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**STATE OF HAWAII
LAND USE COMMISSION**

Meeting held on June 20, 2024

Commencing at 10:00 a.m.

Held at

University of Hawaii Maui College

Pilina Event Center

310 W. Ka'ahumanu Avenue

Kahului, HI 96732

VII. CALL TO ORDER

VIII. A11-792 Department of Housing and Human Concerns, County of Maui

Status and progress report and action (if necessary) in response to the recently submitted 2019-2023 annual report.

Approximately 73,000 acres in Lanai City, Island of Lanai, State of Hawaii, TMK (2) 4-9-2: portion of 58

IX. ADJOURNMENT

BEFORE :



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PARTICIPANTS

LUC COMMISSIONERS :

Dan Giovanni, Chair

Lee Ohigashi

George Atta

Mel Kahele

Michael Yamane

Brian Lee

Nancy Carr Smith

Ku'ikeokalani Kamakea-Ohelo

LUC STAFF :

Daniel Orodener, Executive Officer

Scott Derrickson, Chief Planner

Martina Segura, Staff Planner

Ariana Kwan, Chief Clerk

Miranda Steed, Esq., Deputy Attorney General

OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT :

Alison Kato, Esq., Deputy Attorney General

Aaron Setogawa, Senior Planner

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PARTICIPANTS (CONTINUED)

MAUI COUNTY DEPARTMENT OF HOUSING AND HUMAN CONCERNS:

Josiah Nashida, Managing Director

Buddy Almeida, Housing Administrator

Mimi DesJardins, Esq., First Deputy Corporation Counsel

1 **CHAIR GIOVANNI:** Aloha mai kakou. Good
2 morning. This is the June 20, 2024 Land Use
3 Commission Meeting. This is an in-person meeting
4 being held at the University of Hawai'i Maui College
5 Student Lounge Piina, 310 West Ka'ahumanu Avenue,
6 Kahului, Hawaii 96732.

7 This meeting is open to the public. Court
8 reporting transcriptions are being done from a
9 recording a Zoom recording of this meeting.

10 For all meeting participants, I'd like to
11 stress the importance of speaking slowly, clearly,
12 and directly into your microphone. And before
13 speaking please state your name and identify
14 yourself for the record.

15 So even though this is an in-person
16 meeting, please be aware that all meeting
17 participants are being recorded on the digital
18 record of this Zoom meeting and it will be posted on
19 YouTube and it will be used for court reporting
20 purposes.

21 So your continued participation is your
22 implied consent to be part of the public record of
23 this event. If you do not wish to be part of the
24 public record you should exit the meeting now.

25 I also share with all participants that

1 depending on the duration of today's meeting I will
2 be taking breaks from time to time -- normally five
3 minutes every hour. And if we proceed through
4 lunchtime I will be taking a lunch break.

5 My name is Dan Giovanni. And I have the
6 pleasure to serve as the LUC Chair. We currently
7 have eight seated commissioners, all of which are
8 here today. And along with me are Commissioner Lee
9 Ohigashi from Maui. This is actually his last
10 meeting.

11 Commissioner Kamakea-Ohelo; Commissioner
12 George Atta, also his last meeting, George;
13 Commissioner Mel Kahele and Commissioner Brian Lee,
14 all from Oahu; Commissioner Nancy Carr Smith from
15 the Hawaii Island; and Commissioner Michael Yamane
16 from Kauai.

17 Also in attendance are LUC executive
18 officer Daniel Orodener, LUC Chief Planner Scott
19 Derrickson, LUC Staff Planner Martina Segura, LUC
20 Chief Clerk Ariana Kwan, and seated to my right LUC
21 Attorney General Deputy Attorney General Miranda
22 Steed.

