahola Hawaiian Homes Habitat for Humanity 20 in 20 program, which was a while back, Hale Kūpuna Elderly Housing in Kalāheo, Kīlauea Estates, Lihu'e Theater Elderly Housing, and certain units in Hokulei Estates. But for the forty-two million dollars (\$42,000,000) in unexpected, unplanned housing capital, these housing units would not exist today. Since then, we had not had another big infusion of housing capital. That perhaps is part of the reason that we are so far behind in providing housing. Resolution No. 2022-22 begins to remedy that.

If you support making affordable housing a top priority, approving this Resolution is the right and urgent thing to do. I would like to close with a suggestion as to the wording of the ballot question. I suggest that the word "annually" be added to the question to make the proposed amendment clearer. It would be written as follows, "Shall two percent (2%) of real property tax revenues be earmarked annually for the purpose of affordable housing?" I just want to say that two percent (2%) is a very small amount of the budget and would not really affect the main flexibility of the big budget.

Committee Chair Kaneshiro: JoAnn, that was your six (6) minutes.

Ms. Yukimura: Okay, let me finish my sentence. We had the earmark for park lands and the Open Space earmark for many years and I do not think it has been the reason we were close to bankruptcy in the past. It would really make it affordable. Thank you.

Committee Chair Kaneshiro: I do have a clarifying question from Councilmember DeCosta.

Councilmember DeCosta: Thank you, JoAnn for those very informative statistics. I was very impressed. Can you clarify, you made a comment about unrestricted funding in the Kōloa area, when we did the LIHTC credits for sixty percent (60%) AMI and if we had unrestricted funding that we could use, you mentioned that we could meet the eighty percent (80%) AMI, which roughly is a

couple making about ninety thousand dollars (\$90,000), one hundred percent (100%) and one hundred twenty percent (120%) AMI, and you specifically mentioned teachers. One hundred twenty percent (120%) AMI is I believe about one hundred twenty-eight thousand dollars (\$128,000) for a couple. The question I want to ask you is how would it address our teacher shortage with housing when teachers make an average of sixty-five thousand dollars (\$65,000) to seventy thousand dollars (\$70,000), and if they were married, they would not fall in this unrestricted funding amount that we have, or would we address that gap group that we are missing? There is a gap group who make jointly, like a fireman and a teacher, they make over the one hundred twenty-eight thousand dollars (\$128,000). How would your numbers address those people?

Ms. Yukimura: I think some beginning teachers would fall into the one hundred twenty percent (120%) AMI category and so would beginning fire fighters. They certainly need housing and unrestricted moneys could go there if we change our Housing Policy to go up one hundred forty percent (140%) AMI. I actually support the one hundred twenty percent (120%) AMI right now, because it would help the people who have much fewer options than the people with one hundred forty percent (140%) AMI. We need to help those who are on the margins to homelessness. Because we have so little capital right now, we have to focus on the lower end. If we can build our Housing Development capital, we can help the higher range. We might also investigate programs of subsidizing interest or that kind of thing rather than giving a whole house or providing an entire house to the one hundred forty percent (140%) AMI group. We might want to explore other ways to lower their price without having to provide an entire house. Do you follow?

Councilmember DeCosta: Thank you for that.

Ms. Yukimura: Okay.

Committee Chair Kaneshiro: Thank you, JoAnn.

Ms. Yukimura: Thank you very much, Council Chair and Members.

Councilmember Carvalho: Thank you.

Committee Chair Kaneshiro: Next up is Larry Graff.

Mr. Graff: Thank you. Honorable Council Chair and Members of the Council, my name is Larry Graff and I am a father, grandfather, and Chief Operating Officer of Permanently Affordable Living-Kaua'i and Kaua'i is my home. I wish to support setting aside two percent (2%) of property taxes for affordable housing. I wish to express our strongest support for this Resolution. I heard some interesting testimony today. I would only like to say that you should give it to the voters and let them decide. I heard someone say that we need to conserve funds for natural disasters. We have an unnatural disaster and it is a disaster that is impacting us as much as any hurricane you can imagine. People who were born and

live here are leaving here in record numbers. Families are being torn apart and people are left homeless working two (2) jobs. We need this two percent (2%) set aside. I want to say that we have a core of dedicated agencies on Kaua'i who have formed an alliance called the Kaua'i Affordable Housing Alliance (KAHA). You can bond off of this money and create a significant amount of money. JoAnn was talking about how the forty-two million dollars (\$42,000,000) built so much housing on Kaua'i. KAHA could certainly use that money, developers large and small. Finally, I would like to say that in the implementation of this, if the voters approve of it, and we are not saying whether you should approve of it, we just want to give it to the voters and let them decide the facts...if it should be approved we would like to see implementing rules to include agencies like ours, new and small agencies, we have been here for about four (4) years. We have thirteen (13) apartment units in Kekaha serving people straight out of homelessness. We have three (3) other projects in our pipeline that we will build. It is close to fifty (50) units of housing or more. Access to capital is the key component of what we do. Any project alone with things like water and zoning density, we trust that the County will consider its homegrown, smaller affordable housing agencies once the voters pass this. We encourage you to give the voters the opportunity to pass this. Thank you for this opportunity to speak. *Aloha.*

Committee Chair Kaneshiro: Thank you, Larry. Next up we have Tara Rojas.

