

COUNCIL MEETING

JANUARY 18, 2024

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Thursday, January 18, 2024, at 8:40 a.m., after which the following Members answered the call of the roll:

Honorable Addison Bulosan
Honorable Bernard P. Carvalho, Jr.
Honorable Felicia Cowden
Honorable Bill DeCosta
Honorable Ross Kagawa
Honorable KipuKai Kuali'i
Honorable Mel Rapozo

APPROVAL OF AGENDA.

Councilmember Kuali'i moved for approval of the agenda, as circulated, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there discussion or public testimony?
Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

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

Council Chair Rapozo: The motion is carried. Next item, please.

MINUTES of the following meetings of the Council:

December 6, 2023 Council Meeting
December 20, 2023 Council Meeting

Councilmember Kuali'i moved to approve the Minutes, as circulated, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there any discussion or public testimony?

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

BRUCE HART: For the record, Bruce Hart. Good morning, Council and happy new year. I will be speaking specifically and, since it is the minutes, narrowly on testimony I gave on the December 20, 2023 Council Meeting. It was item C 2023-263, and had to do with the Kaua'i Police Department (KPD) and GrayKey. After I gave my testimony, there was a Garden Island newspaper article the next day, Kaua'i County Council Approves Phone Hacking Tool For Police, and in this article by Ms. Grunwald, there was a misquote. It states, "A complaint voiced by Kaua'i resident Bruce Hart during testimony against County approval of the device at the meeting." I would like to point out that I never stated I was against KPD acquiring the device. As I stated, my focus was on the device and on the abuse at the national level of law enforcement, as well as others. It is used in over thirty (30) countries, and they are not all lawful nations. In a desire to bring this world issue to the public's attention, Councilmember Cowden got it, Ms. Grunwald did not. The device is of concern because of the history of misuse. Slowly, our liberties are being eroded and jeopardized by a few bad actors. If we do not watch out, we will lose them. Anytime testimony is given, there is the potential to be misunderstood. This is KPD. I am as concerned for them about this misquote as I am for myself. Please accept my apology and please extend it to the two (2) other officers. I have confidence in your credibility. Thank you, Council.

Council Chair Rapozo: Thank you. Your comments are noted. Is there anyone else wishing to testify? Seeing none. Is there any further discussion? Seeing none.

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

The motion to approve the Minutes, as circulated, was then put, and unanimously carried.

Council Chair Rapozo: The motion is carried. Let us do the Consent Calendar.

CONSENT CALENDAR:

C 2024-01 Communication (11/28/2023) from the Mayor, transmitting for Council consideration and confirmation, Mayoral appointee Chad K. Pacheco to the Liquor Control Commission – Term ending 12/31/2025.

C 2024-02 Communication (12/15/2023) from the County Engineer, transmitting for Council consideration, a Resolution Authorizing The Mayor Or The Director Of Finance Of The County Of Kaua'i To Enter Into An Intergovernmental

Agreement With The State Of Hawai'i, Department Of Health For A Loan From The State Water Pollution Control Revolving Fund For The Wailua WWTP Improvements Phase II, Project No. C150055-08.

C 2024-03 Communication (12/18/2023) from the Hawai'i State Association of Counties (HSAC) President, transmitting for Council approval, HSAC's slate of officers for the HSAC Executive Committee for Calendar Year 2024, pursuant to Section 5 of the Bylaws of the Hawai'i State Association of Counties, Inc.

C 2024-04 Communication (01/04/2024) from Charles A. Foster, Deputy County Attorney, transmitting for Council information, the Quarterly Report on Settled Claims filed against the County of Kaua'i from October 1, 2023 through December 31, 2023.

C 2024-05 Communication (01/05/2024) from the Director of Finance, transmitting for Council information, the Second Quarter Statement of Equipment Purchases for Fiscal Year 2023-2024, pursuant to Section 22 of Ordinance No. B-2023-891, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2023-2024.

C 2024-06 Communication (01/05/2024) from Council Chair Rapozo, transmitting for Council consideration, a Resolution Urging The Hawai'i State Legislature To Expressly Authorize Counties To Amortize Nonconforming Single-Family Transient Vacation Rentals (TVRs).

Councilmember Kualii moved to receive C 2024-01, C 2024-02, C 2024-03, C 2024-04, C 2024-05, and C 2024-06 for the record, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony on the Consent Calendar? Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to receive C 2024-01, C 2024-02, C 2024-03, C 2024-04, C 2024-05, and C 2024-06 for the record was then put, and unanimously carried.

Council Chair Rapozo: With that, if there is no objection, I would like to take item C 2024-12 at this time.

There being no objections, C 2024-12 was taken out of order.

COMMUNICATIONS:

C 2024-12 Communication (01/10/2024) from Council Chair Rapozo, requesting the presence of the Planning Director, to provide an update on the Ka Lei Momi Kapa'a Housing Project.

Councilmember Kualii moved to receive C 2024-12 for the record, seconded by Councilmember Cowden.

Council Chair Rapozo: With that, Mr. Hull and your guests.

There being no objections, the rules were suspended.

KA'ĀINA S. HULL, Planning Director: Thank you, Chair and Members of the Council. Ka'aina Hull on behalf of the Planning Department. Thank you for scheduling this agenda item on relatively short notice. Ultimately, what we have before you folks is a proposal from the State housing team to essentially rebuild the Ka Lei Momi Housing Project site, which is the Kapa'a state housing site located near the roundabout in Kapa'a. Ultimately, that site has thirty-six (36) units that are in a state of somewhat disuse. It is over sixty (60) years old. They are looking at proposing a 124-unit site with all but the manager's unit being made available for affordable housing to those in the thirty percent (30%), fifty percent (50%), and sixty percent (60%) area median income (AMI) bracket. Ultimately, this is coming before...they have multiple areas they need to receive approvals. One of them is from the Planning Department of the respective County for this project, and of course it would be Kaua'i, and it is being done via the Hawai'i Revised Statutes (HRS) Chapter 201H process and the governor's housing proclamation administrative rules. This project, in our review, has our tentative support of it, but we are here before you folks to present on the project, go into the details, go into any questions about things such as the relocation and siting of the tenants, who are currently there, during the demolition or reconstruction phases, or whatever questions the Council has. That is a brief primer. I will turn it over to Mo and Sam.

Council Chair Rapozo: Before we start, I want to thank Ka'aina and all of you. The governor's proclamation really streamlined this process and one of the concerns from the communities was the public input, so I appreciate you giving us the opportunity to have you all here to give the public an opportunity to speak on this great project. I just want the public to understand that this proclamation really speeds it up and may not satisfy some of the community's desires to have input, so we are having that today. Thank you. I will just need you to state your names for our captioner and for our record.

MOHANNAD MOHANNA, President of Highridge Costa Development Company: Aloha. Good morning. Mo Mohanna, President of Highridge Costa.

SAM ARICO, Highridge Costa Development Company: Sam Arico, Highridge Costa.

Mr. Mohanna: Aloha and good morning. Thank you for offering us the opportunity to come before you today to present this affordable housing community, and more importantly, to get additional public input and feedback. Our objective at the end of the day is to serve the community. That is the objective, first and foremost, before the objective of developing housing. As you will see from the presentation today, we have met at a couple of meetings with the residents, we did some community outreach, tried to provide and get comments, so on and so forth. We will cover that today. The process before you today still required the proposed development to go before the Planning Department of Hawai'i Housing Finance & Development Corporation (HHFDC), that has both a planning arm and a development arm. Technically, they are the State Planning Department. It was reviewed at that planning level. Comment was requested to be circulated to various county and state agencies, and such input was received, so the distinct difference between a standard 201H process versus the emergency proclamation is, after such meeting when the State Board also holds its own public hearing on the proposed development it goes to Council, as you know, in this case, it is goes to the Planning Director. That is the distinct difference, but again, I am glad for the opportunity. For the community currently known as Kapa'a Homes, we will be working with a cultural consultant to see if there is a different name for it to be named.

Today, we will talk about who our team is, the fact that the spot we are proposing new housing, our first and most important focus is the existing residents and how their needs and wants will be addressed, what is the Kapa'a Homes redevelopment, what is the process, what is the schedule, and then open up to any questions that you may have. At any time during the presentation, please feel free to stop me. It does not have to be at the end.

Currently, the partners moving forward with this are the Hawai'i Public Housing Authority (HPHA), which will continue to be the landowner, or lessor, and a tax credit partnership will be formed for which the managing general partner master developer will be Highridge Costa, along with HPHA and a local development partner, Form Partners.

The HPHA has assembled quite a team that is working hand-in-hand with us in developing the plans and doing outreach, so we are very grateful for their partnership. They apologize for not attending today. The representative for HPHA, unfortunately, tested positive for COVID-19, and is following State protocols.

Highridge Costa is an affordable housing developer. Our mission is to develop quality family and senior housing for generations to come, so it is focusing on changing lives by providing housing. We have been doing so for the last thirty (30) years. That is all we do. Actually, this March is our thirtieth anniversary. We primarily do affordable rental housing across the nation.

Form Partners is a local development partner with extensive local experience, primarily in the commercial and the market rate, but they really bring a good discipline off the market rate product to the affordable, and it has been a great partnership with mission statements and values aligned.

When people ask, "Wait a minute. What is this national developer doing here," this national developer has a huge focus in the State of Hawai'i even before we were selected by the State to develop their portfolio. As you can see from the slide before you, this is our current private development pipeline, consisting of nearly two thousand eight hundred (2,800) units. All are one hundred percent (100%) affordable. All with one exception, the Pohukaina Phase II in Kaka'ako, which will be sixty percent (60%) AML. The projects before you, some are completed, such as Hale Moena and Kōkua Hale, others are starting construction, like the Liloa Hale in Kihei, Maui. As you can see, we work throughout the State of Hawai'i, so our commitment to the State of Hawai'i is very focused to development of affordable housing.

In partnership with HPHA, in addition to the projects on the previous slide, these are the development sites that we are currently working on. Since our selection just last July, the ones that have moved very quickly because of the crisis needs, are Kapa'a on Kaua'i, the one before you today...we are proud to be able to move that...Mayor Wright Homes in Honolulu, which has been in the works for a while and we have stepped in and moved it, and also, just like the one we have here today, received Board approval from HHFDC and we are breaking ground on one of the first HPHA sites, called School Street. Again, Highridge Costa is focused on delivering affordable housing here.

Focusing on Kapa'a Homes. The project is located at 4726 Malu Road in Kapa'a, right across from the park and the roundabout. It is directly downhill, east, from Kapa'a Middle School. The site currently has thirty-six (36) units on the property. As you know, they are decades old, and they have reached their age of obsolescence. That specific verbiage is not simply a matter of opinion, but because this is a public housing project that was built by the Department of Housing and Urban Development (HUD) money, and it is being removed from such. We will answer any questions regarding that. There is an actual application that must be submitted to HUD at the Federal level for them to review and concur that these buildings have reached obsolescence and authorize demolition, hence the construction of the new units. Currently, the site is seventy-seven percent (77%) occupied, not due to lack of demand, but due to the dilapidated condition of some units that are simply unoccupiable, hence the issue of obsolescence. The site land that we will visit with you has a variety of bedroom floor plan types, ranging from

one-bedroom to four (4) bedrooms, so two (2) bedrooms and three (3) bedrooms. The four-bedroom, as many of you know, is an uncommon floor plan in typical rental communities, however, there currently exists ten (10) four-bedroom units on site, and as you will see from the focus of resident-first, we wanted to make sure that four-bedroom units are available for any families that wish to return, so that size is available.

(Councilmember Kagawa was noted as not present.)

Mr. Mohanna: It is the current resident-first philosophy. We mentioned the age. There are some existing flooding conditions of the site that have been evaluated, and as you will see from the grading that we anticipate doing, plus the retention pond area, it is to specifically address that, making sure that is something that is dealt with.

Resident-first approach. We were asked what happened when we met with the residents. I will describe the resident program, and I am very proud to say it is a program that really protects their interest. Number 1, there will be a third-party relocation consultant company. It will be a professional relocation consultant company, that is hired by the developer, us, reviewed and approved by the State housing authority, to meet with every family individually to protect their privacy, to identify their needs, and make sure that they locate alternative suitable housing for them, whether it is in another public housing project here on Kaua'i or any other site. Such relocation process with the relocation consultant will start at least one (1) year in advance of any start of construction activities and shall be completed prior to the start of any construction activities. The current residents there pay a certain percentage. It is about thirty percent (30%) of their income. When they move, if it is not in a similar public housing community, they will have a tenant protection voucher. That tenant protection voucher allows them to continue paying the same amount they are currently paying at Kapa'a, and that voucher will cover the rest of the rent to minimize and eliminate financial impact. Furthermore, relocation cost—the actual physical cost to move their furniture and belongings to the next place—will also be a covered cost through that relocation program. Upon the completion of the community, upon the completion of the construction of the community, the original residents will have two (2) options. Option 1, if they choose to return, they will return and they will be in a unit of a floor plan that is suitable for their family size. That is the reason we are developing the ten (10) four-bedroom units, so if there is a need for them, those unit floor plans are available. They will bring that same voucher back with them and they will continue to pay whatever rent they qualified for under that voucher, regardless of the rent that will be put on the property after completion, again, protecting them. The cost to relocate from the temporary residence back to the community is also covered. Just like the relocation cost to move out, the relocation cost to move back in is covered. If they wish to not move back in, which is the other option, they will also be able to keep that voucher with them and go through the standard qualification process. The value of having a

place where we have thirty-six (36) families who have this reduced rent via vouchers remains with those families. It is not lost whether they return or not. That is a key component of the relocation program put very simply, but it will, of course, require a lot of work. We will be reaching out to the community, to community members like yourselves, and the Housing Agency, to try to identify suitable and alternative housing, to make sure that these families are housed in a timely manner.

Moving on to the community. The community is going to be a total of one hundred twenty-four (124) flat, garden style walk-up units in thirteen (13) buildings that will have the one-bedroom, two-bedroom, three-bedroom, and four-bedroom floor plans, as we discussed. All of them will be affordable from thirty percent (30%) to sixty percent (60%) AMI, so even if any of the residents do not return, all the rents will be restricted for sixty percent (60%) AMI, which we will share with you on subsequent slides. Those rents are fixed affordable for at least sixty (60) years. The reality is this is owned by the HPHA, so even when it reverts, it will remain affordable. The rents are published by the State. The rents are dictated to us, they are fixed, and those rents must be complied with. In addition, there will be onsite parking, because we wanted to make sure there is no overflow to the public street. We felt that was important, and we wanted to make sure a one-bedroom unit will have at least one (1) parking space, and two-bedroom, three-bedroom, and four-bedroom units will have at least two (2) parking spaces, plus guest parking. We will go through the initial onsite amenities. There is a clubhouse with a variety of amenities, a playground area, a bark park or a dog park, a central laundry facility area, outdoor picnic areas, outdoor barbecue (BBQ) areas, and community gardens and gathering areas.

With that, I will move to the site plan. One of the key dictating factors in working with a site plan is the typical roadways within this development, that we would call driveways, are actually public streets. They are not private, hence, when developing this and reviewing the surveys and the title reports, it dictates that those streets remain as they are. You cannot shift public streets without going through a significant process. That limited how we can move around the site. Nevertheless, it worked very well. You see the main entrance coming in. You will have two (2) ingresses and egresses to the site. What we tried to do was create cluster areas so that it is not one (1) big building. Each of these buildings is three-story, garden style walk-up. We will take a look at elevation. We tried to create parking areas that are within close distance to each building, so there is not a long distance of a walk to a particular unit, so people with groceries or whatever they have, or if you are like me and you forget something in the car three (3) times and need to go back and forth, you are able to do so within a reasonable distance. That is addressed throughout the site. Additionally, we created a common area here. This is the clubhouse, which has the manager's office, the assistant manager's office, and central laundry facilities. This is an area that families can reserve for free, but only for the residents, to have any family activities with a significant outdoor area with the picnic tables outside, BBQ areas, children's playground area, and because we care about our *keiki*, there is a fence around that area so the children can

run around and play without concern of a driveway or a main street. In addition, up in this area, where there is a drainage area, we have created a dog park. In our communities, we have many residents who have small pets. We can get into the debate of what defines a small pet and what is the weight of a small pet, but I do not have the paygrade to really address that definition, but we do feel it is important to have an area where the dogs can run and have fun. Interestingly enough, we will have benches and seating, because it becomes a different gathering area for those with dogs and the concrete there. Additionally, in this area we have a very large retention area because of the water situation that it will retain onsite and the elevation of the buildings. We will also address the area that is typically around this area, which has most of the flooding, so the building elevation will be addressed there. Furthermore, you will notice there are pockets of landscape, like you will see right here, right here, and in the back areas. This allows for the specific buildings to gather and for the kids to play in these small areas. They can have a gathering and they can also have their own community gardens in that area.

This is more of a landscape. It will all be native landscaping. We are trying to create natural shade in the area and the parking as it continues, but you can see more of the landscaped areas that are available for the community to use throughout the site. It highlights these areas. We discussed the community center, the BBQ area, the seating, and the children's playground.

(Councilmember Kagawa was noted as present.)

Mr. Mohanna: We are working to see if we can create a carveout area for a bus stop. That has not been finalized, but there would be room to carve something off the main road for a bus stop, if we are successful in doing that.

(Councilmember Kagawa was noted as not present.)

Mr. Mohanna: These are typical building floor plans. The one thing to note is we have a variety of unit floor plans on the first, second, and third floors. There are four-bedroom, three-bedroom, two-bedroom units with the building floor plans. You have forty (40) units that are on grade for any families who wish to be on the ground level, but more importantly, for anyone with disabilities. We accommodate them by getting them in a ground floor unit. Of the majority of our portfolio that we have developed, thirty thousand (30,000) units, three hundred ten (310) communities...the large majority is this three-story or two-story garden style walk-up. It has been a very successful development type for us. It has been very well welcomed because it is clusters, it does not feel like a large building, you do not have that interior corridor, and we have been able to manage any requests for handicap accessibility of any sort on the ground floor unit, even when someone is on an upper floor unit and needs to be moved, we work as the turn over comes in and work with that. We really have not had a problem

in that area and these have been much better received than interior corridor buildings, particularly for family products.

I will draw your attention to this one here, which is the community room. You will see the manager's office, the common club area, and we have the large laundry room here. The laundry room itself has separate access from the clubhouse, because the clubhouse will be locked up after hours. It is professionally decorated and furnished, but the residents are still able to access the laundry room for extended hours. Typical things we look at in laundry rooms with our experience over the years is, for example, putting a couple of industrial-sized washers for larger loads. In fact, they need them, and if you do not have them those large loads will go into the smaller washer, and we would just end up having broken appliances, so instead of putting up a sign, the better way to do it is to accommodate the need by simply putting in industrial-sized appliances. These are simple things and simple solutions that we have learned over the years.

This is a typical elevation. Off of it, you will see that there are external stairs. Those stairs give you a landing for two (2) units per floor. We do not have catwalks. It is not a motel-like feeling. You will also notice from this elevation that this is covered, because we need to take into consideration weather elements. This is covered to protect from the rain and other elements as they are going up the stairs, but it is a design that even at the maximum height with the depression area that the site is in, it will not affect sites from any other area or anyone's visibility. It really integrates very well into the area.