23 Our seventh order of business for this
24 two-day meeting is a status and progress report for
25 A11-791 from the Department of Housing and Human

1 Concerns, County of Maui, in response to the
2 recently submitted 2019 to 2023 annual report.

3 The original district boundary amendment
4 for this petitional area was for approximately
5 73,000 acres in Lana'i City on the Island of Lana'i.
6 At this time I'd like the parties to identify
7 themselves for the record, starting with the
8 petitioner.

9 **MR. NISHITA:** Josiah Nashida, managing
10 director for the County of Maui.

11 **MR. ALMEIDA:** Buddy Almeida, housing
12 administrator for the County of Maui.

13 **MS. DESJARDINS:** Good morning, Chair.
14 Good morning, Commissioners and staff. First Deputy
15 Mimi DesJardins, corporation counsel, on behalf of
16 the County of Maui.

17 **CHAIR GIOVANNI:** Thank you. From the
18 State?

19 Good morning. Alison Kato, Deputy
20 Attorney General for the Office of Planning and
21 Sustainable Development and Aaron Setogawa from the
22 Office of Planning and Sustainable Development.
23 Thank you.

24 **CHAIR GIOVANNI:** Ms. DesJardins, I just
25 want to clarify -- are you representing the County

1 or the Department of Housing and Human Concerns
2 within the County or the Planning Department?

3 **MS. DESJARDINS:** Thank you, Chair. I'm
4 here representing the Department of Housing and
5 Human Concerns for the County of Maui. Thank you.
6 And then we will be getting an update status from
7 the managing directors.

8 Just for clarity, the managing director's
9 office has also been involved in the development of
10 this progress of this development so they're both
11 here.

12 **CHAIR GIOVANNI:** Okay. I think it'll
13 become clearer as we proceed. Let me briefly
14 describe our procedure for today. First I'd like --
15 I will ask our -- my fellow commissioners if there
16 are any conflicts of interest or disclosures that
17 they would like to make and then I will update the
18 record accordingly.

19 Then I will recognize written public
20 testimony that has been submitted on this matter,
21 identifying the person or organizations who have
22 submitted the written testimony.

23 Next I will call on members of the public
24 who wish to testify on the status and progress
25 report. Members of the public will each have a few

1 minutes to provide their testimony and should stand
2 by after their testimony to respond to any questions
3 from the parties or the commissioners.

4 When all questions and -- have been
5 completed, the Chair will excuse the witness and
6 call the next witness to testify.

7 After completion of the public testimony
8 portion of the proceedings, the Chair would like the
9 petitioners to provide their status report. The
10 Chair will then call on OPSD and the County Planning
11 Department, if appropriate, for comment regarding
12 the status report.

13 The petitioners will then be allowed to
14 respond to comments made by the County and the
15 State. The commissioners will ask questions of the
16 party at the conclusion of each of their
17 presentations.

18 At the conclusion of the parties'
19 testimony and the commissioners' questions, the
20 public will be granted a second opportunity to
21 provide public testimony in the same manner set
22 forth previously.

23 Once all the testimony concludes the
24 Commission will enter into deliberations regarding
25 the status report and decide if any action is

1 necessary.

2 At this time I'd like to address whether
3 or not we have any conflicts of interest of
4 disclosures. So in accordance with HRS 84-14,
5 commissioners are not allowed to take any official
6 action affecting any business in which they or a
7 member of their family has a financial interest.

8 They must therefore recuse themselves from
9 this matter if there would be any benefit, monetary
10 or otherwise, to themselves or members of their
11 family.

12 Also in accordance with legal, ethical
13 standards, commissioners should disclose any
14 relationship -- business, social, or otherwise --
15 that they may have with the petitioner or his
16 representatives or any other parties to this
17 proceeding that give -- that may give rise to an
18 allegation of bias or impropriety.

19 Commissioners, do any of you have a
20 conflict of interest or disclosure that you'd like
21 to make at this time? Seeing none, we will proceed
22 on the basis that there is none.

23 Please be informed that relevant records and
24 documents pertaining to this matter can be accessed
25 for review on the public LUC website. That can be

1 found at <https://luc.hawaii.gov/all-792>.