Ms. Rojas: *Aloha.*

Committee Chair Kaneshiro: Please state your name for the record just in case I may have pronounced it wrong.

Ms. Rojas: I am for affordable housing for Kaua'i. There is indeed a housing crisis. However, on these Planning Commissions and this is the first time for the Kaua'i County Council meeting, and knowing that the connections with the issues with not affordable housing, but with luxury housing being built on Kaua'i, that is part of it too. We are talking about the Resolution, because I will keep it to that. I will be commenting on the third public hearing as well. This is tied in together. Think back about how the housing issue came about. How is it that what is going on right now...that there are housing and luxury units being developed for foreigners in the million-dollar range, why is there not some kind of resolution being done regarding that? Just the fact that any way to get extra money for housing for local *kama'aina* and primarily *Kānaka Maoli* is great. It is awesome. Who is being accountable for this money raised? Where is it going? Is it earmarked as we are seeing on all islands? As we are seeing on Maui, the resolution for a formal investigation for corruption, as we see on *Moku o Keawe*, Hawai'i island, the Hawai'i County Council Member was being charged for corruption and accepting bribes. I honestly am not well-versed. I do not have all the time in the world and the ability to understand this. But what I do know is that with anything dealing with housing on Kaua'i, money is coming in and funneling of moneys coming in...who is accountable for these moneys? You know that you are all tied in together somehow. Just hearing that first testifier...they do have knowledge of budgets and if they are



opposing it through this means of a Resolution, that is something to be considered. I am just going to say that. There is so much that needs to be watched, accounted for money-wise as far as the people, how it is coming in, how it is being used, and just all of that. There is a lot of corruption going on. Here on O'ahu, the Department of Planning and Permitting employee also got charged with corruption. I want to bring that to the table. We are watching and we are aware. I may not understand everything, but your *na'au*, standards, or moral ethics...ethical character, that really should come into play. If this is for the good and there is accountability, and there will be affordable housing available, great. But if not, and if the Kaua'i General Plan that was written in 2018, I do not know, I could not find a more recent version, but if there is a newer one, are you even looking at that? Or was that done just to create something that is not going to be used? I am just bringing that to the table and bringing what is happening now to the table. Again, do what is *pono* and create housing for *Kānaka Maoli*, *kama'āina*, and local residents, not for personal benefit, but for the greater good of the community, really see it tangibly, that is what needs to be done. That is all I am going to say. Housing for the local resident, *Kānaka Maoli* is priority. That should be done. Zero (0) corruption. *A'ole* corruption. *Pono*. Housing for the people. That is always first. For the people, not the developer or anyone else. For the people. *Mahalo*.

Committee Chair Kaneshiro: Thank you. Next up is Alfred.

ALFRED MEDEIROS (*via remote technology*): *Aloha kakahiaka*, Council Chair. Alfred Medeiros *kou inoa*. I am in favor of this Resolution for affordable housing, but I personally believe more needs to be allocated and more than two percent (2%). The fact is that we are going through a housing crisis right now, especially for the *Kānaka Maoli* like the sister who testified prior said. We need to have more funds allocated to ensure that we do have homes for our people. As Larry Graff stated earlier, our people are moving day-by-day. It is no longer month-to-month, it is day-by-day. I see people leaving all the time. It is my own family going through the same things, all over on every island. Affordable housing needs to be done properly. My big concern is that if the land is going to be rezoned into commercialism and tourism areas, right? They are going to have the advantage and where big, private contractors like Meridian Pacific are going to come in and do it their way. Larry Graff said it properly that we need to keep things more local. Keep things more locally organized. I see Bernard Carvalho there. *Mahalo* for what you have been doing in the past and *mahalo* for everything. I know there is a way that you can get involved with this and to ensure that the local people like the local construction workers can get their fair share in this. You know how it goes, it is always subcontracted out or outsourced. We barely get our local *Kānaka Maoli* working anymore. They have to look for different jobs. They are actually working in the hotels catering to tourism. We are slowly becoming the slaves to that system. We have to find a way to get away from that. We have to come back to the table and talk about affordable housing. What is affordable housing if the units start at eight hundred thousand dollars (\$800,000)? What is an affordable home if it starts at one million three hundred thousand dollars (\$1,300,000)? It is not affordable. There are so many things that need to be changed, but like I said, I am all in favor for this