Many ask what the incomes are. These are the restricted incomes. They will be from as low for a one-bedroom, thirty percent (30%) AMI, someone making twenty-five thousand dollars (\$25,000) a year. Without any public subsidy, they will be paying approximately thirty percent (30%) in rent. We will visit what that rent is, and it goes all the way up for a family of four (4), perhaps in a four-bedroom unit or five (5), where it can go up to seventy-two thousand dollars (\$72,000). For the incomes, we try to translate numbers into actual jobs, because a lot of people ask who these people are, and people are surprised at a mechanic or a waiter. These are people within our community. They are there and we interact with them every single day. Those are the income ranges. This is workforce housing in its truest form without any ongoing public subsidy or operating subsidy, therefore rendering a community that is distinctly different from public housing, financially independent without any subsidy for the life of a project is key. That is the distinguishing factor between why public housing across the nation is being converted to low-income housing or tax credit housing.

These will be the rental ranges. Again, these are published ranges from a low of six hundred seventy-nine dollars (\$679) to a maximum four-bedroom, sixty percent (60%) AMI at two thousand one hundred one dollars (\$2,101). Keep in mind these are gross rents, meaning there is a utility allowance schedule that is published by the County for what a projected utility is for a one-, two-, three-, and four-bedroom.

(Councilmember Kagawa was noted as present.)

Mr. Mohanna: That utility allowance must be deducted from the gross rent and the resident pays the net rent, so that part of the money is covered per the utility allowance schedule to cover utilities. The important thing to note is the significant concentration of large bedroom units. The majority is between two (2) to four (4) bedrooms. The four-bedroom has been replaced by a one-by-one basis, but there is a significant number of three-bedroom and two-bedroom units addressing the need for large bedrooms in the community. One nuance we like to point out is typical two-bedroom rentals are two-bedroom and one-bathroom. Our policy at Highridge Costa, with the many communities we have developed, is two-bedrooms typically house a family of four (4) and we feel the need of a second bath to be important. Those are small nuances. They are not in code, they are not a building requirement, and they are not a program requirement, but we believe they are good living requirements as simple as having the industrial washer and dryer in the community room. It is sensitive to the needs of our residents.

Where are we in the development process? We have been through planning and preliminary design. This is part of the process, including being here today and having the opportunity for input from the Council as well as the community, which we are thankful for. Once that is received, we will move into applying for our financing at the state level and process building permits. Concurrently with that, we will work on relocation and get to construction.

Roughly, the schedule is as follows. We have been working on securing the 201H approvals and hope to have them by January 2024. That is the minimum threshold requirement needed to apply for the Federal and State tax credit financing, with the deadline being February 16, 2024. In order to have a complete and competitive application, although not guaranteed to receive an allocation, but to be in a competitive position, entitlements must be in place prior to the deadline. Typically, the awards of which project receives it is somewhere around August and September. Between when we apply, and we do everything we can...and I think the Pastor's words were the best words. I was listening carefully this morning and said, "He described the life of a developer." We just need to have faith, we have to do our best, and the rest is truly in God's hands. It is an oversubscribed program. We work very hard to make sure we are competitive by reducing the Rental Housing Revolving Fund (RHRF) ask, the bond ask, and so on and so forth. We will work and prepare ourselves to get the working drawings past the Planning Department ready, so if we are fortunate to receive an allocation somewhere between August and September 2024, we hope to be very close with having building plans ready to submit to the County's Building Division. From that point forward, after an allocation, it is between the development team and the County and the County's agencies as to how fast they want to process for a building permit. We have said, "One year," to get that, so we are thinking towards the end of 2025 is when we will have a building permit to allow us to move forward with demolition and construction.

To be clear, once an award is received at the end of August that means all the financing we need to build the project and maintain it permanently in an affordable state for the next sixty (60) plus years is done. It now becomes a question of how soon we can get in the ground, and more importantly, why is it important to ask how soon we can get in the ground...as much as everyone gets excited about a start date...is when can we deliver them, but we cannot deliver them. Those are fixed times. It takes so much time to put a nail in and build something, so delivery is what we need to be focused on. Right now, our earliest delivery is in 2027, but that all depends on starting construction. I say that and I ask that, because cooperation, collaboration, and working closely with the counties once we have the awards needed for financing are the key to answering the question, "When are you going to start," and "When are you going to finish?"

With that, thank you for allowing me the time to present before you today. We also thank the public that is listening in, and we hope to continue to receive input and feedback and address it. We are available for any questions you may have. *Mahalo* and thank you.

Council Chair Rapozo

Thank you. Councilmember Kualii.

Councilmember Kualii: It is a very thorough presentation and showing it in pictures makes it very clear. I only have one question. After all the current residents have had a chance to return, how will you determine who comes next? Do you currently have some kind of waiting list either with the State or the County that will be followed?

Mr. Mohanna: Typically, what we do, because there are qualifications...you need to qualify income-wise, we do what is called an interest list. We create a website, we create a phone number, people call in, and we put their name on the list. Lately, due to the overwhelming demand that we have had when opening these communities, we ended up holding a lottery. We do a public meeting, they put all the names in an Excel sheet, they press something called the randomizer, and it literally puts them in a certain order and gives each person or family on the interest list a number, for example, the first twenty-five (25). Then the property management company schedules an appointment with them, asks them for what documentation they need to do, and starts the process. What we will do is we will work closely with the County of Kaua'i Housing Agency to really finalize what the best process is for Kaua'i County, taking input from Adam of what we think is best, but Councilmember, the challenge is overwhelming. Demand exceeds it. Just to give you a typical example, we opened a one hundred forty-three (143) affordable housing community in Kapolei in O'ahu. We stopped taking names on the interest list at nine hundred ninety-nine (999). We will work closely, but it will be somewhere along those lines. They will be given a certain period of time to bring in the required documentation so that we can move along. As each batch is approved and people move in, we work through the interest list.

Councilmember Kualifi: Being that the move-in is not until 2027, is the interest list that you talk about something that you have not started yet, and it will start at some point? How will you tell the public?

Mr. Mohanna: To the first question, we have not started yet. Correct. We have not started. We typically start that when we start construction, because at least we have a real projected delivery date. At this point, the real questions, do we get an award, do we not get an award, and when are we going to get the building permits are, as you know, big questions. One is an unknown competition. The other one is time. How do we give notification of that? Again, we start by working with the Housing Agency, they have lists, we coordinate with them, and we will take our lead from them. If they want us to put an advertisement (ad) in the local paper...honestly, we have typically never advertised. It is word of mouth from the locals. Everyone knows about it. I am trying to remember the last time we put out a marketing campaign for any affordable housing community. That interest list balloons fairly quickly, but it will be in coordination with the County's Housing Agency, and we will take the lead from them as to how they would like us to proceed whether it be, as I said, public announcement, or so on and so forth. Also, we typically do a ground blessing that is fairly well publicized and in the ground blessing, the local papers cover the ground blessing, they talk about the community, they talk about it being affordable, and they talk about the projected completion date. In that article, we typically say, "Here is the website, here is the phone number," and that is all it takes. That one (1) article and that one (1) time when we do the ground blessing is all it takes, and you will see that interest list exceed expectations.

Councilmember Kualifi: Thank you. Thank you, Chair.

Council Chair Rapozo: I have a follow-up. Perhaps this is a question for Adam, but is it possible to utilize the people who are already on the County's list and give them priority, since some of them have already been waiting for a while? Is there a way to sort through that list for the eligible applicants? We can ask Adam later. We will save that for Adam.

Mr. Mohanna: We will coordinate very closely with the County's Housing Agency, especially if there is a list. Again, we give everyone the opportunity, so we will work very closely with the Housing Agency.

Council Chair Rapozo: That is sufficient. Thank you. Councilmember Cowden.

Councilmember Cowden: When you are talking about people paying their own rent, the thirty percent (30%) or the fifty percent (50%), does that mean people who qualify for HUD cannot go in the building or can HUD qualified vouchers be utilized in the building?

Mr. Mohanna: Thank you. That is actually a very good question. What Councilmember Cowden specifically asked for, "Do you accept vouchers? Do you accept Section 8 vouchers," for example, as a fairly common name, and the answer is yes. By fair housing, you must accept them. We have seen quite a number of what we call mobile Section 8 vouchers, but we do not set up the financial structure of the development counting on those vouchers. It is based on actual demand for people within the demographic and within that income range who actually can pay without that, but if someone shows up with a voucher, in addition to the residents who are returning with the tenant protection voucher, the answer is yes. They are put on the list, they go through the qualification process, and we have many of them in our communities.

Councilmember Cowden: In our meeting, which I really appreciated, and you folks exceeded my expectations on many of the questions that I have asked based on complaints that I have received from people in housing, I did ask, so I am asking again...I did not expect you to update your drawing...but about the placement of external storage, because a big limitation I have found in happiness in being placed in things is storage. We have a rural community. Where do you see there is room for storage on the plan? You said, "Yes, maybe you could do that," right?

Mr. Mohanna: In many of the open areas between the building that we have and the landscape areas against the buildings...behind buildings here, sections here, sections here, we can create storages for surfboards and other outdoor equipment. We will also have bike racks throughout as well. We do have areas to create storage. We do have restrictions on what can be stored on balconies...the property continues to be maintained, but we did discuss it with our team, internally, and there are outside storage areas that we can create so people are not bringing their surfboards with salt water and everything else into the unit, which only increases maintenance costs. Not only is it something that is needed, but I think it is something that is very helpful for long-term maintenance, so it is a very good question and suggestion. We will be incorporating that into the design.

Council Chair Rapozo:

Councilmember DeCosta.

Councilmember DeCosta: I had a question on the financial part of this whole project. With community members who are selected to move in, for example, a single mom with two (2) children, but has a lingering boyfriend who is not in the picture when she first moved in, she gets the qualified AMI rent, then the boyfriend becomes part of the picture. How do you folks address that if now the boyfriend's income is added, and they can afford more than what they should be paying? Do you take that into consideration and raise the rent a little so you folks can sufficiently run that building and not penalize people for not wanting to do better in life?

Mr. Mohanna: I do not know if I can address the boyfriend situation for you, but I will address the last part of your comment, which is a very good question, is something that a lot of people do not know, and do not understand about the low-income housing tax credit program, which is encouraging people to do better in life. If I may change the example to the following: You have a family who is at fifty percent (50%) AMI, they move into a unit and their income increases. Within the structure where we have thirties, fifties, and sixties, if a unit that is sixty (60) moves out, in the books we relocate that unit, because it is not fixed. We relocate that family under the sixty percent (60%) to remain in compliance. That way, they are encouraged to do better, but there is much more to the story that you just asked. The tax credit program allows families to work hard and exceed sixty percent (60%) of the AMI. They would still qualify to live there, and they would still pay sixty percent (60%) AMI rent even though their income may reach up to one hundred percent (100%) of AMI. When the economy is doing good, when they are doing good, and their income increases, that truly allows families to not be chasing the rent as they typically would chase in a market rate apartment—the economy is going good, wages are going well, and rates are going up. Their rent stays there and the low-income housing tax credit program allows that and encourages that, so now there is a true savings between how much they are making and for how much they are renting. We have had many situations where people have stayed within that. Once it reaches a certain point, no, because we need to have other families at a certain AMI, but we have had many families through local nonprofit organizations where we will work on what is called financial wellness. We will help them budget, build their credit, and build their savings, so they are able to finally save the down payment to move into a home, because they are not chasing the rent. They are no longer paying thirty percent (30%) of their income. They are paying even a lower portion because their income went up, but their rent did not exceed. That is an unknown part about the low-income housing tax credit program. If we really wanted to talk about the path to save a down payment...and you hear many people say, “I think I can afford the payment, but I just cannot save that down payment.” This is truly that opportunity working, and we do try to bring in nonprofit organizations that work on the financial to help these families save when they do that. This is a program where if you work hard, you will be rewarded, you will not be penalized, and there will be someone to work with you to help you do financial planning to save. It could be with saving to buy a car that you need or whatever items you need, but we have had families move out of our communities and into buying a home because of the exact same condition that you are describing. To the boyfriend situation, the residents in the unit were very strict on who is in the unit because it is income qualified, so there is not one, “Okay, fine. I will add them to the lease.” The good thing about it is it is very controlled with who is in it. We are very strict with who is in the unit. You cannot just have someone suddenly come to live there, because in addition to doing credit checks and income checks, because that is how you qualify to be in there, we also do background checks. We want to make sure we know who is living there and only the people who are supposed to be living there are in there. Is there a process by which they can come in and say, “I want to add to the rent, look at the income, and run all the checks”? There is a process, but you must go

through the process. This is unlike a typical market rate community where it is fine to add another person, it is a three-bedroom and there is room. No. There are very strict rules, and it is very strictly managed to make sure it is properly maintained. I am sorry for the long answer, but you asked a good question.

Councilmember DeCosta: I appreciate it.

Council Chair Rapozo: I want to follow-up on that question, because I was always under the impression, and I think the general public is under the impression, that is not what is happening. In fact, I have heard from many residents who cannot take promotions or will not take a higher paying job opportunity, because they believe that they will be kicked out of subsidized housing or affordable housing. What you just said, and I want to make sure this is clear, is that this tax credit program encourages people to advance and if they do get a promotion that pushes them up to a fifty percent (50%) or sixty percent (60%)...

Mr. Mohanna: Or eighty percent (80%) or one hundred percent (100%).

Council Chair Rapozo: Whatever it is.

Mr. Mohanna: Yes.

Council Chair Rapozo: They will not lose their unit?

Mr. Mohanna: Correct, and to make a distinguishing statement in what you just said, you used the word "affordable," and you followed by using the word "subsidized." In the subsidized program, where you have a voucher, yes. As your income increases, you may voucher out. In this case, there is no voucher. There is no subsidy.

Council Chair Rapozo: Is this for the non-vouchered tenants?

Mr. Mohanna: Correct. To be clear, you cannot come in with one hundred percent (100%) AMI and qualify. When you originally come in, you need to be sixty percent (60%) AMI or below. If you then move up, you still remain and there is no fear.

Council Chair Rapozo: I am not sure what message is being told to our tenants today, because I hear from people that...

Mr. Mohanna: If you are non-vouchered, if you are simply coming in, paying your own rent, and your income increases above sixty percent (60%), you will still qualify to live in this community.

Mr. Arico: Just to make sure, if they are doing public housing, I think that is separate.

Mr. Mohanna: The subsidized voucher for public housing is different. When it is not a subsidized voucher, they are fine.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: I have two (2) follow-up questions, and it might be that Adam could answer one (1) of them. Even when people are on vouchers, we have a program that helps them get stability and it almost goes into an escrow account. What is the name of the program?

Council Chair Rapozo: You need to come up, Adam.

Councilmember Cowden: Family...

Council Chair Rapozo: Hold on. We need to get Adam up to a microphone.

Councilmember Cowden: If you could just explain family self-sufficiency for a moment.

ADAM P. ROVERSI, Housing Director: *Aloha*. Adam Roversi, Housing Director for the County of Kaua'i, for the record. What you are referring to is the Family Self-Sufficiency Program (FSS), which is available to all willing housing choice voucher program participants. As was mentioned before, if you have what is commonly called a Section 8 voucher and your rent goes up, the amount that the government will provide as a rental subsidy will go down, so on its face that provides a disincentive for people to earn more money, because they will receive less rental assistance. The purpose of the FSS program is that as you will earn more money, the government assistance will go down, but to supplement for your loss, the difference in funds that you would have received are placed in an escrow account for you. As long as you complete the FSS program, which is customized for each individual client and involves client financial education, helping with debt consolidation, and reaching certain goals that they helped establish, as long as you complete the program and you graduate, then all of the money that has been put aside for you in escrow is handed to you in a check that you can use for a down payment on a house, sending your children to college, or whatever else. We have had people work through that program and walk away with up to forty thousand dollars (\$40,000) in a lumpsum payment based on their ability to increase their income and meet their financial goals while still receiving subsidy. It is to mitigate the disincentives to earn.

Councilmember Cowden: That has really been a substantially positive program. For my next follow-up question, I am not sure if it is for Adam, Mo, or Sam.

(Councilmember Carvalho was noted as not present.)

Councilmember Cowden: Just taking the example that Councilmember DeCosta gave, if a parent and their children are in a house or a single person is in there, life moves forward and they decide they want to get married, what is that process, so that people are not kicked out because they get married? I know many people who are in housing become depressed and say, "I could never get married, because I am going to lose my housing." These are typically men, by the way. How do people have that life growth where they get married and get more stability? How does someone handle that?

Mr. Mohanna: I would have to say that I have to check with the Compliance Department. It is a very specific question. As we mentioned, there is room for income growth for the original residents. I know that there is room, obviously, when they have another child who is added in. I will have to check with the Compliance Department for that specific example of if a spouse comes in who, with the combined income of the current resident, far exceeds, for example, one hundred percent (100%) or does not exceed sixty percent (60%). If it does not exceed sixty percent (60%), I do not think it is an issue, but I do not know the details beyond that. It is a very specific example, and I would be more than glad to get back to you with an answer. I do not believe I have one at this time.

Councilmember Cowden: Okay.

Mr. Roversi: May I add broadly? It is hard to say one specific rule, because there are so many different sources of funding that go into these projects. We have been talking about low-income housing tax credits, there are also Federal home program grants and Housing Trust Fund (HTF) grants, and different sources of funding have different rules attached, so you have to be careful of how the project was paid for to understand the exact rules.

(Councilmember Carvalho was noted as present.)

Mr. Roversi: Broadly speaking, it is always a household's responsibility to report to the management company of whatever project the unit is in. That can be an adult child moving home from college, it can be getting married, and again, broadly speaking without setting an absolute rule, incomes can fluctuate within a certain acceptable range, but at some point when you go over the limit of the funding regulations that are provided for that project, a household may need to moveout if marriage or something else where the increase of the size of the household pushes their income up.

(Councilmember DeCosta was noted as not present.)

Mr. Roversi: Again, broadly speaking, there is a transition period that is provided for them. You are not told, "You have two (2) weeks to get out." You are notified, you have a time period to find alternative locations, and the hope is because your income has increased that much and you are out of the range of this project, that you will be financially able to find an alternative location.

Councilmember Cowden: I am really pleased that you have the four-bedroom units. Some families might have a disabled sibling or uncle, or a challenge like that, so it is not two (2) parents and three (3) children. It is a family and a disabled sibling. Does that qualify as a family collective to go into the four-bedroom unit?

Mr. Mohanna: Yes, it does.

Councilmember Cowden: Okay.

Council Chair Rapozo: Are there any other questions? Go ahead, Councilmember Kualii.

Councilmember Kualii: Of the one hundred twenty-four (124) units, right from the get-go, will it be established how many units...what percentage will be available for folks with HUD vouchers and how many units are going to be available for folks without vouchers?

Mr. Mohanna: If one hundred twenty-four (124) people holding vouchers are on the interest list, by fair housing, they can rent one hundred twenty-four (124) units.