2 Public testimony. Ms. Kwan, has any
3 written public testimony been received on this
4 matter?

5 **MS. KWAN:** Yes, Mr. Chair. We've received
6 three written testimony on Monday and one on
7 Tuesday.

8 **CHAIR GIOVANNI:** Pardon me. Could you say
9 that again a little slower? I didn't quite get it.

10 **MS. KWAN:** Sorry. We received three
11 written testimonies on Monday and one on Tuesday.
12 All four have been posted to the website. And we
13 haven't checked the email box since.

14 **CHAIR GIOVANNI:** Okay, thank you. Ms.
15 Kwan, is there any member of the public that wish to
16 provide testimony today?

17 **MS. KWAN:** No, Mr. Chair.

18 **CHAIR GIOVANNI:** Very well. So we'll now
19 proceed, excuse me, to the status report. And I'd
20 like to call on County of Maui, the Department of
21 Housing and Human Concerns. Will you please provide
22 your status report?

23 **MS. DESJARDINS:** Chair, Mimi DesJardins.
24 The way that we are going to structure this is that
25 I will be giving an overview for the commissioners

1 as to the progress up to the point of the status
2 report.

3 Mr. Almeida is here in case there are
4 questions that DHHC can answer. And then Mr.
5 Nishita will be providing a further update from the
6 date of the status report because there's been a
7 significant amount of development between January
8 and now on this project that we'd like to present if
9 that's acceptable to you.

10 **CHAIR GIOVANNI:** That sounds great. So
11 why don't we swear in the two gentlemen that are
12 with you so we don't have to interrupt the
13 presentation. So would you state your name and your
14 position and then I'll swear you in.

15 **MR. ALMEIDA:** Thank you, Chair. Buddy
16 Almeida, housing administrator for the County of
17 Maui.

18 **CHAIR GIOVANNI:** Thank you, Mr. Almeida.
19 Do you swear that the testimony you're about to give
20 today will be the truth?

21 **MR. ALMEIDA:** I do.

22 **CHAIR GIOVANNI:** Thank you.

23 **MR. NISHITA:** Josiah Nishita, managing
24 director for the County of Maui.

25 **CHAIR GIOVANNI:** Mr. Nishita, do you swear

1 the testimony you're about to give today will be the
2 truth?

3 **MR. NISHITA:** I do. Thank you.

4 **CHAIR GIOVANNI:** Okay, great. We may
5 proceed.

6 **MS. DESJARDINS:** Thank you, Chair. Thank
7 you, commissioners. The county-wide policy plan for
8 Maui County, as you know, includes a substantial
9 objective of increasing and maintaining affordable
10 housing inventory through the prioritization of
11 available infrastructure capacity.

12 This project had its genesis back in March
13 of 2010 when the Department of Housing and Human
14 Concerns applied for and was approved for a 201H-38
15 project through the County of Maui County Council.

16 At that time the proposed project
17 consisted of approximately 372 units. 199 were
18 proposed for-sale units. 173 would be for-sale and
19 rental of multi-family units.

20 There were numerous conditions that were
21 imposed by the County Council. And one of -- or
22 many of those conditions involved the Department of
23 Housing and Human Concerns providing updates to the
24 planning director during this process in order for
25 the planning director to be apprised of what was

1 happening.

2 At that time it was also contemplated that
3 the County would have to apply through DHHC to the
4 Land Use Commission for a district boundary
5 amendment because the footprint for this project is
6 substantially larger than the less than 15 acres
7 which would have been allowed for our council to
8 approve that district boundary amendment.

9 The contemplated project was to consist of
10 approximately five phases. And at the time in June
11 2011 when the Land Use Commission issued its
12 decision and order on the 73,000 acres, which is
13 located in Lana'i City, the project had changed
14 slightly in numbers.