Resolution, for the fact that we do need affordable housing. A little bit may seem only that much to people, but it is something. It is better than nothing. I say two percent (2%) starting, but we need to do a lot more for the people, especially for Kaua'i. Kaua'i does not want to turn into O'ahu. As you can see little by little, Kaua'i is turning into Maui, and Maui turns into O'ahu. We have to keep Kaua'i to what it is. People do not come to Kaua'i to see the big buildings like Waikiki and Downtown Honolulu. They see the paradise that is untouched of our home. For affordable housing, where is it going to be put at once things get passed? Where are the locations? That is going to be more of a conflict of interest too, right? I am sure that locals do not want to be next to tourism. They do not want to be in that same location. Again, *mahalo* for your time. I could go on and on about this. I am a *Kānaka Maoli* that is fighting for the *'āina*. I have seen the desecration that is happening in Kōloa firsthand. I saw the *iwi kūpuna* being desecrated in Hanalei. It is a heavy topic of course, related to affordable housing. We can barely afford to live day-by-day in this life nowadays. This is an overpriced paradise, and it is slowly pushing every single person, not only *Kānaka Maoli* and Hawaiians away, but every single local that has been born and raised here. Their families have roots here. Their families were working in the fields back in the days. We have to keep it local. Two percent (2%) is the beginning for affordable housing. It needs to go to the people who need it and it needs to be affordable. *Mahalo* for your time. I will be speaking on the third public hearing as well. *Mahalo* and *aloha*.

Committee Chair Kaneshiro: Is there anyone else on Zoom that did not have a chance to speak that would like to speak? If not, Lonnie.

LONNIE SYKOS: I do not want what I am about to say to be mistaken about my desire for housing to be created on this island for the people who work for a living. Where in the County Charter or the State Constitution is the County responsible for building housing for the workforce? We get money from the Federal Government to build housing for specific groups of people, including the elderly, poor, disabled, et cetera. These are all Department of Housing and Urban Development (HUD) items. In regards to the housing for the people that work, who built the housing in Detroit for the automobile workers? Did the citizens of Detroit tax themselves in order to build housing so they could go to work at Ford and General Motors (GM)? No. Ford and GM funded the housing. The problem on Kaua'i is that for thirty (30) years your primary industry, who should have been either induced to build housing or taxed, which is the most horrible way to do it, because you lose forty percent (40%) to fifty percent (50%) of the money to having to pay the County to process and handle all the money, but the housing should have been built by the industry. What everyone is talking about is a ponzi scheme. To the last gentleman talking, how much can you pay more in taxes to the County in order to build housing for yourself and your family? It does not make any sense. The working public on Kaua'i does not possess the capital to build this housing. All of this talk about taxing us to build housing for ourselves is a ponzi scheme and an insult to our intelligence. The money to build the housing has to come from the people that employ the labor. They are the ones with the capital. That is why they are here. We have how many billions of dollars in property appreciation because of the tourism industry. How

many billions of dollars that we do not tax to build housing for the labor in the tourism industry? The money is there. The money is on Kaua'i to build the housing. The County Council lacks the political will to either tell the industry "build the housing or we will take the money from you and build the housing at fearful expense." The same with transportation. The tourism industry should haul them to the airport.

Committee Chair Kaneshiro: Lonnie, that is your first three (3) minutes. Is there anyone else in the audience wishing to testify? I will say, if you are going to address items, address it to the Chair. I do not want you to start picking out anyone that testified or any Councilmember. If you are going to address testimony, address it directly to me.

Mr. Sykos: Yes, sir.

Committee Chair Kaneshiro: You can have your final three-minutes.

Mr. Sykos: My apologies to the gentleman and the people that I addressed personally. That is in fact the rule. The money is here. The money is on Kaua'i. It is sitting in the property's appreciation. I totally agree, we are much better off having people from here involved in the development of the housing that going to these giant corporations that will do things like give us water pipes from China that are filled with toxic material and now we have a subdivision with toxic water in it. I am all for building housing. Every year with the budget you can appropriate money. You do not have to have this Resolution. To me, you are just kicking the can down the road. It is like, "We do not want to take the political hits from the money people to get the money to build the housing, so we will put it on the public." For us to vote for two percent (2%) or whatever is not going to solve the problem. Council Chair, show me the spreadsheet or ask the Administration for the spreadsheet if we do five percent (5%) a year, ten (10) years from now how many completed units will there be? Right? This is why I say this is kicking the can down the road in a farce. If you get five percent (5%) a year for the next ten (10) years, how many units will be built? Not how much money will we have, how many units will be built? The more cooperation you get from the tourism industry, who owes us the housing, and the money they kick in today costs them nothing. If they had built this housing twenty (20) years ago, they would have had to spend cash twenty (20) years ago, and instead, they have had the use of their money for twenty (20) years. With all the interest that they should have made out of investing their own money, today if they build housing, it is from the interest on the money that they would have spent twenty (20) years ago. I am not a finance guy at all, but I can see this clearly, because this is not my first county. This is my seventh county government in my life. These same problems exist everywhere, and everyone faces it. You have to get out of being locked in the boxes you are in. The money is here. Find it and get it. Thank you.

Committee Chair Kaneshiro: Thank you. If there is no further testimony, this public hearing is now adjourned.

There being no further testimony on this matter, the public hearing adjourned at 9:13 a.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a long horizontal stroke.

JADE K. FOUNTAIN-TANIGAWA  
County Clerk

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