(Councilmember DeCosta was noted as present.)

Mr. Mohanna: The only thing that is predesignated is the percentage of units at thirty percent (30%), fifty percent (50%), and sixty percent (60%) AMI. Any person can move into any unit of the floor plan and by fair housing, they have a right to move in.

Councilmember Kualii: The advantage you talked about, where they can move in at sixty percent (60%), get promotions, and make more income up to one hundred percent (100%), is that only an advantage for non-vouchered people?

Mr. Mohanna: As Adam...

Councilmember Kualii: Because of what Adam said.

Mr. Mohanna: What Adam articulated was your funding source.

Councilmember Kualii: Okay.

Mr. Mohanna: If their income goes up, they may lose their housing voucher. For a family who is there...if I use the basic example that Councilmember DeCosta mentioned, not a housing voucher, their income increases, it is not an issue, which would also cover an additional person coming in with an increase in income because of that range. I think Adam's answer as to you have to see what funding program they are under dictates their role.

Mr. Arico: Just because you lose your voucher does not mean you are going to lose your unit, right? It just depends.

Mr. Mohanna: It goes with what Adam explained. If your income is increasing and you vouchered out, but you still qualify for a sixty percent (60%) unit, you are still paying the sixty percent (60%), but you are not getting the subsidy. I think I would go back to the original statement I made. When the low-income housing tax credit projects are put together from a financial perspective, we assume zero (0) residents with vouchers. We assume workforce families coming in who are working and paying that percentage of the rent towards rent. It does not assume that. The people who have the temporary vouchers come with their own set of rules from whatever agency provided them with such vouchers and they need to comply with that agency. We, independently, are not the ones who would be dictating if they lose the voucher or not.

Councilmember Kualii: Just to confirm then. Based on your comment, if someone came in with a voucher and they ultimately got to a point where they can no longer have the voucher, they can still remain in the unit as a non-vouchered tenant until they go above one hundred percent (100%) AMI, so the whole idea of what you are saying about it encouraging people to do better, it is still there?

Mr. Mohanna: That is absolutely correct.

Councilmember Kualii: Is it so they can go from voucher to non-voucher to homeowner, because they saved the down payment?

Mr. Mohanna: That is correct. The Federal government, for branding and marketing purposes, decided to call this the low-income housing tax credit program. This is truly the workforce housing tax credit program. When you really think about a program where the residence is based on the financial ability to sustain itself without any ongoing operating or rental subsidy, the only way it can do it is workforce housing. If someone comes and is a cosigner for you to meet the rent, you are not

qualified. You need to qualify on your own income and the only way you qualify on your own income is you are workforce...you have some sort of job or income of your own, so a guarantor cannot come and just sign. This workforce housing in its truest sense, encouraging people to increase their income. If they come in under any other funding program, they must comply with that program. That is beyond our control.

Councilmember Kuali'i: My final question is a different question. I do not know if anyone has follow-up.

Council Chair Rapozo: Go ahead.

Councilmember Kuali'i: My final question is on the tenant protection voucher. Because you distinguished it, and then you were talking about HUD vouchers, can you tell me what this is? Is this with any funding with HUD or is this from the State? What kind of voucher is this? It is obviously worth covering people's rent when they are not.

Mr. Mohanna: I am not a HUD expert.

Councilmember Kuali'i: Is it also HUD?

Mr. Mohanna: It is a form of HUD. It is a form of rental subsidy. It acts and behaves similarly to a Section 8. You have applied with a certain agency, that agency has deemed whether it is County, State, or whomever it is, has deemed that you qualified to receive that voucher. They take your income, and based on that, they say, "This is the rent you pay. We will cover the rest." It goes under different things, but it behaves similarly.

Councilmember Kuali'i: Okay.

Mr. Mohanna: The payment, the person, the voucher holder's name, is a percentage of the total income they make, and then the particular landowner will cover the difference as to the rent that is needed. They behave similarly. The true difference between them is sometimes the rent that the landlord actually gets...there is a variation up here as to the rent that the landlord...but not the variation necessarily for the voucher holder themselves.

Councilmember Kuali'i: Then your comment about, if they choose not to return, they still keep the tenant protection voucher for the other housing that they find, and it does not actually expire, because it is still a HUD voucher, and they will have it indefinitely as long as they continue to qualify?

Mr. Mohanna: Correct.

Councilmember Kualii: Thank you. Thank you, Chair.

Council Chair Rapozo: Councilmember DeCosta.

Councilmember DeCosta: My question deals with the surrounding property next to the development property. I noticed that you folks mentioned storage, a dog park, and green areas to play. With the surrounding property...I am not sure if it is County or private...what is the possibility of having a little area called the community garden, which would not take away from the existing development of the parking, the bus stop, and everything else you folks want to do, but before that fence on the backside of the property going in, would there be a small possibility that landowner could give up a small strip of land, whether it be a State piece that we could lease or a private piece and they could have a community garden? I think that would empower the community to be a little more self-sustaining with growing their vegetables for the 124-unit project.

Mr. Mohanna: It is definitely a good idea. Off the top of my head, I do not know who the next-door property owner is. Is it the State?

Mr. Arico: Yes, a State agency owns it.

Mr. Mohanna: Do you know which State agency?

Mr. Arico: I do not know.

Mr. Mohanna: We would have to visit which State agency has it and if it can be done. It is a great idea. We can definitely reach out.

Councilmember DeCosta: It is a very inexpensive idea, and it empowers the community to have a place where they can grow some vegetables.

Mr. Mohanna: Yes.

Mr. Arico: Even if that lease does not work, it does not prohibit us to carve a space out on the property to do that. That is part of our common program.

Mr. Mohanna: We are working on creating areas, because there are pockets here, here, here, and...it disappears into the bottom left corner for some reason, but there are some areas within the community where we can create smaller...it is probably not the size that you are hoping for, but we can reach out and ask the question. It is a very good idea, it would be very nice, and I do not know what the future plans are for whatever State agency owns it, but we will call and ask.

Council Chair Rapozo: Are there any other questions? If not, thank you.

Mr. Mohanna: Again, thank you. Thank you to the community. We do want to thank the County staff. Honestly, the effort that has been put forth shows the County's commitment to really move and put together affordable housing. That spirit with the work that has been done and in the timeframe that it has been done in is really a testament to the staff's and the County's commitment for affordable housing. We thank you for that. We do want to say that while we appreciate the opportunity today to provide input and to listen to feedback, we are always open to continued feedback from the Council, the County, and the residents on how to better improve this so it has a positive effect in changing lives. *Mahalo* and we are grateful for your support.

Council Chair Rapozo: If you could just stick around. We will take some public testimony, and if there are any questions, we may call you back. For the public's knowledge, these gentlemen met with Councilmembers, two (2) at a time, prior, and gave us the briefing as well, so this is not the first time we have seen this. Clerk, are there any registered remote testifiers?

JADE K. FOUNTAIN-TANIGAWA, County Clerk: We have one (1) remote testifier.

Council Chair Rapozo: Let us do the remote testimony, and then we will open it up to the public here.

Ms. Fountain-Tanigawa: Christopher Delaunay.

CHRISTOPHER DELAUNAY (*via remote technology*): Yes, I am. *Aloha*, Councilmembers. Chris Delaunay with Pacific Resource Partnership. We represent about six thousand (6,000) men and women carpenters, as well as two hundred forty (240) contractors from the State of Hawai'i. We are in strong support of this project. It is a great opportunity to work with an experienced affordable housing developer who has over thirty (30) years of experience building affordable housing communities. This is an opportunity to provide more inventory. As you know, we are in a housing crisis. The Hawai'i Planning Study of 2019 found that our State needs over fifty thousand (50,000) workforce housing units between 2020 and 2025. The project will provide one hundred twenty-four (124) affordable units, and this will help to alleviate some of the pressure in our housing crisis. Moreover, I would like to say that the project will create construction jobs for Hawai'i residents, paying them a living wage with benefits. These types of jobs provide residents with an opportunity to afford Hawai'i's high cost of living, keep residents off of welfare and other government-assisted programs, will stimulate the local economy, and provide economic stability for workers

and their families. We strongly support this project and thank you for this opportunity to testify.

Council Chair Rapozo: Thank you very much. Are there any questions for Christopher? If not, thank you. Do we have any other registered speakers? Is there anyone in the audience wishing to testify on this matter? Mr. Hart.

Mr. Hart: For the record, Bruce Hart. First, it was a very good presentation. The question I have is the same. It is not just this project, but any like it. Are there any rules or enforcements in regards to noise? In a complex like this, you have a lot of people coming and going at different hours. People have different hours. How does the management address noise? Thank you.

Council Chair Rapozo: I can answer that. Any of these projects come with rules that are developed and enforced by the management company. Unless these folks have a different way, but all the housing projects we have right now, such as Kalepa Village, come with a set of rules that are enforced by the management company. Is there anyone else wishing to testify? Seeing none. Is there any discussion? Councilmember Kagawa.

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

Councilmember Kagawa: Thank you, Chair. I am in total support. I think Highridge Costa has an excellent reputation of producing and having success in delivering. We have an affordable housing crisis. You even see the governor struggling with getting a plan and team moving this late into his Administration. We have a project right here that will take down old, dilapidated buildings with a significant backlog of major repairs that are needed. It only makes total sense that we proceed with this manner. We currently have thirty-six (36) units and will add eighty-eight (88) affordable units to go up to one hundred twenty-four (124) units for our residents of Kaua'i. Right here is how you deliver when you have an affordable housing crisis. You take opportunities like this and turn them into success. We are using property that is already owned. Our approval is needed because there are a lot of question marks on their end about whether or not they can get the funding and the timing to meet everything, so I really urge all the Councilmembers to support this. Let us get this moving and let us continue to support as they move forward, because they check all the boxes of what this County and its residents need. We even have questions about the affordable housing next to Kintaro's. They asked, "Where are they going if they are kicked out? Where will we go next?" This is the answer. This can answer some of those questions if the State's purchase does not go through. I am in total support. Thank you, folks. Thank you for coming to Kaua'i and we hope for a long, successful partnership with you folks. Thank you. Thank you, Chair.

Council Chair Rapozo:

Councilmember DeCosta.

Councilmember DeCosta: Well said, Councilmember Kagawa. I am always looking at the next level lightbulb. When I was talking to you folks, that green space around that project is quite large, and I believe...after doing my homework right now through text messaging...I found out it might be State land. How great would it be if the State would think that raising cattle on a small piece of grass or pasture might be more important than putting more inventory in workforce housing? I think the lightbulb is on now, Adam. You folks go ahead and look at that other piece to see if we can expand. You put in a sewer treatment plant. I saw it on the project. I am not an expert on sewer treatment plants, but is there a possibility that the plant would handle more units, so in case we do develop, the infrastructure is right there? This is a great thing right now. I am very impressed. Thank you.

Council Chair Rapozo:

Is there anyone else? Councilmember Cowden.

Councilmember Cowden: I want to echo what Councilmember Kagawa said. You pointed out many of the really important points. I actually like what Councilmember DeCosta said. Perhaps we could do more of it adjacent. I think that is a really good idea. I want to express my gratitude to the governor, for his role in this, the developers, and both the Housing Agency and the Planning Department from the County and of the State. I want to add that in my individual meeting with the developers that they were really caring in how they answered a number of the questions that I had where I have heard various complaints from people who live in a number of our different housing units. I could tell by the way the questions were answered that it was not like they had never thought of it before, that they have experience in it, and even as Mr. Hart said about sound, they spoke about interior wall insulation, including exterior wall insulation, so those upper units are not high with all the sun heat and that the noise in between would be minimized. I really appreciated that. I am very pleased and very supportive of what we have here, so I thank you all, I hope that it works out, and I am happy to do my best to try and help. My understanding of what we have to do is find houses for all those people who are in the units right now. That is the key piece to creating this success. I heard it, and thank you.

Council Chair Rapozo:

Councilmember Carvalho.

Councilmember Carvalho: Again, I am totally supportive. In our meeting with you folks and having gone over some of the overall, but of course, giving opportunities for families, number 1. I like the part about help, support, advice, and guidance...that ties everything in one of those slides...but the other thing is an addition to that would be connecting the surrounding areas. We talked about that, because there is a park right there, there is a school area, there is parking...you know, making it safe, the safety part, connecting. That discussion happened as well, and I think that is very important. There are a lot of cars going by there for the dump and whatnot as well, so

we need to make sure it is safe, and if possible, connect it to the park, which is adjacent. I appreciate that discussion. Overall, I think everything is in alignment. That housing project has been there for a long time, but just seeing the development, the opportunity, and the options that are on the table right now for our families is the big part, along with working closely with the Housing Agency, so whatever we can do to continue to support and provide whatever resources is where we have to go. Thank you very much and I look forward to talking with you more.

Council Chair Rapozo: Is there anyone else? Councilmember Bulosan.

Councilmember Bulosan: Thank you so much for making time to travel all this way to make this presentation. *Mahalo* for putting this on our agenda, Chair, and to our Planning Director for prompting this entire project. Everyone knows housing is our major challenge and oftentimes it gets stuck in places where we think are not good places to be stuck. In particular, major developers who come from outside the State of Hawai'i oftentimes have a hard time developing here, especially on Kaua'i, because they have no relationship with the community, so I just want to point out that this organization made every effort from the beginning all the way up until this point and is continuing to make sure that this community gets what they want. That is probably the biggest thing that I am hoping future developers and private developers looking to work with us here in the County of Kaua'i is that the first step is to establish a relationship with the community and understand the needs of the community. This presentation reflects what the community has been asking for and desperately needs for a long time now. With the work of our Housing team, the County is the leader of housing development, so to see a larger project come through with the hopes of delivering on our housing goal is a lot of hope that a lot of our community is hoping for. At the same time, we are in the worst-case scenario and a lot of the points that were brought up on the timeline, anyone watching this, with a 2027 delivery time, for a lot of people it is still too little, too late, so I hope that pressure of understanding that will continue to put that pressure when that application is put in for this particular project with the State, they understand how important this project is, and that it is accepted, and when it does go through our Planning Department, I am overly confident that they are going to work deliberately with these developers, too, to establish this. My wishful thinking and hope is that this date of 2027 is even faster, but we also accept the reality that sometimes you add a couple years after that, so I ask for patience from the community. Whenever we get these projects, we always hold hope, but we need to also play with reality, so the date of 2027 could be 2028 or even, dare I say, 2029, but we hope that never happens. In closing, I really think in the future any developer and other developers who have similar projects, please take a lesson from the efforts that they made here, which is to address the community's concerns first, connect with the community first, build collaborations first, and then work together so that we can solve the problems together.

Council Chair Rapozo: Councilmember Kualii.

Councilmember Kualifi: *Mahalo nui loa* to everyone making this happen and for the very thorough presentation. To me, it is an amazing project, and it is replacing an outdated, rundown, dilapidated 1966 project. This is probably ten (10) or twenty (20) years too late. We should have done this ten (10) or twenty (20) years ago. It is a maximum use of the space, it is beautiful, is community-friendly, has a community-supported design, we are going from thirty-eight (38) units to one hundred twenty-four (124), which is more than tripling. I like that it has the professional third-party being hired to specifically work one-on-one with each family to make sure they have a relocation plan and then are able to come back after. It is easy to support. I am sad that it will take until 2027, but that is just the reality. I hope that we can support more projects like this in different parts of the island because it is drastically needed. Thank you, Chair.

Council Chair Rapozo: Is there anyone else? I will just say the old saying, "Every cloud has a silver lining." Fifty-eight (58) years old is not that old for a house or a structure. My house was built in 1950 and it is livable. It is not a mansion, but it is livable. Had the State properly maintained this property, those houses would still be one hundred percent (100%) occupied and livable, but because of their inability to properly manage these types of properties, the silver lining is we will get one hundred twenty-four (124) beautiful units, instead of thirty-six (36)...not even thirty-six (36), since only seventy-seven percent (77%) are inhabitable. That is the silver lining, so thank you, State, for not keeping up with your properties. Our Housing Agency, Adam and all those before you...if you go to our County projects—Pa'anau Village, Kalepa Village—all of these that have been there for a while, they are still in good, top shape, and that is because of the partnerships the County has with the property managers who actually take care of their buildings. If you go to Kōloa, on the road, Pa'anau is on the right and the State project is on the left. They are similar projects, but I am proud to say that is a County project. I would not be proud to say that the State project is ours. That is just the reality. I did want to touch on the 201H process, because Mo did talk about it. In a normal world and in a normal scenario, the 201H, which is an expedited process for construction of these types of projects, is determined or decided by the county council. The county council says yes or no. The governor's proclamation took that away from the counties and put it in the Planning Department, so I did want to thank Ka'āina again, because Ka'āina basically said, "If I do not get the backing of the Council, then we are not going forward." That is the right thing to do, Ka'āina, and you did not need to do it. You could have just run this through the Planning Department and not even deal with the Council, so I *mahalo* you for allowing us have a say, not that we can say up or down, but the result of this process will be a resolution that will be drafted by this Council and heard in the Council meeting in two (2) weeks to help the project move along, and that is the intent of this Council. As far as the design...I have been through many briefings like this from developers of all kinds—commercial, residential—and I will say this. This is the easiest to understand and is clear for lay people, and I really appreciate that. It makes my decision a whole lot easier. I think you said, "Resident-first design." Often, when we are looking at developments,

developers will maximize the parcel for density. They stuff as many units as they can on there and you compromise the amenities, you compromise parking, which forces people to park on the streets. This was designed with the local Kaua'i resident in mind, and I need to recognize that because it is not about density. It is not about stuffing that place with units. The industrial washer and dryer. Who in the world does that? Do you know who does that? It is someone who cares about the local resident who needs to wash their bedding, and you do not want to put them in a regular Home Depot washer, because you will break that washer. It is just simple things like that. The covered stairwells. It is not necessary, but it is in here. My favorite amenity, which is not even an amenity, I think it is a necessity...your two-bedroom units and above have two (2) bathrooms. How many of you have ever lived as a family in a one-bathroom house? Right here. You get complete control of your bowel system, because you need to manage that when you live in a house with one (1) bathroom. The fact that you designed this for the two-bedroom units and above is thinking about the resident, and I need to say thank you, because that does not come off. It is always about maximizing profit and revenue. Thank you and I can assure you that I will be supporting a resolution that supports the financing of this deal, so we can move this along and get it approved so that you folks can get to work and get those units built. Thank you, thank you, thank you.

The motion to receive C 2024-12 for the record was then put, and unanimously carried.

Council Chair Rapozo: The motion is carried. Next item, please.

C 2024-07 Communication (12/14/2023) from Council Chair Rapozo, requesting the presence of the Managing Director, to provide a briefing regarding the American Rescue Plan Act (ARPA) and all related COVID-19 funds, including a breakdown of funding received, an itemization of all expenditures, the balance remaining, and plans to expend remaining funds.

(Councilmember DeCosta was noted as not present.)

Councilmember Kualii moved to receive C 2024-07 for the record, seconded by Councilmember Cowden.