15 It was then represented to be
16 approximately 425 residential units, 208 units
17 having a 6,000 square-foot minimum lot size. That
18 was a condition imposed by the County Council in
19 their modification of the approval. And 217 units
20 would be multi-family use units.

21 There was also a condition placed by this
22 Commission as that there would be two parks, which
23 was consistent with a park requirement of 2.38 acres
24 established by the resolution by the County Council.

25 So even back in its progress towards

1 getting its DBA approval and its 201H-38 approval,
2 you can see that the project had changed somewhat
3 even in course back then. There was an
4 acknowledgement of about 17 years to complete this
5 project in five phases, which would put the
6 completion
7 of this project somewhere around 2028 to 2030.

8 Because the County was not able to
9 establish a timetable for each increment this body,
10 through a declaratory ruling, waived that time
11 requirement. And so there isn't anything in your
12 D&O that says when each of those increments needs to
13 be completed.

14 The challenges with this project involve
15 mostly around infrastructure. And when Mr. Nishita
16 gives his update he will also be letting you know
17 that since the time of the approvals for this
18 project two things have happened.

19 One is the Hokuao Project, which was
20 sponsored by Pulama Lana'i. And that's a for-rent
21 project. It did receive approval by the County and
22 is actually built. That is adjacent to this
23 property.

24 One of the conditions that was placed on
25 Hokuao during the Council's deliberations was that

1 they stub-out to the border of their property. And
2 I have the wording here -- excuse me -- "a necessary
3 infrastructure stub in to assist the County in its
4 development of this project."

5 **CHAIR GIOVANNI:** I'm sorry. I'm sorry.
6 Could you repeat that last part again? That was a
7 little confusing.

8 **MS. DESJARDINS:** So part of the
9 requirements in the Hokuao Project was that they
10 stub-out to the border of their project
11 infrastructure mechanisms that would allow the
12 County to hook up and to help assist because one of
13 the issues was that this project was stalling
14 substantially because of infrastructure issues.

15 I also know that DHHL is in the process of
16 also developing adjacent to this. So the good news
17 is that we have some movement on necessary
18 infrastructure, which has been obviously our
19 greatest challenge.

20 So fast forward to approximately January.
21 The Department of Housing and Human Concerns did
22 receive notice from you folks that they were
23 substantially delinquent on their reporting of this
24 project.

25 And based on the letter dated -- I believe

1 it was in January -- you folks did advise DHHC to
2 appear today to provide a status report. That was
3 Mr. Orodener's letter of January 29, 2024.

4 I checked with the Planning Department and
5 they did not have comments to provide to you folks
6 today because really nothing in their wheelhouse has
7 occurred since the approvals were given back in 2010
8 and 2011. So I'm comfortable in representing that
9 to you.

10 I do have DHHC here. But I do want to
11 make one slight correction to the most recent status
12 report. And that was the one that was provided on
13 February 21st which spanned a number of years.

14 It does say in there that an updated
15 master plan was developed in 2019. That actually is
16 a draft master plan. That is not a final master
17 plan. And why that's important will become more
18 relevant when Mr. Nishita gives you his update.

19 So that brings us currently to where we
20 are. And then I would ask that you folks -- if you
21 have any questions of me, that's great. Otherwise
22 if we could hear from Mr. Nishita that might be
23 helpful. Thank you.

24 **CHAIR GIOVANNI:** So I think it's -- just
25 for procedural purposes we'll let the presentation

1 proceed as you stated. And then the part about
2 nothing in DPP's wheelhouse -- I'll call on you
3 again to state that officially representing DPP.

4 **COMMISSIONER OHIGASHI:** Mr. Chair --

5 **CHAIR GIOVANNI:** Yeah?

6 **MS. DESJARDINS:** Thank you.

7 **COMMISSIONER OHIGASHI:** Can I just ask one
8 question? When was the Pulama Lana'i Project? When
9 was that implemented?