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Managing Director: Good morning, Councilmembers. Reiko Matsuyama, Office of the Mayor. You have some handouts. Celia has another handout that we will provide for you. What we will be talking about today totals just under eighty million dollars (\$80,000,000) that the County received in COVID-19 related funding. Honestly, most of it is through the Housing Agency, so that is why Adam is here today. He will talk about his projects.

(Council Chair Rapozo was noted as not present.)

Ms. Matsuyama: Of the eighty million dollars (\$80,000,000) that we have received, some for housing, some for transportation, and again, some that are more flexible in use, about sixteen million dollars (\$16,000,000) is unspent or unencumbered so far. As a reminder, we have until the end of this calendar year, 2024, to encumber moneys, and until the end of 2026 to spend money. With that, I will start with the first handout that you folks have. It looks like this. It is a two-page document, and it starts at ARP101 and it goes down the list. These moneys are basically the main ARPA funding, and we got about twenty-one million six hundred thousand dollars (\$21,600,000) in a couple of tranches. There needed to be a nexus between public health, emergency, or negative economic effects of COVID-19, but there was a flexible component to it that was like a revenue loss component, which is about ten million dollars (\$10,000,000) of this. If we go down the list, you will see the project code that we established, the responsible department, a brief description of the project, and the status of it right now.

(Councilmember Kagawa was noted as not present.)

Ms. Matsuyama: The first column of the budget is the initial budget that was established, then you will see spent and encumbered, so budget minus spent minus encumbered equals the balance.

(Council Chair Rapozo was noted as present.)

Ms. Matsuyama: You will see that some of these projects still have a balance left. I have noted in there which projects have a balance that is yet to be spent or which projects have a balance that could technically be swept for other purposes. Would you like me to go straight down the list?

(Councilmember DeCosta was noted as present.)

Council Chair Rapozo: Yes. Before we start, for my information and for the information of the public, what can these funds be used for?

Ms. Matsuyama: With the twenty-one million dollars (\$21,000,000) in the first two (2) pages, there needed to be a nexus to public health emergency as it related to the pandemic or negative economic impacts that the pandemic caused, but there was a flexible component that was like a revenue loss, so if we lost revenue because of the pandemic, this could be a revenue replacement. That part of the funds is more flexible. There were other tranches of ARPA moneys received. Adam and his team in the Housing Agency actually got almost forty-four million dollars (\$44,000,000). It mostly went to emergency rental assistance, and that is the colorful page attached to your handout. That money was really restricted to housing.

They do not have a flexible component to it as it relates to using it for other things. It is the same situation with transportation. Celia provided you folks with a handout with the Transportation Agency's pandemic funding. They received just over fourteen million dollars (\$14,000,000). They have a remaining balance of a little over five million five hundred thousand dollars (\$5,500,000) related to the shop expansion.

Councilmember Kualii: When you are saying that, are you referring to anything in particular? You said the colorful...

Ms. Matsuyama: It should be...yes, that one.

Council Chair Rapozo: It is very difficult to read, but that is okay. Let us start with the twenty-one million dollars (\$21,000,000). Let us go through each one, because I do have questions on some of these, as it relates to what you just explained. Let us start with the first one.

Ms. Matsuyama: The first one is a housing project. It was for construction of Lima Ola. Most of it has been spent or encumbered, and there is a balance of one hundred forty-eight thousand dollars (\$148,000) and they do have a change order that is pending, so they will utilize the rest of the one hundred forty-eight thousand dollars (\$148,000). The second one is KPD. Right now, this is for the Kaua'i Police Activities League (KPAL). It is related to youth mental health recovery. KPD is leasing a space in the Kaua'i Philippine Cultural Center (KPCC), and they are expecting equipment to arrive so they can set up boxing. They will also repave the basketball court that no one uses by Chiefess Kamakahelei Middle School. They will use that for pickleball, basketball, and those kinds of things. This money is for the lease to KPCC and some of the equipment they will use to start those programs over there.

Council Chair Rapozo: Hold on. Councilmember Cowden.

Councilmember Cowden: I have a question on that one. I noticed that KPCC needed to get portable toilets (porta potties) for our youth program. Why can they not use the bathrooms in there? It is such a nice building. Do you know?

Ms. Matsuyama: I know we initially provided fifty thousand dollars (\$50,000) for bathroom funding. I think it is just to keep it separate so they can have separate functions. The kids can have their own, and if they have functions there, then it can be separated. I am not entirely sure of the background, but I know they got additional funding from that, so we no longer needed to provide the fifty thousand dollars (\$50,000).

Councilmember Cowden: Do they still need to use porta potties?

Ms. Matsuyama: No, I think it is being built. It is not built yet.

(Councilmember Kualii was noted as not present.)

Councilmember Cowden: On the ARP101 that you say will be used, I assume it is still going to be used to help the houseless, like the second Kealahula or something like that.

Ms. Matsuyama: This one is strictly for Lima Ola. Moving on to ARP103. This one is an Office of Economic Development (OED) project, Rise to Work. Similar to what we used for Coronavirus Air, Relief, and Economic Security (CARES) money, we also used some of it for ARPA. That has all been spent.

Council Chair Rapozo: What was the Rise to Work?

Ms. Matsuyama: It was basically getting people who were unemployed because they were in the tourism industry or whatever the reasons were, to work. Nonprofit organizations picked them up and this money funded their salaries.

(Councilmember Kagawa was noted as present.)

Ms. Matsuyama: ARP104 was an agricultural (Ag) assistance program through OED. They are going to do a contract with the University of Hawai'i's (UH) GoFarm. The money is currently unencumbered, but the contract is being finalized, so that money will be spent soon.

Council Chair Rapozo: When is that expected?

Ms. Matsuyama: Within the next couple of months.

Council Chair Rapozo: Help me to understand. The funds were here to deal with the impacts of the pandemic, and that pandemic is now over. It seems a little late. I am curious. These funds that have not been spent...because we found out at a conference that we can use these funds for wastewater infrastructure, which obviously is a huge priority on Kaua'i...perhaps this is a question for Matt, but does the Council have any say with these funds and where it goes?

(Councilmember Kualii was noted as present.)

Ms. Matsuyama: The Council established the budget. We came to the Council to receive and expend the funds. The Council were the ones who set the budget for this.

Council Chair Rapozo: As I look at this one, for example. I am not sure in today's world if it has an impact to COVID-19 or the pandemic, because we are kind of going backwards, so I am wondering if this Council has the ability or authority to

redirect these funds to where we think it should be going, such as wastewater and so forth.

Ms. Matsuyama: Matt, you can correct me if I am wrong. To an extent, I think whatever funds were connected to the ten-million-dollar revenue replacement component or of that nexus were the ones that are flexible for use. Everything else cannot be touched, because it needs to be a nexus to, like I said, the economic impact, public health, and those kinds of things. With public health, you have youth mental health recovery, there are projects from the Agency on Elderly Affairs (AEA) that talk about feeding the *kūpuna*, and those types of things. Those are all the nexus to that.

Council Chair Rapozo: I will check with Matt on that later.

Ms. Matsuyama: Remember, too, that we have the CARES money that came in right away. That had a very, very short timeline on when we could spend it. That was twenty-eight million dollars (\$28,000,000). That basically came in and went straight out. This is the money for which they gave us a longer window. Again, we have until the end of calendar year 2024 to encumber and the end of calendar year 2026 to spend.

Council Chair Rapozo: Okay. Go ahead. Next is the County Job Placement project.

Ms. Matsuyama: ARP105, County Job Placement. We have expended all those moneys. The Kaua'i Emergency Management Agency (KEMA) ones were used for tests. We are not going to spend that one hundred thousand dollars (\$100,000), so that is one of the pockets of money that we can either move to a different line item or we have some flexibility with the remaining money there. ARP107 is the Houseless Support project. Adam's previous houseless coordinator did a lot of outreach to nonprofit organizations, so most of that money was spent for outreach, a grant to Family Life Center, and those kinds of things. The unencumbered money will be spent in the near term to the houseless, Kealaula-type at Lima Ola. The next two (2) are for Elderly Mental Health and Elderly Food Support projects. Those moneys were all spent. ARP110 is again OED. This is really to push film, which was clearly lost during the COVID-19 pandemic. That is the nexus there. Most of it has been spent. There is a little portion that has not been spent. It will be encumbered to Kaua'i Economic Development Board (KEDB) to continue on with location managers and site placements for films.

Councilmember DeCosta: I have a question. I am always curious. I believe Hawai'i sells itself. I know we need to somewhat promote the film industry, but I believe that these people who want to come and film in Hawai'i...it is almost like the tourism industry. I believe people come to Kaua'i because it is known for its beauty. We

spend a lot of money promoting it, but I am wondering if this money could be better spent somewhere else. I am not questioning the judgment of this. I am just looking at it as being quite a bit of money to promote film. Was a film made last year? What is the cost ratio? Let me ask you this, but you do not need to answer right now. You can send me an email, or we can ask Nalani. How much money are we spending? How much money are we making? How many films were made in that year? Is there a cost benefit to having that kind of funding?

Ms. Matsuyama: I am not entirely sure. I cannot answer those questions right now, but I do know it is very expensive. Yes, the location is beautiful, costs are a prohibitive factor to getting films here.

Councilmember DeCosta: Is this cost to promote our island or is this cost to help the film industry produce a film?

Ms. Matsuyama: This is the cost to promote.

Councilmember DeCosta: Like an advertisement?

Ms. Matsuyama: Yes.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: This is to promote the use of the island as a location place, so my understanding is that the film industry and how it rolls in the OED is that it is a complement to tourism. It is the opposite, right? It is filling in the gaps.

Ms. Matsuyama: Yes, I would say that is correct. Let us get the expert up here. I do not really know.

NALANI K. KA'AUWAI-BRUN, Director of Economic Development: *Aloha.* Nalani Brun, Director at the Office of Economic Development. This is that we are getting the word out about what the tax credits are, because they are constantly changing, so that they know that Kaua'i is still available as a location. We have not had a lot of big films coming. We have a definite issue with hotel rooms in that there are none, and when they do come to get a bid, it is over their price range. Sandy Ka'auwai has been chasing down commercials, which are much smaller, but we get a lot of good feedback from of it being a good location. We just finished something with Michael B. Jordan and Chase Bank. That just finished. The things we are getting are really small. They are smaller things, they fit for us right now, because that is all we really have to offer.

Councilmember DeCosta: Thank you for that explanation.

Council Chair Rapozo: Are there any other questions?

Councilmember Kualii: Can I ask one?

Council Chair Rapozo: Yes.

Councilmember Kualii: Just to clarify, negative economic impacts...is this above and beyond what we normally do for promoting the island for films? Is this in response to the devastating effects of the whole industry being shut down? Now you are trying to get it back, and thankfully we have had this influx of moneys to inject into promoting it even more than we have done in the past, but maybe now that we are past COVID-19, and this money is running out, then we are just going to go back to our normal promotion. Is that correct?

Ms. Ka'auwai-Brun: That is somewhat correct. Because of the influx of money and because the entire world changed to social media, we were actually allowed to also adjust a little bit. Instead of doing our typical advertisements in magazines and things like that, we were able to work with KEDB, who went out for a request for proposal (RFP) and got a consultant. They are helping us to actually place new types of ads that are actually hitting location managers guilds and places like that. We are reaching people who we can no longer reach in the old way.

Councilmember Kualii: Thank you.

Councilmember Cowden: I have a follow-up to his question. When you think about film and how it relates to the COVID-19 economic impact, film work, especially commercials, those are gig workers, right? Gig workers really were not helped with most of the ARPA funds. It was very difficult for them. Would you say many of them are still recovering from the impact? That those who lost their houses and stability had businesses that faulted hard.

Ms. Ka'auwai-Brun: Yes, absolutely.

Councilmember Cowden: Are they still in economic recovery from COVID-19?

Ms. Ka'auwai-Brun: Many of them even moved away, and we are still trying to entice them back here with enough work.

Ms. Matsuyama: The next one is also with OED and Nalani. I do not know if you have additional questions on this one. This is for the Mobility Hub plan, but the money has all been spent. ARP112 was with the Office of the Prosecuting Attorney for domestic violence prevention. Those moneys have also all been spent. On the next page, ARP113 was just dollar-funded, so maybe this is an example, Chair, of

what you are talking about. This is a project that if we maybe wanted to do something in the future, we established the project.

Council Chair Rapozo: Yes, I think that is quite a priority right now for many people. I am surprised that there is only one dollar (\$1) in there. Is that an account that we could maybe move some of these funds into?

Ms. Matsuyama: Yes. ARP116 was used for driver's licensing, because when all of the extensions and the gold star real identification (ID) thing was coming to a forefront, we tried to open after hours and on weekends. We funded their overtime with this money. ARP201 is a landfill cover. Most of it has been spent, but there is one hundred thousand dollars (\$100,000) that could be swept from that account. ARP202 is the Pi'ikoi Youth Center. The intention is to make it like a childcare facility. The nexus was youth function, mental health of youth, and those kinds of things. Unfortunately, the bid needed to be canceled. We did some value engineering on it. It was just recently canceled and will be posted soon for another thirty (30) days, but that is a good chunk of money that we still intend to use.

Council Chair Rapozo: What is the plan for this place? I was not here, so I am not sure if you briefed the Council. What is the plan for this place? In speaking with Lieutenant Governor Sylvia Luke, I understand that she is planning a facility out in the area where Safeway is. What is this? This is the most money in any line item. This is where I have a hard time, Reiko. I see cesspool conversion, which is a critical issue right now, with one dollar (\$1), and then I see Pi'ikoi Youth Center with almost seven million dollars (\$7,000,000). Help me to understand what the need is and what the County is intending to do with this facility.

Ms. Matsuyama: The intention right now is to make that a childcare facility—a preschool, a daycare facility—not just for County employees, but for those in the central area. It would complement the Lieutenant Governor's project on that side and any other project that we have here. I will say, though, that the space is obviously unused and underutilized. It is just to make it a nice shell building. It is to fix that roof, which is a big priority, and make it so it can be a usable space. If the Council's direction is to put housing, expand our offices because we are busting at the seams over there, or whatever it is, the plan is to make it a usable space. Right now, the intention is to make it...

Council Chair Rapozo: Let me say what my vision is, which is the vision that we have gone several times on this Council over the years. When Councilmember Carvalho was the Mayor, we did space studies. We spent hundreds of thousands of dollars in space studies, because we did not have enough space for our County departments and agencies. The Planning Department is cramped up. No one has room. We did space studies. I do not know what the total amount spent was. I know it was a significant amount of money, and remember sitting here with consultants who

told us, "Yes, you have the mezzanine. You can put offices up there." We could take care of all of our County's space needs right there. At the time, we were renting from Hale Pumehana, we were renting here, spending all this money, and that was the plan. Is the intent for the County to operate this center?

Ms. Matsuyama:

No, we would get childcare providers.

Council Chair Rapozo: I hate to bring it up, but we did not learn from the drug treatment center. We did what we did and then we could not operate. We cannot operate. Why are we getting involved in that kind of thing? We have a need for County services. We have a need for space for our own County staff. Seven million dollars (\$7,000,000) can do a lot in that area to ease the congestion in the Planning Department and wherever else needed. I would like to revisit that.

Ms. Matsuyama:

Yes.

Council Chair Rapozo: Maybe it is another discussion that we need to have at another Council meeting, but I do not see the need and I do not believe that this County should be getting involved in childcare. I do not. Councilmember Cowden.

Councilmember Cowden: I want to follow up on that, because at the time, even I was saying we need to give more room for our people. If it really was about childcare, this becomes competitive with whatever is right around here. If it was childcare for our own workers, I would rather see us supplement from wherever they are near wherever their homes are. What I am hearing is that you folks really want to fix the roof. It is about starting to fix the roof.

Ms. Matsuyama:
million dollars (\$7,000,000).

The roof takes up a big chunk of that seven

Councilmember Cowden: If we fixed the building, if we made the shell clean, and we fixed the roof, but we are doing it under the auspices of potentially providing childcare, is that an honest answer? I know for my own self that I would want it to be more County space. I do not think providing childcare is the right place for it there. I said it from the beginning. Accurately, we have greater need from the government for so many reasons because of the COVID-19 problem that we went through, that we are helping our County for COVID-19 impacts, but it is not by providing childcare. Can we do that? I do not want to be dishonest. We have the roof fixed and the building fixed, but it is not the right reason.

Ms. Matsuyama: Like I said, getting the building fixed is one thing. The use of it is another thing. This money will be to get that thing to be utilized for something.

Councilmember Cowden: Will we be pegged, will we be some way clawed back or in fraudulent violation of the intention if we say we are going to do it for childcare, but we end up putting all the many needs in the crowded County in that needed space.

Ms. Matsuyama: I think that because this was pegged as the revenue replacement that it is a flexible use of funds.

Councilmember Cowden: Can we find that out? I want to make sure that if we do something else that we are operating accurately, legally, in integrity...I do not know what word I want to use. I am trying to find a positive work.

Ms. Matsuyama: If I still had Nick Courson, he would be here, and he would answer that right away. I miss him a little bit more today.

Council Chair Rapozo: We will definitely have another discussion on this, because I think if that six million nine hundred thousand dollars (\$6,900,000) was in cesspool conversions, you would not hear a peep from me, because that is an issue that our people will suffer with and are suffering with because they are trying to build an extra room to house their child. When you need to build a septic tank, it adds another forty thousand dollars (\$40,000), fifty thousand dollars (\$50,000), sixty thousand dollars (\$60,000), or whatever. I would much rather see us assist those families than this. I do not even know how we would proceed with this. If the majority of the six million nine hundred thousand dollars (\$6,900,000) is for structure repairs, then I agree with Councilmember Cowden that we should call it that. I do not know how you would tie that to the pandemic, but we will have that discussion.

Ms. Matsuyama: I will put it out there, because it just needs to be said, but in defense of the childcare facility, we still do have issues with recruitment and retention, so if this is a way...maybe we cannot pay them more, but there is a perk for them. You can drop them off, you know they are in a safe place, you can visit them during lunch time or whatever it is, there is a nexus for employment on that surface.

Council Chair Rapozo: Like I said, in my opinion, we, as a County should not be getting involved in that social service section. We tried and it is a difficult thing to do.

Ms. Matsuyama: Yes.

Council Chair Rapozo: Go ahead.

Councilmember Carvalho: That space is set aside for additional office space just to enhance and support our team. That is a big one. I know childcare is very

much needed, but I know there are other areas we can support, but this is taking care of our internal. That is it.

Council Chair Rapozo: Does anyone else have any questions on the youth center? If not, the next is the Kilauea land purchase.

Ms. Matsuyama: ARP203, Kilauea land purchase. That was used for the purchase of housing land out in Kilauea. All of the money is spent. Next, ARP204, is another KPAL project. The first KPAL one was leasing temporary space while we fix the existing space. Right now, they still want to get plans to fix a more permanent space for KPAL.

Council Chair Rapozo: Is the intent to get a new facility so we do not have to continue to pay that lease out to KPCC?

Ms. Matsuyama: Yes, that is correct.

Council Chair Rapozo: Councilmember DeCosta.

Councilmember DeCosta: I want to ask about the lease we pay to KPCC. When that building was constructed, was there not a negotiation between letting our nonprofit organizations use that center versus them having to pay to use the center?

Ms. Matsuyama: I do not know that. I would need to go back and check.

Councilmember DeCosta: Please let me know, because I would hate to see that we did something good for one community entity and then that community entity is charging revenue to other nonprofit organizations who do not have revenue to pay. Here is the thing. If it is not being used, then they should be able to use it. If it is being used, and they have to schedule and charge, then I agree with that. Thank you.

Council Chair Rapozo: Does anyone else have any questions. If not, next is the heavy equipment wash rack. That is two million dollars (\$2,000,000). That is another large expenditure.

Ms. Matsuyama: This is with the Department of Public Works. They desperately need this wash rack. It needs a National Pollutant Discharge Elimination System (NPDES) permit. It is really a Department of Health (DOH) issue to dispose of the hazardous things that come off the refuse trucks.

Council Chair Rapozo: Is this an allowable use of the funds? I am trying to find the connection to the pandemic, because what I do not want to see is the

Federal government come back later and say, "Pay us back." I do not know how that connection is made. Help me to understand that.

Ms. Matsuyama: This is another question for Nick Courson. I wish he was here. Just like you, he struggled with this one regarding where the connection is, but he was convinced, and I would have to go back and check why he was convinced, but he was convinced that it was an allowable use.

Council Chair Rapozo: Okay. I trust you folks. I am just trying to figure it out. I am not a lawyer, but this is not a project that was created or caused by the pandemic. This was an issue that has been there for a long time. Maybe we can ask Nick and maybe he can convince us that it is. Okay, next.

Ms. Matsuyama: ARP206 is for County management. We put it in there for audits in case there was a need. If there is not a need, it is moneys that could be used elsewhere. The next three (3) are KEMA. They are all for COVID-19. It is for a testing center, public outreach, response, and those kinds of things. All those moneys have been spent. ARP09N was a non-entitlement unit. These are sort of separate funding, but they report them together, so we just put them all together. Those were for *kūpuna* meal delivery that was administered by AEA, and those moneys have all been spent as well. The next one is a contingency, so again, anything that goes overbudget can be funded with this account.

Council Chair Rapozo: Is that similar to ARP206?

Ms. Matsuyama: Yes. ARP206 was really meant for audits, if we had questions on compliance and those kinds of things. That is what it was for. If it was not used, then it can be used on something else.

Council Chair Rapozo: Is there intent to use that? Is there an intent by the Administration to actually audit?

Ms. Matsuyama: No, not right now. APR10N, which is the second to the last one was administered by OED. It is agriculture job training for youth and that money has all been encumbered or spent. The last one, which is ARP11N, basically pays for the salaries of those people who are administering the grants and doing the compliance and reporting for us, so it was Nick Courson.

Council Chair Rapozo: Do you intend or expect to spend the remaining five hundred sixty thousand dollars (\$560,000)?

Ms. Matsuyama: It is kind of a lot, so we probably do not need the entire thing.

Council Chair Rapozo: A quick question and then we will take a caption break. Go ahead.

Councilmember Kualii: When you started the spreadsheet, you used the figure of sixteen million dollars (\$16,000,000), but here it is ten million dollars (\$10,000,000). Are you also including the five million dollars (\$5,000,000), which I guess we can talk about after the break?

Ms. Matsuyama: Yes.

Council Chair Rapozo: Go ahead.

Councilmember DeCosta: It is just a small question and you do not need to answer me. You can email me your answer. I have to commend you. You are very honest. When we ask you about spending this money, you said, "That is a little bit more than normal. It might have some overage." On the overage part, when there is a small project that comes in from a constituent, such as tree cutting or some kind of emergency, could some of this extra money that floats around in our Administration's account be used for a small project that could satisfy our constituent instead of departments having to come back to the Council and asking for a money bill to cut a tree?

Ms. Matsuyama: Right now, it needs to fall within one of these projects. That is the reason for the one-dollar funding of the cesspool project. We can move money there or to another project, and spend it. I would say, no, because I cannot see it falling within one of these project codes.

Council Chair Rapozo: I think the Federal government is auditing throughout the country. Every so often you will see that some small municipality got hit because they used these funds for reasons that were not authorized or eligible, so now they are having to pay the money back. That is all I am suggesting. I am not here to be an enemy of the Administration. I am just saying, "I want to make sure that connection to the pandemic exists and we are not using ARPA funds or another other COVID-19 money to do work for the County that has absolutely no connection to the pandemic, because we will have to pay that back.

Ms. Matsuyama: Yes, definitely.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: For clarification, because I am not sure that the Chair knows, Nick Courson is no longer with us.

Council Chair Rapozo: What?

Councilmember Cowden: He left.

Council Chair Rapozo: Did he leave the County?

Councilmember Cowden: Yes.

Council Chair Rapozo: Did he quit?

Councilmember Cowden: Yes.

Council Chair Rapozo: Great.

Ms. Matsuyama: No, not great.

Council Chair Rapozo: I am being facetious. I like Nick. He is a great person.

There being no objections, the meeting recessed at 10:33 a.m., for a caption break.

The meeting was called back to order at 10:43 a.m., and proceeded as follows:

(Councilmember Kualii was noted as not present.)

Council Chair Rapozo: Reiko, you may continue. I guess you want to do this colorful one. Go ahead.

There being no objections, the rules were suspended.

Ms. Matsuyama: The colorful one that you can barely read is all for housing. The Housing Agency received almost forty-four million dollars (\$44,000,000). It was forty-three million seven hundred thousand dollars (\$43,700,000). Of that, only five hundred twenty thousand dollars (\$520,000) is left. Most of went out through Kaua'i Federal Credit Union and the Employee Rental Assistance (ERA) grants. Those were used to keep tenants in their homes during COVID-19.

(Councilmember Kualii was noted as present.)

Ms. Matsuyama: They got an initial tranche of twenty-two million dollars (\$22,000,000) and because they were successful in getting that money out, they got more money. They got sixteen million seven hundred thousand dollars (\$16,700,000), which is that middle section. Most of that money has been spent. Then they got an additional ARPA funding for a little over five million dollars (\$5,000,000). Most of that has been spent. Of the five hundred twenty thousand

dollars (\$520,000) that is left in all of these funds, most of it is supposed to be restricted...restricted is a bad word...it is supposed to be used for Administration and it is a little high, but what the Federal government has made us responsible for is audits, so we have kept an additional cushion in there in case we need to audit and if we are put on the hook for fraudulent applications, we would need to vet that. That is why there is a little more money in there than usual for Administration. If you have additional questions, I will turn it over to Adam, because he is responsible for this.

Council Chair Rapozo: I guess at some point we need to determine whether or not we hold that reserve or overflow for...and I do not know at what point that happens.

Ms. Matsuyama: Adam will spend it within the Lima Ola project and those kinds of things. He will spend it within housing.

Council Chair Rapozo: We need to, right? Those funds are specifically for housing.

Ms. Matsuyama: Yes. We will not give it back, is what I am saying.

Council Chair Rapozo: Does anyone have any questions? Go ahead, Councilmember Bulosan.

Councilmember Bulosan: This is a process question. Is it that it is not mandated for us to do an audit, but they may ask for us to do an audit?

Ms. Matsuyama: Yes, and these funds have the same timeline. We still have until 2026 to spend it, so there is quite a bit of time before we know whether or not we might need it or not.

Councilmember Bulosan: Follow-up to that, if there an audit is done and there was a fraudulent case or use of funds from someone submitting the wrong information or paperwork, do these funds cover that cost or do they come somewhere else?

Ms. Matsuyama: I am not entirely sure.

Council Chair Rapozo: It becomes deobligated. Like any Federal funding, if it is not spent the way it is supposed to be spent, it is deobligated, and you pay it back. That is how it works. It is happening across the country, which is why I am very, very concerned that some of these projects may not fit the eligibility requirements. I want to make sure that we do it right.

Mr. Roversi: Adam Roversi, Housing Director for the County. Specifically to your question, in the rental assistance, there has been discussion from the United States (U.S.) Department of the Treasury that local jurisdictions may be responsible for paying back fraudulent payments made under programs that they administer. We distributed about thirty-two million dollars (\$32,000,000) to more than two thousand (2,000) households on Kaua'i. There were instances of fraud. We caught many during the application process and no funds were paid out. Some were caught after the fact. All that we identified were reported to KPD, the State Department of the Attorney General, the Federal Bureau of Investigation (FBI), and the U.S. Department of the Treasury. I know the investigations for some of them are ongoing. As they conclude, we do not know, but we may be required to pay back if we are found at fault. It was administered by Kaua'i Federal Credit Union (KFCU), but the buck stops with us because we provided them the money. It is unknown whether the U.S. Department of the Treasury will stick by those guidelines and demand funds back, and whether we will be able to claw some of it back through ongoing criminal investigations. Those are some unknowns. I think that is why, as Reiko mentioned, there is a cushion just in case the Federal government asks for some of these funds back.

Council Chair Rapozo: Go ahead, Councilmember Kagawa.

Councilmember Kagawa: You mentioned Kaua'i Federal Credit Union. Gather Federal Credit Union used to be called that, too. Was it Kaua'i Federal Credit Union or Gather Federal Credit Union?

Mr. Roversi: Kaua'i Federal Credit Union is the administrator for this program?

Councilmember Kagawa: It is not Gather?

Mr. Roversi: It is not Gather.

Councilmember Kagawa: Gather changed their name, so people get confused.

Council Chair Rapozo: This is the old Kaua'i Government Employee Federal Credit Union (KGEFCU).

Mr. Roversi: Kaua'i Government Employee Federal Credit Union changed their name during this program.

Council Chair Rapozo: It changed during the pandemic, so this program may have started with KGEFCU.

Councilmember Kagawa: I just wanted to clarify, so people out there know.

Council Chair Rapozo: They did a great job, they helped a ton of households, and the process was pretty simple. To the current governor's liaison on Kaua'i...why is her name not coming to me?

Ms. Matsuyama: Dana.

Councilmember Cowden: Dana Hazelton.

Council Chair Rapozo: Yes, Dana Hazelton. She was the Administrator of that program at the credit union and did an amazing job.

Mr. Roversi: To "toot" KFCU's horn as well as my staff who worked with them, the County of Kaua'i did a better job than virtually any other jurisdiction in Hawai'i of getting the money out efficiently and quickly, and throughout this entire process, we met all of the Federal government's requirement of funds going out the door quickly and you hit certain deadlines as a requirement of getting any additional funds. To my recollection, we met every one of those deadlines before any of the other counties did.

Council Chair Rapozo: Kudos to you and your staff, Adam. Good job. Go ahead.

Councilmember Bulosan: In the worst-case scenario, say there are pending cases and these funds need to be administered by January 2026.

Ms. Matsuyama: It is the end of the year.

(Councilmember Kagawa was noted as not present.)

Councilmember Bulosan: Is it the end of 2026?

Ms. Matsuyama: Yes.

Councilmember Bulosan: If there are cases that go past that deadline and we, obviously, cannot hold these funds, then would it come from the contingencies that we have?

Ms. Matsuyama: Yes.

Councilmember Bulosan: Okay.

Council Chair Rapozo: Go ahead.

Councilmember Kualii: Based on my understanding of this entire spreadsheet, and for clarity to the far left is where you have the totals, as opposed to the far right. When you talked about what is left as being the five hundred twenty thousand dollars (\$520,000), is that only in the columns described as unassigned?

Ms. Matsuyama: Correct.

Councilmember Kualii: But actually, what is left is five million seven hundred thousand dollars (\$5,700,000), right? The bulk of that is in the column under affordable housing development. Is the three million eight hundred thousand dollars (\$3,800,000) what you were referring to when you said, "We have until 2026." Are you not worried about spending it down, because with Lima Ola and other housing projects, we will spend it down? Is that correct?

Mr. Roversi: With that pool of funding, which, if you look under the affordable housing tab...I know it is hard to read...that started out as a four-hundred-million-dollar fund. That is a percentage of the total we received, allowed under the Federal guidelines, to be used specifically for construction of affordable housing. We have these funds earmarked for one (1) of two (2) projects, and we will use it for whichever project we can get the approvals for first. We are working with Department of Land and Natural Resources (DLNR) to acquire additional land next to the existing Keaula Supportive Housing Project. If we can get that deal "inked" and finalized, our intention is to utilize those funds to build another approximately twenty-four (24) units immediately next door to the existing Keaula Supportive Housing Project for homeless families. Alternatively, because we do not want to put all our eggs in one basket, we are working with the Department of Health and Representative Nakamura, identifying a piece of property adjacent to Mahelona Hospital for a potential third Eastside supportive housing project. If we are able to get entitlements and approvals for that project first, we will step away from the expansion of the Lihue project, at least with these funds. It does not mean we could not pursue it with additional funds. Either case, we have two (2) projects. Both are going through the process of predevelopment and approvals, and those funds will be allocated to whichever one is ready to go first. We are working to do both of them and we will identify additional funding in the hopes of accomplishing both.

Councilmember Kualii: I understand what the columns all are, except one. What is the one that has HCA for two hundred sixty-nine thousand dollars (\$269,000)?

Mr. Roversi: That stands for Hawai'i Community Assets. They provide financial counseling and debt consolidation services to any clients who go and ask them. They have an existing, ongoing contract that we just renewed, actually. Those funds are remaining in the existing contract, but we have every expectation that

the contract, as it plays out, over the next one and a half (1½) to two (2) years, we will expend those funds.

Council Chair Rapozo: Are the bold numbers encumbered and just not spent yet?

Councilmember Kualii: The balance, as of.

Mr. Roversi: Correct. They are...

Council Chair Rapozo: Accounted for.

Mr. Roversi: ...almost all under an existing grant or contract that is in play as we speak.

Councilmember Kualii: When I look to the top of the HCA column and go down, the first number I see is two hundred thousand dollars (\$200,000) and it says fourth payment...I guess it is the allocation of that seven million five hundred thousand dollars (\$7,500,000). Is there another two hundred thousand dollars (\$200,000)?

Mr. Roversi: Yes, there was second allocation. We amended that.

Councilmember Kualii: There are no dates or anything on that.

Mr. Roversi: We amended the contract so they had a multi-year contract. The first year was two hundred thousand dollars (\$200,000). We amended and entered into a new contract for an additional two hundred thousand dollars (\$200,000).

(Councilmember Cowden was noted as not present.)

Councilmember Kualii: Out of four hundred thousand dollars (\$400,000), we have not quite spent half, but over the next two (2) years, you will have no issues spending the remaining two hundred sixty-eight thousand dollars (\$268,000)?

Mr. Roversi: Correct. We do not believe so.

Councilmember Kualii: Thank you.

Mr. Roversi: They are also just of note there. They are the primary housing counselor for all of our Lima Ola single-family home sales as well, so that is part of what they are working on.

Councilmember Kualii: Thank you.

Council Chair Rapozo: Are there any other questions for Adam? If not, thank you very much. The last one is transportation, right?

Ms. Matsuyama: Yes. Transportation got a separate pot of money. It was just over fourteen million dollars (\$14,000,000). Eight million one hundred thousand dollars (\$8,100,000) has been expended, and there is about five million five hundred thousand dollars (\$5,500,000) remaining. Most of that money is designated for shop and base expansion. I will bring Celia up, if you have further questions.

Council Chair Rapozo: Go ahead.

Councilmember Kualii: What is under Transit Operations? What does that mean?

CELIA M. MAHIKOA, Executive on Transportation: Hello. I am Celia Mahikoa, Executive of the Transportation Agency. The Transit Operations category includes just about any and every operating expense that we would incur in order to keep public transit operating on the island.

(Councilmember Cowden was noted as present.)

Ms. Mahikoa: Therefore, the vast majority of it is any payroll and fringe expenses, gasoline, parts, repairs and maintenance of the vehicles, et cetera.

Councilmember Kualii: Thank you.

Council Chair Rapozo: Are there any other questions? If not, thank you. Are there any other questions for Reiko before we excuse her? If not, thank you, Reiko.

Ms. Matsuyama: Thank you.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Seeing none. Is there any further discussion? Councilmember Bulosan.

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

Councilmember Bulosan: Thank you, Chair, for bringing this to the table, I think it is super important for us to review beforehand. It is good to see where we are at in expending most of these funds and the direction of the Administration for spending

these funds. I think they are rightly appropriated. I hope we execute them fast, use them in time, we do it properly, and we find a new Nick Courson, so that we can make sure it is all proper.

Council Chair Rapozo:

Councilmember Cowden.

Councilmember Cowden: I also really appreciate these numbers being brought forward to us so that we can look at it and evaluate it. I am certainly glad that we were able to get these funds. I am very grateful to it. It made a big difference for so many. I want to give a big shout out to Rise to Work. Our Chair did not know about that. That was wonderful. It was not just nonprofit organizations. Business got it. It was a win-win. People got money, they worked, and businesses and nonprofit organizations were able to move forward. So much of this was placed out in ways that helped people to be able to retain their houses. It was wonderful having it cover the buses. Just by taking care of that completely, it allowed us to have a lot more money to spend in different ways.

(Councilmember Kagawa was noted as present.)

Councilmember Cowden: I do want to really work to see that we are diligent, that we are able to apply the funding in ways that we will not be surprised later. I just have to say that at the National Association of Counties (NACo), I sat through a handful of different presentations where they really emphasized the importance of making sure that we have everything in the right category, so I appreciate your diligence and as we move forward, we make sure that we do not have any claw backs where we have to give money back to the government, but all the many ways that it was spent to the benefit of our community was great.

Council Chair Rapozo: Are there any other comments?
Councilmember Kagawa.

Councilmember Kagawa: Thank you, Chair. I have a different view on the funding for the renovations of Piʻikoi. Whether we use that money or County money, it needs to be done. It is falling apart. If we do not fix it, it can fall apart. I think we need to reinforce that building, but I agree with Council Chair Rapozo as well, whether it is tied to COVID-19 or whether it is most needed at the time, the fact of the matter is it needs to be renovated. It needs to be upgraded so it can either be offices or a childcare center. There are childcare centers right know that do a great job, but they pay significant rent and if they could lower...I am talking about 'Ae Kamali'i or even the Lihu'e Hongwanji...if they could be provided with that big space and put their efforts together, how much children could they help serve? It was part of the Senate President's message yesterday. In his message, he spoke about providing early childcare education is so important as a priority for the State, and he said that because he has a new grandson who turns two (2) or three (3) years old, or whenever he can go to childcare,

but it should not be that you think about it when you have a child. The cost of childcare has been a problem for a long time. Some people do not do it because of the cost. For the children who go to kindergarten without that early childhood care, are they behind? That is the question. Sometimes there is good care at home where they are taught things that they would learn at preschool, but that is the question because everyone has different needs. Some people live here without family, some do. They have grandparents and whoever else who can help full-time. Everyone is in a different situation. Like Reiko said, we have potential workers who cannot work for the County because they have those childcare needs out there. Sometimes you think, "Should I work or should I just watch my child? What is more beneficial for me?" A lot of times, working for the County when you are just going to pay expensive childcare costs is not worth it. Does it tie in to COVID-19? It is all hypothetical, but I think there is a big need. The Senate President said it. If we can fix up that space, which is not being used now, I think I need to agree with the Mayor. It was a good idea, but whether we can carry it out and serve more of the community with what we have now is the question. I am open to that idea, Chair, so do not take offense to that. Thank you.