10 **MS. DESJARDINS:** Thank you, Member
11 Ohigashi. I do have the resolution in front of me.
12 Hold on. I know the project was completed this year
13 if I'm not mistaken. But that resolution approving
14 that project was in 2021. That was adopted
15 September 2021.

16 And I can read to you the modification
17 that I referred to. It said that the developer must
18 develop a stub-out for water and a stub-out for
19 wastewater in coordination with and for the use of
20 the County's Lana'i Affordable Housing Project on
21 the parcel adjacent to the Hokuao Project. Thank
22 you.

23 **CHAIR GIOVANNI:** Okay, Mr. Nishita, you
24 may proceed.

25 **JOSIAH NISHITA,** having first been duly sworn to tell

1 the truth, testified as follows:

2 **MR. NISHITA:** Thank you very much, Chair.

3 **CHAIR GIOVANNI:** State your name again for
4 the record.

5 **MR. NISHITA:** Joshia Nishita, managing
6 director with the County of Maui. Thank you for
7 allowing us to be here today. And before I begin my
8 presentation, I didn't realize this was Lee's last
9 meeting.

10 But big appreciation to you, Lee, for all
11 your work not only on the State Land Use Commission
12 but in other areas of our community. You and your
13 whole family have been great for our community so
14 express our appreciation to you.

15 Just to continue kind of where our
16 corporation counsel left off, you know, efforts
17 really started picking up steam I think with more
18 coordination between the two adjacent property
19 owners, which would be Department of Hawaiian
20 Homelands and then Pulama Lana'i and in the
21 aftermath of the August 2023 wildfires.

22 So we did have a lot of households
23 relocate out of West Maui into other areas of our
24 community, some of that being Lana'i as well as
25 other places across the county of Maui, state of

1 Hawaii, and United States.

2 We did approach and talk to a variety of
3 entities, you know, to potentially pursue this
4 project as we're looking for, quote unquote, more
5 "shovel-ready projects" that we can bring online as
6 quickly as possible.

7 Given that it has some existing
8 entitlements and the fact that Pulama Lana'i had
9 already proceeded with their project, including
10 bringing a lot of infrastructure to the property
11 line, this made sense in a variety of ways as well
12 as the overall need in the community and then the
13 lack of significant investment, I think, over recent
14 years in that community in terms of housing for the
15 residents there.

16 I know staff mentioned earlier that --
17 what testimony had been received to-date. The
18 developer that we're working with did submit
19 testimony to you folks today. Apologies for the
20 late submission.

21 But it does include a lot of additional
22 information that I think would be helpful for the
23 Commission to review at a later point. And of
24 course following this we're happy to continue to
25 provide status updates as needed.

1 We did in this latest round of -- just to
2 backtrack a little bit, I think what our corporation
3 counsel mentioned was the cost of infrastructure
4 being one of the significant barriers to entry here.

5 We did submit for a congressionally-
6 directed spending and community project funding
7 request with our federal delegation. That did make
8 it through each of our members of our federal
9 delegation to the Appropriations Committees.

10 And so we're waiting to hear a hopefully
11 favorable determination on that. But that was for
12 approximately \$7.1 million for additional
13 infrastructure improvements that would be needed.

14 Additionally since the project was kind of
15 first being developed, the Department of Hawaiian
16 Homelands did receive a significant tranche of
17 funding as well as our more recently our Maui County
18 Council appropriated or determined in our Maui
19 County Code that DHHL would be a recipient of 20
20 percent of our general excise tax funds collected
21 here in the county of Maui.

22 So we have been in discussions with them
23 as well as the developer has had discussions with
24 them regarding potential use of that funding and
25 ways we could partner together on their adjacent

1 land here on Lana'i.

2 So I think a confluence of different types
3 of factors and events have led us to be able to
4 really take -- pick the ball up and get this project
5 going.

6 We do have a will-serve letter from the
7 Lana'i Water Company. And we will provide sewer to
8 the property. So I know that that was stipulated as
9 a part of the conditions.