Council Chair Rapozo: It is never personal. Is there anyone else? Our job is that we are the checks and the balances, and we are to make sure that we follow the rules and that we comply with the Federal requirements with any funding that we get. I do not see the connection between...what we see at the building is deferred maintenance. We just have not taken care of the building and that is why it is that way. It is not uncommon, whether it is local or state. We saw the housing project in Kapa'a. It is the same thing, right? You cannot blame the deferred maintenance on COVID-19. You cannot. It is because we did not take care of the building and now it is leaking. I will reiterate. I sat here through at least two (2) space studies that we did and I am thinking it was probably two hundred thousand dollars (\$200,000) or three hundred thousand dollars (\$300,000) a piece. The studies clearly showed that we needed to expand office space for our workers. We did all the studies and we never did the job. While the Senate President's message was a good one and I agree with him one hundred percent (100%), it is a priority of the State and it should be a priority of the State. It should be the State doing that, not the counties, because we have enough on our plate with limited funding that I think we need to manage. The youth center, while I would agree that it might be a deterrent for people to go to work, you are talking about public funds that are going to be used for public employees. I know Reiko said it would not only be for County employees, but I can guarantee that the bulk of it would be County employees. I wish we could provide that. I wish we had the funding to provide that. We do not have the funding and we do not have the resources to operate the facility. We do not. What will happen is we will put seven million dollars (\$7,000,000) toward fixing the roof, we will create the shell, we will do whatever we will do, we will put it out to contract, and hope that we find a provider that can provide adequate service. Remember, when you put it out to a nonprofit organization, how will you say this is only for County employees. They will not. They will take whoever needs childcare. Again, I fully support being able to provide that, but I do not see the direct connection to the

pandemic. I do not know how that was stretched. It is like how I feel about the wash rack. I want to be really cautious and maybe take a second look. When you talk about direct impacts to our community from the pandemic, I think mental health stands out as the biggest impact that we have had, and it continues. It did not go away when the pandemic went away. It is still here. While I see youth mental recovery, what I see is funding of KPAL, which I fully support, but it pays for a lease at a building and possible reconstruction of the facility, which I fully support, but I think it should maybe be done with Capital Improvement Projects (CIP) money or General Fund money. While I am not involved with the Drug Treatment Center anymore or on the Board, I am a very strong advocate, because I think that is service is one that is directly related to the pandemic. Our children are suffering mentally today because of the pandemic, but there is no funding in here for that. Madam Clerk, we need to figure out how we can have this discussion and figure out what ability or authority this Council has to move some of these moneys around, because when I see cesspool conversion, again, I do not see how that is a direct connection to the pandemic, although, we were informed at our conference that we can use ARPA funds, COVID-19 money, for improvements to wastewater, maybe this is one, but I would definitely love to see more money in there, so we can start helping our residents get their conversions done, so we can help them create more units, so we can put more people in homes. We cannot do that right now. I would love to put an Additional Rental Unit (ARU) in my backyard, but I cannot afford forty thousand dollars (\$40,000), which is what I was quoted for a septic system, but if the County would be able to offer some sort of subsidy, I might, and I could promise you it would be an affordable housing unit back there. Then maybe one of my children would come home. I doubt it, though. Let us try to work on that and see how we can readdress the need that we have today, and see how we can better use these funds.

The motion to receive C 2024-07 for the record was then put, unanimously carried.

C 2024-08 Communication (12/21/2023) from the Fire Chief, requesting Council approval of the provisions in the Hangar Facilities Lease Agreement with the State of Hawai'i, Department of Transportation, and to indemnify the State of Hawai'i, to designate an optimal and mutually agreed upon site for the placement of an aircraft storage hangar intended for the Kaua'i Fire Department helicopter.

(Councilmember DeCosta was noted as not present.)

Councilmember Kualii moved to approve C 2024-08, seconded by Councilmember Carvalho.

Council Chair Rapozo: Are there any questions for the Fire Department?

Councilmember Cowden: Let us just bring them up.

Council Chair Rapozo: Do you have a question? If not, I will not bring them up. This is an indemnification. If you have a question, Councilmember Cowden, we will bring them up.

Councilmember Cowden: Is this what we have been looking at? It almost looks like a tent.

Council Chair Rapozo: Okay, come on up.

There being no objections, the rules were suspended.

ROGER MILLS, Deputy Fire Chief: Good morning, Councilmembers.
Deputy Chief Roger Mills, sitting in for Chief Gibson.

Councilmember Cowden: We have seen a couple of different pieces of what we were going to do. It looks like the current hangar is almost like a big tent that is coming apart, like a big yurt kind of roof.

Mr. Mills: More or less. It is a little bit sturdier than a yurt or a big tent. It is an actual metal structure that is cemented into the ground.

Councilmember Cowden: We have seen pictures where it is coming apart at the seems a little bit. It does not look very good.

Mr. Mills: It has not been put up yet.

Councilmember Cowden: Where our hangar is now.

Mr. Mills: You are talking about our current one.

Councilmember Cowden: The existing one.

Council Chair Rapozo: This is about an indemnification agreement between the County and the State's Airport Division for the right-of-entry to this facility where this building will be constructed.

Councilmember Cowden: Is it just the right-of-entry? Okay, nevermind. Thank you. I just wanted to make sure it is the same thing, but it is just the right-of-entry.

Council Chair Rapozo: That is what it is. Thank you.

(Councilmember DeCosta was noted as present.)

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Seeing none. Is there any further discussion?

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

The motion to approve C 2024-08 was then put, and unanimously carried.

Council Chair Rapozo: The motion is carried. Next item, please.

C 2024-09 Communication (12/26/2023) from the Emergency Management Administrator, requesting Council approval to receive reimbursements from the State of Hawai'i Emergency Management Agency (HI-EMA) under the Addendum to Act 095 – Intrastate Mutual Aid System agreement, dated October 27, 2023, for expenses incurred as a result of extending aid and assistance to Maui, regarding FEMA-DR-4724-HI.

Councilmember Kualii moved to approve C 2024-09, seconded by Councilmember DeCosta.

Council Chair Rapozo: Are there any questions for HI-EMA or KEMA?

Councilmember Cowden: Yes.

Council Chair Rapozo: Come on up. Thank you for being here, sir.

There being no objections, the rules were suspended.

SOLOMON K. KANOHO, Special Executive Officer of Emergency Management: Good morning, Chair and Councilmembers. For the record, my name is Solomon Kanoho. I am the Special Executive Officer for KEMA.

Councilmember Cowden: How much did we spend? How long were we there? How much are we getting back? Did we learn anything?

Mr. Kanoho: Great questions. I will try to answer them in order, but I apologize if I jump around a little bit.

Councilmember Cowden: Just the big picture.

Mr. Kanoho: As part of the process through natural disasters, KEMA was reached out to by the Maui Emergency Management Agency to assist them with recovery. There is an umbrella organization called HI-EMA, which is the Hawai'i Emergency Management Agency, that oversees each agency across the

State. We have what is called a request for assistance (RFA) that comes through this process, and through that we use that mechanism to support other agencies or other counties in case of a natural disaster. In total, we received four (4) RFAs. The first one came immediately after the Lahaina wildfires. At that time, our Administrator was asked to come over along with additional personnel, so that first RFA was for two (2) of our personnel to go over and assist. Subsequent to that, as part of our incident management team through KEMA here on Kaua'i, we sent over an additional five (5) personnel from part of our team. This incident management team comprises individuals who have particular set skills in incident management. Our third RFA came in the following month, at the beginning of September, where we sent back a previous member from the first deployment, along with two (2) additional members to fulfill that RFA that was geared more towards operational assistance within their emergency operations center. Finally, the last RFA was for communications support. Here in the County, we have a team in our police and fire assets that have personnel who can deploy portable repeatable or cellular systems in the event that we lose communications for our response network. They were sent over to assist their agency in ensuring continuity of operations in that respect. In the process when these RFAs were going back and forth, we consulted with the agencies and Office of the County Attorney to have a mutual aid agreement signed by HI-EMA and the County of Maui. Knowing that because of the size and scope of the disaster, it would probably be deemed a Federal disaster, that designation came hand-in-hand with that RFA received through HI-EMA. The total amount of funding spread over the four (4) RFAs was one hundred nine thousand eight hundred sixteen dollars and seventy-five cents (\$109,816.75). We are seeking approval of receipt of those funds back into the County.

Council Chair Rapozo: Are there any additional questions.

Councilmember Cowden: Yes. Thank you for doing your paperwork right. Do you anticipate any problems? Will we get that back?

Mr. Kanoho: No, we do not anticipate any problems. That is correct.

Councilmember Cowden: Did you learn much? Do you feel like it prepared us better?

Mr. Kanoho: We are very fortunate here. Maybe that is not the most operative or correct word. We have a lot of experience in natural disasters here in the County. For those who do not know, I was the former Assistant Fire Chief of Operations for the Kaua'i Fire Department (KFD). Through the course of the last ten (10) years or so, we have actually made it a point to expand our emergency operations, including personnel and equipment to respond to disasters that included in KEMA. Being able to coordinate effectively with different agencies throughout the County and with the public was a process we started and we certified our personnel

within our incident management team, starting in 2015. Since then, we have had people who have since retired, so we are in the rebuilding process with that, but it is a key aspect. Without getting into too much detail, communication is key. Having the ability to understand or know what is occurring. We used to call that situational awareness in the fire service. Being able to communicate effectively with your personnel on the field in that case is one thing that has always been critical and part of the process. We try to bring in other agencies both within the County, the State, and the private sector. Normally, when we have a situation where we have a red flag warning, especially since we are talking about the wildfires, we have briefings that are done across the State and normally the weather service will have that information for us. In that instance, we will have all the agencies come in for the briefing. I will add a little sidebar. During the event in August, because of my connection and past history of the fire, for every morning from the red flag warning, I met with the on-duty Operation Battalion Chief every morning at 6:30 to go over what the current operating picture is and what they need as far as assistance to include contract assistance from the Department of Transportation (DOT) or private contractors. All assets. The situation that did occur on Maui could have happened anywhere and because of dealing with any kind of windspeed, even above thirty-five (35) or forty (40) miles an hour, let alone seventy (70) miles an hour, is a firestorm that is just going to overrun all your assets. One of the key things following that would be public education and to build fire-resistant communities. That is the part of the process that we reached out to the Hawai'i Wildfire Management Organization to help with assistance. They have been around for a number of years, and they are very critical to the overall safety for our community. I think I have gone on a little bit too long. I apologize.

Councilmember Cowden: No, that is great. Thank you so much for that. I appreciate that.

Council Chair Rapozo: Are there any other questions? Go ahead.

(Councilmember Kagawa was noted as not present.)

Councilmember DeCosta: Thank you for your wealth of knowledge. You still came back and continue to serve the County. We could not pay a person with your expertise to be in that position, so thank you so much. You spoke about Lahaina, the fires, and fire mitigation, we had a big talk story with the fire marshal yesterday and just being able to learn from Lahaina, but it seems like things are not moving. I want to ask you this question. On Kaua'i, do you see potential Lahaina areas?

Council Chair Rapozo: I did not want to interrupt you during your amazing education, but this item is focused on the reimbursement of the Maui fires. If we want to have a wildfire discussion with KFD, we can do that in a Committee Meeting.

Councilmember DeCosta: I am sorry.

Council Chair Rapozo: No, you do not need to apologize. I am listening to this because there is so much good information, but the topic today is the reimbursement request for the deployment to Maui.

Councilmember DeCosta: I have no questions on that.

Mr. Kanoho: Alright. Thank you. I can answer any questions outside of this.

Council Chair Rapozo: Are there any other questions? If not, thank you very much.

Mr. Kanoho: Thank you.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Come on up, Bruce.

Councilmember Kualii: Chair, process-wise, the reason we are supposed to stay on point is because that is what is on the agenda and that is what the public was notified as on the agenda, so if you start having any other discussions, it is a violation.

Mr. Hart: For the record, Bruce Hart. I just want to say I am glad we were able to help out our neighbors. What we learned from this...what I would suggest is prevention. We are just going to have to knuckle down and whenever is a potential Lahaina, as Councilmember DeCosta asked, we are going to have to do what we can to fix it. There were too many lives lost. It is too much heartache. Again, as a member of the Kaua'i community, I am happy to be able to help our of Maui community, and offer my condolences to the people who are hurting. Thank you.

Council Chair Rapozo: Thank you. Is there anyone else in the audience wishing to testify? Seeing none.

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

The motion to approve C 2024-09 was then put, and unanimously carried (*Pursuant to Rule No. 5(b) or the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be noted as an affirmative for the motion*).

Council Chair Rapozo: The motion is carried. Next item, please.

C 2024-10 Communication (12/26/2023) from the Emergency Management Administrator, requesting Council approval to receive and expend funding awarded under the Federal Emergency Management Agency's (FEMA's) Hazard Mitigation Grant Program (HMGP DR-4549-02-02R) for Phase I of the Hanalei Hill Emergency Access Road project, in the amount of \$65,540.70.

Councilmember Kualifi moved to approve C 2024-10, seconded by Councilmember Carvalho.

Council Chair Rapozo: Go ahead. If you could, state your name for the record, please.

There being no objections, the rules were suspended.

DAVID KENNARD, Disaster Assistant Principal Project Manager: This is David Kennard. I work with the Kaua'i Emergency Management Agency.

Mr. Kanoho: Solomon Kanoho, Special Executive Officer of KEMA.

Council Chair Rapozo: You can just give us an overview of the request and if we ask questions, if we have any. Your request is pretty self-explanatory.

Mr. Kanoho: I will defer to David.

Mr. Kennard: After the events on the North Shore the last couple of years, it became clear that it would be useful to have an additional to get access to the North Shore if there were similar landslides to what we had before. Especially if there is inclement weather where helicopters cannot fly, a medical emergency, or other emergency, to be able to get emergency response vehicles down the hill and back up the hill seemed important. We have begun the discussions with the U.S. Fish and Wildlife Service (FWS) folks and with Kaua'i Island Utility Cooperative (KIUC) about access to the old government road that goes up the hillside there and to get it to a point where it could be used for emergency vehicles to access the North Shore.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: Just for clarification, I was looking at that this weekend. I think it is an area I have been asking for a while. We have the metal bridge, we have the road that goes back to the taro patch, and then there is the metal gate that swings open. Is that one end of it and the other one is up near the roundabout at Princeville?

Mr. Kennard: That is correct, if I understand what you are saying. There is a KIUC substation at the bottom of the hill. There is a gate that provides access to the substation and then the old government road that goes up to the top.

Councilmember Cowden: Does that road have the powerlines on it?

Mr. Kennard: No. I believe KIUC uses that road to access the powerlines, but the right-of-way to access the powerlines is separate from that road.

Councilmember Cowden: I think that would be a great piece, and I know that the community in Hanalei is asking for that. When I am driving up there right now, I see there is a crazy road going like this. It is scary with the excavator underneath it. What is going on there? It is right there on the face. Do you folks know?

Mr. Kanoho: I am not too familiar with the area you are talking about.

Councilmember Cowden: It is the slide. It goes like this. Do you not know?

Mr. Kanoho: This road was utilized in March 2021, when we had the initial slides. Part of this is for safety and due diligence to make sure that any personnel or community member who is injured who we need to bring up, that it is safe.

Councilmember Cowden: Is it behind the gate up there?

Mr. Kanoho: Yes. The road does cross in certain sections. The road does cross underneath the powerlines section, because it has an S-turn to it, but it does not follow or is not continuous underneath the powerlines.

Councilmember Cowden: Thank you. I want to walk it. Can I?

Mr. Kennard: You will have to ask U.S. Fish and Wildlife Service. They control it.

Councilmember Cowden: Okay.

Council Chair Rapozo: Are there any other questions? If not, thank you.

Mr. Kanoho: Thank you.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Seeing none. Is there any further discussion? Go ahead.

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

Councilmember Cowden: I just want to say it is desperately needed, long overdue, and I am really happy and shocked that it does not cost very much.

Council Chair Rapozo: This is Phase I.

Councilmember Cowden: Okay.

Council Chair Rapozo: It is Phase I, which means there will probably be a Phase II, so you are correct.

Councilmember Cowden: I was hopeful, and then I saw the low amount and thought, "In government money, that is nothing."

Council Chair Rapozo: That is just the *pupu*. Is there any other discussion?

The motion to approve C 2024-10 was then put, and unanimously carried (*Pursuant to Rule No. 5(b) or the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be noted as an affirmative for the motion*).

Council Chair Rapozo: The motion is carried. Next item, please.

C 2024-11 Communication (01/02/2024) from the Director of Economic Development, requesting Council approval to apply for, receive, and expend funds from the Hawai'i Tourism Authority, in the amount of \$47,520.00, to support funding for the continuation of coordination of cruise ship greetings at the Nāwiliwili Harbor for January through May 2024.

Councilmember Kualii moved to approve C 2024-11, seconded by Councilmember DeCosta.

Council Chair Rapozo: Are there any questions? Yes. Come on up.
Councilmember Cowden.

Councilmember Cowden: Is this going to be the Kūpuna program that was there that was great? Is it the same as what we did have.

Council Chair Rapozo: If you could state your name.

There being no objections, the rules were suspended.

Ms. Ka'auwai-Brun: I am sorry. Nalani Brun, Director of the Office of Economic Development. No, we actually came here a year ago asking for funds and the funds never came. As I think everyone here knows, Hawai'i Tourism Authority is sort of in a flux right now. This program is only for the first five (5) months of this year and right now we are in a holding pattern with the *kūpuna* because we cannot take them in and out. It is a tricky thing for us to get them onto property, because you have to have all these ID cards. We are planning our next round, which, hopefully, Hawai'i Tourism Authority will be whole and as of July, we can get additional points. At that point, we would incorporate the *kūpuna*. This program, for this first five (5) months, is basically (1) to again get the regular entertainers, which is about four (4) people to go down and entertain, and (2) we are finishing out semi-beautifying the sugar shack. We have murals now that have technological (tech) ability. You can go up to a mural. It is a beautiful mural, it has Hawaiian words, it has a lot of cultural significance, and you can hold your phone up and it will give you more information, including putting a *lei* on yourself and you can take a photo, there are flowers falling, and there is information for learning about the Nāwiliwili area. In the meantime, we are trying to prepare for the next round, which we will come back for, where we are hoping to reincorporate the *kūpuna*.

Councilmember Cowden: Is there *lei* making?

Ms. Ka'auwai-Brun: Not yet.

Councilmember Cowden: They are anxious.

Ms. Ka'auwai-Brun: I know.

Council Chair Rapozo: Are there any other questions. If not, thank you. Is there anyone in the audience wishing to testify? Seeing none. Is there any further discussion?

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

The motion to approve C 2024-11 was then put, and unanimously carried (*Pursuant to Rule No. 5(b) or the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be noted as an affirmative for the motion*).

Council Chair Rapozo: The motion is carried. Next item, please.

CLAIMS:

C 2024-13 Communication (12/11/2023) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Carol Kimura, for damage to her property, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2024-14 Communication (12/19/2023) from the County Clerk, transmitting a claim filed against the County of Kaua'i by M. Andrea Alfiler, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2024-15 Communication (12/21/2023) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Shantel Duarte, for personal injury to her child, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2024-16 Communication (12/22/2023) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Tyler Carr, for personal injuries and medical expenses, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Kuali'i moved to refer C 2024-13, C 2024-14, C 2024-15, and C 2024-16 to the Office of the County Attorney for disposition and/or report back to the Council, seconded by Councilmember Cowden.

Council Chair Rapozo: Is there any discussion? Is there anyone in the audience wishing to testimony? Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to refer C 2024-13, C 2024-14, C 2024-15, and C 2024-16 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and unanimously carried (*Pursuant to Rule 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be noted as an affirmative for the motion*).

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

COMMITTEE REPORTS:PUBLIC WORKS & VETERANS SERVICES COMMITTEE:

A report (No. CR-PWVS 2024-01) submitted by the Public Works & Veterans Services Committee, recommending that the following be Received for the Record:

“PWVS 2024-01 – Communication (11/30/2023) from Councilmember Kagawa, requesting the presence of the County Engineer, the State Department of Land and Natural Resources (DLNR), and Kaua‘i Island Utility Cooperative (KIUC) to provide a briefing regarding Awawa Road in Hanapēpē Valley including overgrown road shoulders and trees entangled in electrical wires,”

A report (No. CR-PWVS 2024-02) submitted by the Public Works & Veterans Services Committee, recommending that the following be Received for the Record:

“PWVS 2024-02 – Communication (12/13/2023) from Councilmember Cowden, requesting the presence of the County Engineer and the Environmental Services Manager, to provide a briefing regarding the plan to address the stipulations imposed by the Board of Land and Natural Resources (BLNR) for the upcoming landfill extension,”

Councilmember Kuali‘i moved for approval of the reports, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public or testimony?
Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for approval of the report was then put, and unanimously carried (*Pursuant to Rule 5(b) of the Rules of the Council of the County of Kaua‘i, Councilmember Kagawa was noted as silent (not present), but shall be recorded as an affirmative for the motion.*)

Council Chair Rapozo: Motion carried. Next item, please.

COMMITTEE OF THE WHOLE:

A report (No. CR-COW 2024-01) submitted by the Committee of the Whole, recommending that the following be Received for the Record:

“COW 2024-01 – Communication (10/30/2023) from Council Chair Rapozo, requesting the presence of Kirk K. Deitschman, Makai Watch Coordinator, State of Hawai‘i Department of Land and Natural Resources, Division of Conservation and Resources Enforcement, and Makaala Ka‘aumoana, Executive Director, Hanalei Watershed Hui, to provide a briefing on the State of Hawai‘i Department of Land and Natural Resources’ Makai Watch program and participating community programs on Kaua‘i,”

Councilmember Kualifi moved for approval of the report, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there anyone discussion or public testimony? Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for approval of the report was then put, and unanimously carried (*Pursuant to Rule 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be recorded as an affirmative for the motion.*)

Council Chair Rapozo: Motion carried. Next item, please.

RESOLUTIONS:

Resolution No. 2024-01 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE LIQUOR CONTROL COMMISSION (*Chad K. Pacheco*)

Councilmember Kualifi moved for adoption of Resolution No. 2024-01, seconded by Councilmember Cowden.

Council Chair Rapozo: Thank you. Is there any discussion or public testimony? Seeing none, roll call.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for adoption of Resolution No. 2024-01 was then put, and carried by the following vote:

FOR ADOPTION:	Bulosan, Carvalho, Cowden, DeCosta, Kagawa, Kualifi, Rapozo	TOTAL – 7*,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

(**Pursuant to Rule 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be recorded as an affirmative for the motion.*)

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Next item, please.

Resolution No. 2024-02 – RESOLUTION AUTHORIZING THE MAYOR OR THE DIRECTOR OF FINANCE OF THE COUNTY OF KAUAI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAII, DEPARTMENT OF HEALTH FOR A LOAN FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND FOR THE WAILUA WWTP IMPROVEMENTS PHASE II, PROJECT NO. C150055-08

Councilmember Kualii moved for adoption of Resolution No. 2024-02, seconded by Councilmember Carvalho.

Council Chair Rapozo: Thank you. Troy, you can give us an overview of the request.

There being no objections, the rules were suspended.

TROY K. TANIGAWA, County Engineer: Troy Tanigawa, County Engineer. This Resolution that we have asked you folks to consider is similar to prior resolutions where we have asked for approval to enter into this intergovernmental agreement with the State Department of Health to fund through, what I believe is, the State Revolving Fund (SRF) that funds wastewater facility improvements. This particular request before you is for permission to enter into this agreement for a fourteen-million-dollar loan to fund improvements at the Wailua Wastewater Treatment Plant. It is Phase II of a construction project that will help the wastewater treatment plant. It will pretty much bring it up to date with current equipment and facilities that they need to operate properly.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: Thank you for providing a breakdown of the costs. Can you help me to understand what process improvement means and what civil site work means?

Mr. Tanigawa: Civil site work is basically work where they are going to be preparing foundations. They are working with the ground to excavate, or do cut and fill. It is basically to prepare areas for construction. Process improvements are actual facilities at the treatment plant that are needed for the treatment process. For example, your filters that are used to filter suspended solids from the treated wastewater. That is one of the things they will be updating. It is those other types of facilities.

Councilmember Cowden: Is it fixing the existing and not building anew next to it? Is it fixing that...there are two (2) systems right next to each other. The

one that is more *makai* does not seem to be working anymore, if I am remembering correctly.

DONN T. KAKUDA, Civil Engineer VI: Donn Kakuda, Civil Engineer, Wastewater Division. This project is just to fix what we have. Our clarifier is broken, so this project will fix both clarifiers. It will also change the aeration basin and provide new pumps for the aeration. Also, with the filters, we have one (1) filter, and this project will add a second, so that we have redundancy. Right now, if our one (1) filter goes down, we do not have anything else.

Councilmember Cowden: Will this add capacity or just help make what we put in the ocean outflow be better or more healthy?

Mr. Kakuda: The plant is rated for one million five thousand (1,500,000) gallons per day, but in the condition it is now, we would probably rate it at one million (1,000,000) gallons. This basically will fix half ($\frac{1}{2}$) of the plant. The other phase will try to fix the other half ($\frac{1}{2}$). We are trying to get back to the point of our one million five hundred thousand (1,500,000) gallons.

Councilmember Cowden: Is it also cleaner when it goes out?

Mr. Kakuda: It is just more reliable. If we have two (2) filters and one (1) filter breaks, then we have time to fix it. Right now, we do not have that redundancy. The clarifiers will help, too.

Council Chair Rapozo: Help me to understand. You said that plant is one (1) plant, right?

Mr. Kakuda: It is one (1) plant.

Council Chair Rapozo: One million five hundred thousand (1,500,000) gallons per day is what it is rated at, but are you saying that we do not have that capacity right now?

Mr. Kakuda: Due to the disrepair, our consultants tell us we are rated at one million (1,000,000).

Council Chair Rapozo: We are rated at one million (1,000,000).

Mr. Kakuda: Currently.

Council Chair Rapozo: But are you saying that as it is today, with the disrepair, we cannot put out one million (1,000,000) gallons a day?

Mr. Kakuda: We can. I am saying that if we can fix it to its original, then we can get back to our one million five hundred thousand (1,500,000).

Council Chair Rapozo: How much available capacity do we have capacity in that plant? Do we have the capacity to add more users to that plant.

Mr. Kakuda: We currently take about six hundred thousand (600,000) gallons a day. Per State rules, once we reach seventy-five percent (75%), we must start designing an expansion. We could take on a little more before we get to that point, but once we get to that point, we would really need to be looking at where we would truthfully be moving the plant.

Council Chair Rapozo: Should we not be looking at that now?

Mr. Kakuda: We are. That is why in this past CIP budget we put in one million dollars (\$1,000,000) for a facility plan and we will ask for more money this year to look into it further.

Council Chair Rapozo: We will have a discussion. Troy and I just spoke last week, or whenever it was. I am interested in hearing what our sewer plan is, because I am concerned about where the plant is at, because it is so close to the ocean and it is in flood zone, or an inundation zone. We will have the discussion later, because it is not posted. My concern is, are we going to continue to keep fixing this with limited capacity, really. We cannot expand with the existing footprint. We need more land to expand, right?

(Councilmember Kagawa was noted as present.)

Mr. Kakuda: It is possible to expand on the site, but I think with what you are referring to—*tsunami* and floods—I think it would probably make more sense to move it.

Council Chair Rapozo: Right. Go somewhere else. I think that is the discussion we need to have. Where do we go? That is where we need to be focusing on now, instead of waiting until we get to seventy-five percent (75%).

Mr. Kakuda: That is why we will ask for more money to move those studies along.

Council Chair Rapozo: Okay.

Councilmember Cowden: I have not been there for four (4) or five (5) years and really looked at it deeply, but I do remember you can see rusted metal

coming through the concrete? Has that been addressed? Is that something that can be addressed?

Mr. Kakuda: It can be patched. Like I said, this project will handle half (½) the plant, so we will fix those things.

Councilmember Cowden: Those have not yet been fixed. My memory is and it sort of answers his question a little bit, we were facing a consent decree if we did not fix it right now, so we did not have the time to just invest in a new plant. We need to fix what is here now. Is that right?

Mr. Kakuda: The plant is in bad shape. If we do not fix it now, we will be in big trouble.

Councilmember Cowden: We had no choice.

Council Chair Rapozo: I have known that for years. It seems like we continue to put money in that plant.

Mr. Tanigawa: In short, wastewater treatment needs to be ongoing. It has to occur on a day-to-day basis. We have to fix what we have now, so we can continue that. Part of the fact plan process is to look at all of those things. It is to look at the existing plant, do we have enough space to add capacity there, or if we need to look elsewhere. All those things will be addressed.

Council Chair Rapozo: In our discussion, you said regardless of what we do, we need to fix that now.

Mr. Tanigawa: Correct.

Council Chair Rapozo: I am good with that. I am just saying that we really need to start thinking about going forward, and we need to do it sooner rather than later. Councilmember DeCosta.

Councilmember DeCosta: This is more of a construction question for you. I know stainless steel is the best route to go, and I know it is much more costly than cast iron and iron we previously used within the facility. With the upgrades that you are doing, are they short-term upgrades with cast iron and regular iron, or are you moving towards stainless steel, because of the salt and the area it is located in?

Mr. Kakuda: As much as possible, we try to go with 316 stainless steel as much as possible, but like you said, it is much more costly. For our other project, like even in Līhu'e, we try to go to 316 piping and whatnot.

Councilmember DeCosta: Thank you. This is long-term infrastructure costs we are going to...

Mr. Kakuda: Yes. Less maintenance is always better for us.

Councilmember DeCosta: We are too poor to go cheap.

Council Chair Rapozo: I will put that on a t-shirt. Councilmember Carvalho.

Councilmember Carvalho: No.

Council Chair Rapozo: I thought you had your hand up.

Councilmember Carvalho: We have had this discussion before.

Council Chair Rapozo: Yes, many times.

Councilmember Carvalho: I just wanted to point it out again. Relocation. We talked about this on Hawaiian Home Lands, and working on developing housing right across the street. That is still on the table, right? We talked about that. For now, though, you are saying we need to fix what we have with the intent of relocating it that will benefit our people. I just want to make sure that conversation is on the table and we are moving forward.

Council Chair Rapozo: Madam Clerk, can we look at scheduling a briefing on that exact topic? You can put it in the Public Works and Veterans Services Committee. We can have Donald and whoever else here, possibly the Department of Hawaiian Home Lands, for that discussion. Are there any other questions? If not, thank you, folks. Is there anyone in the audience wishing to testify? Seeing none, is there any further discussion? Go ahead.

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

Councilmember Cowden: I just really want to thank you folks for the work that you are doing and you know how important all this work is. I am just acknowledging that in case it sounded like I was not being grateful for moving forward. I especially want to thank our wastewater people who work at the plant there every day, and how they make a big difference for all of us. If any of them are watching, a big *mahalo* to you.

Council Chair Rapozo: Is there anyone else? One of the frustrations of being a dinosaur on this body is that it is like these things never go away. We talked

about this year and year out. We were talking about this way before Troy was there. Troy is here now trying to clean up the mess. The longer we wait, the more we pay. That is just how it works. We had this discussion when Councilmember Carvalho was the mayor, and I thought we were getting close to moving that thing across the street and onto land that can build a facility that can look at expanding sewer lines in the Homesteads and the Houselots, and adding more people on the sewer lines, so they do not need to go through the cesspool conversion. It is like we have always had this discussion, and today we are here looking for a fourteen-million-dollar loan to bring it up to standard. It is not to expand or do anything else. It is not your fault, Troy. You inherited this, but we need to make a decision. It is "fish or cut bait" time. It is the same with everything else. We need to decide and move, and we will pay the price. We are going to pay a price, because we allowed it to get to this point. We will schedule that briefing and we will see what we can do to move forward on expanding our sewer service so we can do a better job for the environment and for our people. Is there any other discussion? Go ahead, Councilmember Kagawa.

Councilmember Kagawa: I just wanted to comment that we receive a lot of complaints about the sewer bills from people who are hooked up to the sewers, especially those with a fixed income. One (1) or two (2) people flushing...their question is always, "Why do I pay the same amount as people who are not on a fixed income, working families with a lot of children?" The scary part is, with all these backlogged repairs, we will come back with a consultant who will say we need to double the sewer from what it is. These things have been put off over time...I do not want to say neglect or whatever, but you cannot wait until it is terrible with rust rotting through. It is just way too late. Where was the maintenance years ago when it was not so much of a big problem to fix? As Council Chair Rapozo said, it is frustrating. The mayor can only do so much. He has department heads, appointed people, civil servants getting paid a lot of money, so letting things get to this point is unacceptable. Now that we have these big costs coming up, even if it is matching, should we be looking at General Excise Tax (GET)? Things where we cannot use all for paving bridges and fixing bridges. Maybe use those moneys, instead of giving it to transportation. I believe there are way more important needs that we need to be creative. If we cannot use all those moneys for roads and bridges, then these types of things need to be used, because I cannot see...we are already getting complaints from people on the sewer system, and we will ask them to pay more because of all the neglect of the existing sewer treatment plants and lines. I am hoping that we can start fixing these problems before they become huge repair jobs. Thank you, Chair.

Council Chair Rapozo: In a couple of months when we go through budget, we will have the opportunity to redirect the direction of this County with CIP projects and move funds to where it needs to be for the things that we need to do rather than the things that we want to do. That is the bottom line. We set that, not the mayor or the Administration. We will make that determination. It will be up to us. Some projects will be cut if we want to move more money to work on our

wastewater and everything else that is falling apart. We will definitely have that discussion. With that, roll call.

The motion for adoption of Resolution No. 2024-02 was then put, and carried by the following vote:

FOR ADOPTION:	Bulosan, Carvalho, Cowden, DeCosta, Kagawa, Kualī'i, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Next item, please.

Resolution No. 2024-03 – RESOLUTION APPROVING THE HAWAII STATE ASSOCIATION OF COUNTIES SLATE OF OFFICERS FOR CALENDAR YEAR 2024

Councilmember Kualī'i moved for adoption of Resolution No. 2024-03, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony?
Seeing none, roll call.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for adoption of Resolution No. 2024-03 was then put, and carried by the following vote:

FOR ADOPTION:	Bulosan, Carvalho, Cowden, DeCosta, Kagawa, Kualī'i, Rapozo	TOTAL – 7*,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(*Pursuant to Rule 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Cowden was noted as silent, but shall be recorded as an affirmative for the motion.)*

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: Thank you. Next item, please.

Resolution No. 2024-04 – RESOLUTION URGING THE HAWAII STATE LEGISLATURE TO EXPRESSLY AUTHORIZE COUNTIES TO AMORTIZE NONCONFORMING SINGLE-FAMILY TRANSIENT VACATION RENTALS (TVRs)

Councilmember Kualii moved for adoption of Resolution No. 2024-04, seconded by Councilmember Carvalho.

Council Chair Rapozo: Is there any discussion or public testimony?
Thank you for your patience.

Councilmember Cowden: I want discussion.

Council Chair Rapozo: What was that?

Councilmember Cowden: I want to talk.

Council Chair Rapozo: Of course. We will have a discussion. I just want to take public testimony first.

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

HEIDI SCHEMP: Hi. I am Heidi Schemp. I came today, because I know it is just a letter. I heard that former Councilmember Luke Evslin, now Representative, was proposing this bill at the State level. I wrote you folks testimony, I sent an email, and I went through the list of Transient Vacation Nonconforming Units (TVNCUs), of which there are about four hundred forty (440). I compared what they are paying in property taxes. There are a number of them that seem to be mixed-use, so they were not coded specifically as vacation rental units. There is a little economic hit to the County, being that their property taxes were changed and GET and Transient Accommodation Taxes (TAT) that all those places pay, and then there is the effect to people, like myself, who manage these houses, clean these houses, and you would be surprised at the amount of repairs that these houses take. The other thing that I noticed was the addresses. If you look at the list, you will see it is Weke Road, Anini Road—the places where these homes are is surely not going to have a major effect on our normal people housing. Most of them seem to be on the North Shore. Most of them seem to be within a block of the beach, if not, right on the water. I understand the sentiment of the community that vacation rentals are not doing any favors for housing, and I agree, but I think that maybe instead of something like this, a better use of time and resources would be to not have more vacation rentals come into the mix, so somehow putting a stop. I know we have the visitor destination area (VDA), I do not know what percentage of Princeville is vacation

rentals versus nonvacation rentals, but maybe having less of those convert over to vacation rentals as they sell, change, or things happen. I think back on condominiums. A friend of mine used to live in Banyan Harbor. It was almost owner-occupied or long-term rentals, and now it is a vacation rental place. I think we need to focus on eliminating those coming off.

Council Chair Rapozo: Is there anyone else wishing to testify on this? You can have your second three (3) minutes.

Ms. Schemp: That is all. I did not mean to take up all the time. I just feel like we could put our uses in better places, and once there is already an established source of income or to have that pulled away from people like me, it affects the community, it affects these towns and streets. All we are going to do is add more security guards to literally streets that will be barren, so I just want you folks to think about all of that.

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

Council Chair Rapozo: Thank you. Let me start by saying and give some history that back in 2008 when we had this discussion, Jay Furfaro was the Council Chair, and the whole objective was to not grow the number of TVRs on the island. In fact, to your question about not allowing it anymore, it is illegal to have a TVR in a non-VDA area, unless you are a nonconforming use. For us, because the VDA does allow vacation rentals, we cannot take that away without paying the owners for a taking. It is a Constitutional right. The nonconforming use, the way the State law is written right now prohibits counties from amortizing the use of a nonconforming unit if it is a single-family residence. That is what we are asking. The reason our home values are high in certain areas is when you have a property that is a TVR and when you decide to sell, that property has an income generation machine built in, so naturally, you will have a higher market rate. It is just going to be, because the new buyer does not have to go through the process and would not be able to get a TVR anyway, because they are outside of a VDA. We have tried to get this law changed for many, many, many, many years. We made a very strong push, I think, at the Legislature in 2017, and it kept getting squashed because the lobby is so strong. The money involved is so much that they get the Legislature to kill it without even hearing it, which, to me, is unfair. This will allow this Council or any council, and I believe we have the support of all four (4) counties...we met yesterday. It will give this Council an opportunity to basically say, "If you sell your TVR, the use goes away." The new buyer does not get that right because it was a nonconforming use. In other words, at the time that we passed the law, the owner at that time was running a legal TVR because there was no prohibition. Why would the new buyer who was not running a TVR have that ability? That is where it stands today. The values of these homes are...even residential units in subdivisions that are legally operating as a

nonconforming use. I know, I have a few in my neighborhood in the Wailua Houselots. They are not close to the beach. I mean I guess it is. It is walking distance, if you like walking. I just got a text message last night from my neighbor because the house down...I do not know what they were doing. It was like they had a rock concert in their vacation rental. I was on O'ahu, but I would have walked down and told them to shut it down. This is what is happening in our neighborhoods and we cannot do anything about it because they are a nonconforming use. The idea back in 2008 was to get all the TVRs out of non-VDA areas at some point, because we are not a resort. Kaua'i is not a resort. We are an island with a residential community. That is what we are going to do. We are not a resort. We will not say, "Come and raid my house. I do not care. I will rent it out on a short-term basis." That is not what we are. That is why we do not have housing. I am so happy I met with Representative Luke Evslin yesterday. He supports it one hundred percent (100%). I am assuming he will be championing this through, but this to me does not affect the owner of the property, other than when he or she sells, the value will not be as much. But do you know what? They have enjoyed the earnings. They have enjoyed the benefits for a long time. I hope I can get the full support of this Council. Councilmember Cowden.

Councilmember Cowden: I have a legal question. When we are talking about providing amortization and phasing out, this has to go to State, can we consider an amendment in here that would put it in the VDAs and that there would be until it attritions down to a certain percentage, like fifty percent (50%) or sixty percent (60%) vacation rentals, because I actually remember when Weke Road was for normal people? In fact, I lived in four (4) different houses before I was thirty-three (33) years old on Weke Road. It used to be a teacher's aide, work in the pizza place, work in retail, teach surfing. You could live on Weke Road. Basically, we ruined our neighborhoods. It might be that it would end up being high-end. I appreciate the work you did, by the way. In here, she has our tax, what we make. If it ends up an empty house, and we still tax the heck out of them, you can see on the work that you did here, how concentrated it is on the North Shore. We eviscerated our communities. Places like Princeville and Po'ipū, the streets can be ninety-five percent (95%). It is like living in a motel. If we can change it right here, why can we not change it higher up? Why can we not change it in the VDA? I am looking at the 1982...I am trying to understand what happened in 1982, when we made those areas and we did nothing to protect the community in those areas. They have become a motel.

Council Chair Rapozo: Yes. Back in 1982, that is what they defined as the areas of visitor growth should happen.

Councilmember Cowden: Could we, if we wanted to? I am not saying I am introducing an amendment, but could we, if we wanted to, stick something up there on VDAs, so it can only go up to certain percentage, like if you have ninety-five percent (95%) of your neighborhood is a hotel?

Council Chair Rapozo: That is in our Code?

Councilmember Cowden: Is that in our County Code?

Council Chair Rapozo: Correct. With this, we are asking the State to change State Legislation. If you wanted to make a Code change, then that is a whole separate issue. This is pertaining to a specific law that already exists at the State level, a Hawai'i Revised Statute (HRS), that we want to allow this provision that will grant us authority to amortize?

Councilmember Cowden: It mentions the VDAs up here. Is the VDA not also at the State level?

Council Chair Rapozo: No, the County defines the VDA and the uses. A bill like that would probably have to go back to the Planning Commission and go through the Planning Commission process before it would come back to us.

Councilmember Cowden: A resolution like that?

Council Chair Rapozo: It would not be a resolution. It would need to be a bill, because you are looking at amending our Code. This is not. This is asking the State to allow us to amortize...basically, amend their State law to allow us to amortize.

Councilmember Cowden: It is not asking us if we can amortize in a VDA.

Council Chair Rapozo: No. I believe we have a better shot at getting the nonconforming use passed versus a right that they already have. You can get a TVR right now in a VDA, if you are in a VDA. You cannot do it outside the VDA. We have dealt with this issue for so many years at the State level, and I think we have a shot this year with Luke there. I really do. To creep into the VDA, I speculate that it would not see the light of day.

Councilmember Cowden: Okay. In our communities, it is like renting or buying commercial space. You cannot live in residential space.

Council Chair Rapozo: Again, in a few months we will be able to determine whether or not we want to charge these people a little more on property tax, because that is what they are. It is a commercial operation. It is not a residential operation. Go ahead. If you have any questions on the Resolution, I am here. If not, we can definitely do discussion.

Councilmember Kuali'i: I think it is brilliant. I think we should move forward. The clearest part with the thing you described was, if it is a use that is prohibited now, anyone newly trying to do it could not do it, so why are they being allowed to do it just because they bought it from someone who was allowed to do it. I think the argument is strong.

Council Chair Rapozo:

Councilmember DeCosta.

Councilmember DeCosta: I am looking at it from an economic standpoint and getting into the housing market. When you can draw revenue on a piece of property...let us say you had a duplex. You live on one side and you rent the other side out. You have a bed and breakfast. You have a TVR. That property generates revenue. When you go to sell that property, it is like dangling the carrot. The new buyer is like, "I can afford a larger mortgage, because I can get revenue off of this property." That person now has an advantage where they can draw revenue to pay a higher mortgage, but they still need to show revenue to apply to the bank to get the loan. Once we do this, that extra mortgage will not be able to be applied at the bank. Now, the price of that house will come down, and it will hit a new market of people that we are not hitting. We have a lot of local families who can get in the market around six hundred thousand dollars (\$600,000), maybe seven hundred thousand dollars (\$700,000), but if that house sells for one million one hundred thousand dollars (\$1,100,000) because that house brings in an extra three thousand dollars (\$3,000) a month in revenue. Now, that person can qualify for the one million one hundred thousand dollars (\$1,100,000) and that house will never reach our local target group, so I see the economics right now.

Council Chair Rapozo:
Councilmember Kuali'i.

Councilmember

Cowden,

then

Councilmember Cowden: I have a follow-up to that. That was definitely true five (5) or then (10) years ago. At least where the vast majority of these properties are, we have four-million-dollar teardowns in Hanalei. No one buys a house down there for one million two hundred thousand dollars (\$1,200,000). You cannot buy swamp land for one million two hundred thousand dollars (\$1,200,000). These are cash purchases for eight million dollars (\$8,000,000), ten million dollars (\$10,000,000), fifteen million dollars (\$15,000,000), four million dollars (\$4,000,000). They are all high. I will tell you that I am supportive of this, because for the places where I see it the most, this horse is already out of the barn. When these properties sell, no one buys a house for eight million dollars (\$8,000,000) and then rents it for one thousand dollars (\$1,000) a night or something like that. They go to either be empty houses or they go to be lived in by people who are extraordinarily wealthy, and maybe they are part-time, but they do not return even to the vacation rental market, so when you have seen me be supportive of the vacation rental market, it is because it flushes the small businesses. I will own that I had a

small business, and so when Hanalei is a motel, instead of an empty place with security guards, as you said, they still come out and they buy t-shirts and hats at night and go out to dinner. These properties, as they sell, are a financial instrument. They are even small, single-wall wooden houses and they are multi-million-dollar houses when they sell, so I do not really worry about...they do not get mortgages for these houses and they are in an inundation zone, so you cannot even insure them for what they are kind of worth, so you are buying a location. I am going to support it. It might be when I am looking...thank you for your work...the four (4) houses in Waimea, the two (2) houses in Lihue, and the four (4) houses in Moloa'a, might be affected, but it is not like the eighty-three (83) in Wainiha or the one hundred twenty-four (124) in Hanalei. We have already missed that window. Our houses are so crazy expensive. I am supporting it. We are not arguing. I am just adding to the information.

Council Chair Rapozo:

Is there any other discussion?

Councilmember Kualii: Yes. For me, it is not about revenue. It is more about restoring and protecting our neighborhoods that are outside of the VDA. Our non-tourism neighborhoods, which are becoming tourism neighborhoods, because they are illegal TVRs and whatnot popping up everywhere, or even the nonconforming ones that exists now, which should not have been there in the first place. The other point, too, about hopefully it is a correction of sorts to the property values. If your home is overvalued because there is a nonconforming TVR nearby that keeps reselling for ridiculous prices, they are not being sold as a long-term rental valued property or a regular single-family home property. They are being sold as revenue-generating property, so it is hiking the values up. This could correct that for those non-VDA neighborhoods, which are non-tourism neighborhoods.

Council Chair Rapozo: I am not an idiot. I realize some of the properties on the North Shore will never be sold to a local family at an affordable rate. When we do legislation resolutions, it is not about one (1) area. It is the whole island. Remember, a lot of these vacation rentals are not even legal. They are nonconforming, but they are not legally nonconforming, because they never got the permits. They just open them up and rent them out because they can. All I am saying is, Councilmember DeCosta, if you want to go out right now, buy a property, and have it as a TVR, you cannot. You just cannot. You are a local resident. You might get some money. "I will buy some property out here in a non-VDA, and I will do a TVR." No, you cannot. It is illegal. Now, John Doe from Los Angeles (LA) or wherever comes and buys a twelve-million-dollar property outside of the VDA, but because that person is allowed to do it now, he can, so you "suck wind," while he can. That is the disparity. That is what is wrong about this system that we have and our State Legislature needs to change this so we have the authority to say, "If you sell your house, your entitlement goes with it." That is not happening today. Do you think Coco Palms as it sits right there is worth forty million dollars (\$40,000,000), twenty-three million

dollars (\$23,000,000) or however much it is they want? That is worth garbage, but it is the permits and the entitlements that carry the value. It is the same with these doggone units. Allow the County to amortize, you enjoy it, while you have it you go ahead and charge two thousand dollars (\$2,000) or three thousand dollars (\$3,000) a night, have your bed and breakfast, drink mimosas in the morning, but when you sell, that new owner now has a house, not a miniature resort.

Councilmember Kualif'i: The wording you used goes with it, but it actually does not go with it? It does and now you just have a house.

Council Chair Rapozo: This is step 1. We need to get the State to allow us to amortize the use. The language is broad because some counties may want to amortize without waiting for the sale. I think Maui is looking at not even waiting for them to sell. We will just amortize after five (5) years. This will allow you to do that. I am not looking to do that. Give the person the use. Do we want to take away revenue from someone who has a business? No, we do not, but when you sell that, it is over. The new buyer is buying a house, not a business. That is how I am seeing this. That is my intent.

Councilmember Kualif'i: That makes it clear.

Council Chair Rapozo: But who knows, I may not even be here next year.

Councilmember Cowden: I just want to add one other thing in there to support you. I was just down there as we were fixing 'Aliomanu Road and we had a community meeting right there at 'Aliomanu Road.

Council Chair Rapozo: Thank you for stopping the riot.

Councilmember Cowden: I was there and I did help. I tried and it was affective. People who were the most humbug about the road repair being inconvenient were recent purchasers of TVRs, and I just had to put it clearly to them, "If you bought a house, whether it was on your disclosure or not, and you see the road has cantilevered away, more than one (1) lane is missing, and pounding ocean is right there, you got notice. If they are buying a business down there, it is not my problem.

Council Chair Rapozo: Exactly. I will put that on my t-shirt, too. "Not my problem."

Councilmember Cowden: I do not mean any disrespect, that it was a problem.

Council Chair Rapozo: We often reminisce about the old days, and we almost often reminisce about some of the things we did in our communities and neighborhoods when we were young. Do you remember running through the dichlorodiphenyltrichloroethane (DDT) spray? It was killing mosquitos, while we are sniffing the spray. That is why we are all “wacko” today. When you start thinking about the communities that we grew up in, it is gone, and a lot of it is gone because the communities have changed and we have replaced family homes with vacation rentals. When you talk to Maui, O’ahu, and Hawai’i Island, they are all struggling with the same thing. Will there be a fiscal impact to the County? Absolutely, because they pay a lot of taxes. Like Councilmember Kualii said, which I agree with, it is not about the finances. It is about keeping our communities as a community, and making sure our children know their neighbors instead of having a new set of neighbors every three (3) days. Some of them are not the happiest either. They spent all that money to come here to be a grouch. Stay home. Just stay home. It is terrible. Is there any other discussion? Go ahead.

Councilmember DeCosta: I want to challenge you and Councilmember Kualii. I need to, because I have my colleague, Councilmember Kagawa. We are both from the business mind. We say it is an economic opinion. You will now have houses that cannot sell for that higher price in the market at a lower price, because they cannot earn revenue from the TVR. It is a Catch-22. It is about the community, but it is also about creating more dwellings that people in the middle class can afford. Here is the thing. Vote for whatever it is worth. Chicken crowing, dog barking. Our communities have lost that. We created ordinance that is conducive to the Mainland U.S. style of living. You bring back some of those chickens in the yard, dogs in the pen, and that old school way, trust me, that TVR and the wealthy neighbor from LA will not want to buy in that neighborhood. Thank you. All I am saying is for someone to think about it.

Council Chair Rapozo: We should just encourage more chickens and dogs.

Councilmember DeCosta: Go back to farming in rural areas, raising hunting dogs and fighting roosters, and whatnot. That way, if your neighbor is not from here, he or she would not want to live here. End of story. Fix the problem.

Council Chair Rapozo: We have some visitors in the audience.

Councilmember DeCosta: I would like to know. Do you like chickens? Do you like dogs?

Council Chair Rapozo: We will bring him up in a little bit. We will wrap this up and I want to bring him up. We will get there. Let us get through this. Go ahead, Councilmember Bulosan.

Councilmember Bulosan: I am fully in support of this Resolution. Thank you, Chair, for presenting it. I wish we got that done in 2008, because we could have avoided a lot of these problems that we are facing. It could have saved a lot of families, but it is the same thing that we have had conversations about. I am glad that we have potential support and that it may come up in legislation. I hope our State really looks at this as one of the top priorities that can make things change very quickly for all of us, so I hope they do not take this lightly as we send this Resolution out to them.

Council Chair Rapozo: Thank you. Councilmember Carvalho.

Councilmember Carvalho: I fully support it. Let us go. We had discussion yesterday, as far as the State level.

Council Chair Rapozo: Yes, we did.

Councilmember Carvalho: I think we are all good for this opportunity.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: I support this one hundred percent (100%). I think going back to the beginnings of TVRs and bed and breakfasts (B&Bs) in our neighborhoods was a huge mistake. It is faced by the whole State of Hawai'i that somewhere along it started, we let residentials become rentals for visitors. I think it was a huge mistake. Whatever means we take to take away that right is something I think I will always support. Thank you, Chair.

Council Chair Rapozo: Is there anyone else? Again, I will just say that we need to recognize the fact that tourism is our industry. If you think we will replace tourism with high technology (high tech) or agriculture, it will just not happen. We are a visitor destination, and for the visitors who are here, even if we took off all these TVRs in residential areas, there is still a lot of room for you folks. We welcome you folks. We welcome everyone here. I do not think it will have an impact on our visitor industry. With that, roll call.

The motion for adoption of Resolution No. 2024-04 was then put, and carried by the following vote:

FOR ADOPTION:	Bulosan, Carvalho, Cowden, DeCosta, Kagawa, Kualii, Rapozo	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: With that, we will break for lunch. We have an Executive Session that we need to go into.

(Councilmember Kagawa was noted as not present.)

Council Chair Rapozo: Like we do with our certificates, we will take a recess, and we will invite my good friend Dickie Chang up here and his good friend. I know you folks are wondering who he is. Maybe some of you recognize him. I do not, because he is usually wearing a football helmet. Please keep the camera rolling. We will break for lunch and we will be back.

Councilmember DeCosta: I would like to say something.

Council Chair Rapozo: Go ahead.

Councilmember DeCosta: Who was using a football helmet?

Council Chair Rapozo: We will talk about it.

Councilmember DeCosta: I know that, but I have an intuition right. I want to say I saw this person on television (TV) with a helmet. I wanted to say that before I try to take credit after you make it apparent. I know it is not Dickie. I think it is this person. Am I right?

Council Chair Rapozo: Dickie wears a crash helmet. With that, we will break for lunch and we will resume in Executive Session, after the Clerk reads us into Executive Session. Hold on. We need to do this.

EXECUTIVE SESSION:

ES-1114 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session to provide a briefing and request for settlement authority in the case of Paul Applegate vs. County of Kaua'i, et al., Case No. CV21-00364 (United States District Court for the District of Hawai'i), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

(Councilmember Kualii was noted as not present.)

ES-1115 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to

provide the Council with a briefing, discussion, and consultation regarding the Quarterly Report on Pending and Denied Claims. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

(Councilmember Kagawa was noted as present.)

ES-1116 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session to deliberate and decide on Chief of Police, Todd Raybuck's request for reimbursement of attorneys' fees from Applegate vs. County of Kaua'i et al., Case No. CV21-00364. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Kagawa moved to convene in Executive Session for ES-1114, ES-1115, and ES-1116, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there any discussion or public testimony?
Seeing none, roll call.

(Councilmember Kualii was noted as present.)

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to convene in Executive Session for ES-1114, ES-1115, and ES-1116 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Bulosan, Carvalho, Cowden, DeCosta, Kagawa, Kualii, Rapozo	TOTAL – 7,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Council Chair Rapozo: With that, we will break for lunch and convene in the Executive Session Chambers at 1:30 p.m. We have our Special Emergency Council Meeting that will occur at 2:00 p.m., or shortly thereafter. With that, we will break for lunch, but keep the camera rolling.

There being no objections, the meeting recessed at 12:17 p.m., to convene in Executive Session.

The meeting reconvened at 2:13 p.m., and proceeded as follows:

Council Chair Rapozo: Mr. Bracken, if you could.

There being no objections, the rules were suspended.

MATTHEW M. BRACKEN, County Attorney: Matt Bracken, County Attorney. In regard to ES-1114 and ES-1116, these are both Executive Sessions related to the pending lawsuit. Discussions regarding that pending lawsuit must remain confidential through the County's interest. ES-1115 was a discussion about pending claims. Those discussions must also remain confidential. If and when claims are approved, they are put on the Open Session of the Council's agenda, like earlier today, and they are available at that time for the public. Thank you.

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

Council Chair Rapozo: Are there any questions for the attorney? If not, thank you very much. With that, our Council meeting is adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 2:14 p.m.

Respectfully submitted,

A handwritten signature in dark ink, consisting of a large, stylized loop followed by a horizontal stroke extending to the right.

JADE K. FOUNTAIN-TANIGAWA
County Clerk