10 Our plan right now is to pursue Phase 1 of
11 what was approved. Our corporation counsel
12 mentioned the updated master plan. Our team is
13 pursuing the Phase 1 development as to the approved
14 2010 master plan.

15 And then in discussions with community
16 members, as you can imagine, significant changes has
17 occurred over the years in that community in maybe
18 the desire and need for different types of housing.

19 And so our anticipation is we will pursue
20 the Phase 1 in compliance with the conditions set
21 forth by the State Land Use Commission and the 201H
22 approval.

23 And we may be back to this body for
24 additional changes for future phases to accommodate
25 some of the changes in the community and expressions

1 that we've heard, particularly as it relates to,
2 like, the need for more senior housing, multi-family
3 housing, and other types of mixes.

4 The developer we're working with is going
5 to be pursuing LIHTC funding in February of next
6 year. And we're working on getting the agreement
7 together through the County Council before the end
8 of this year.

9 The anticipation is if we're awarded the
10 LIHTC funding and the federal funding that we've
11 requested, which it appears we have a fairly good
12 chance at receiving, we do anticipate the developer
13 would be able to start ground-altering activities as
14 early as the end of next year with a completion
15 likely within about 18 or maybe less than 24 months.

16 So that's kind of our anticipation of what
17 we're working with. Of course there's significant
18 challenges to developing on Lana'i, particularly the
19 workforce and housing for additional contractors and
20 equipment and whatnot.

21 So you know, we will and can keep the LUC
22 updated as to any challenges we face, but that's our
23 anticipation at this moment. I think that would be
24 it for kind of my high-level presentation. And I'd
25 be happy to address any questions when the time

1 comes. Thank you very much, Chair.

2 **CHAIR GIOVANNI:** Any more presentation at
3 this time or just shall we go to Q&A?

4 **MS. DESJARDINS:** Thank you, Chair. I
5 believe we're ready to go to Q&A.

6 **CHAIR GIOVANNI:** Okay, thank you.
7 Commissioners, any questions? Commissioner Yamane?

8 **COMMISSIONER YAMANE:** Thank you, Mr.
9 Chair. Question on the stub-outs for
10 infrastructure. What was that for electrical,
11 water, sewer? Because my understanding is Hokuao is
12 off-grid so I'm curious about the stub-outs. What
13 infrastructure stub-outs was that for?

14 **MS. DESJARDINS:** Thank you for the
15 question. According to the modification it was a
16 stub-out for water and for wastewater.

17 **COMMISSIONER YAMANE:** Thank you.

18 **CHAIR GIOVANNI:** Commission Carr Smith?

19 **COMMISSIONER CARR SMITH:** Thank you. So
20 is that true? Is it off-grid -- that area?

21 **MS. DESJARDINS:** Thank you, Commissioner.
22 I am not aware that that's off-grid. My
23 understanding was it was on-grid but I could be
24 completely mistaken.

25 I was pretty involved in the development

1 of this. And I don't recall a large conversation
2 about that. That may have been a modification they
3 made later after they completed their project.

4 **COMMISSIONER CARR SMITH:** Okay.

5 **CHAIR GIOVANNI:** Commissioner Yamane, can
6 you clarify what development you're referring to
7 that's off-grid?

8 **COMMISSIONER YAMANE:** Yeah, I was
9 referring -- because she said Hokuao is meant to
10 provide a stub-out. If it was an electrical stub-
11 out but Hokuao is off-grid -- they're not connected
12 to MECO -- then how are they going to get the
13 electrical? That was my question.

14 **CHAIR GIOVANNI:** Pulama Lana'i Project?

15 **COMMISSIONER YAMANE:** Yes. Thank you,
16 Chair.

17 **MR. NISHITA:** I think the off-grid
18 component -- maybe what you're talking about is the
19 last time, anyway, that I saw the units they were
20 working on, like, solar paneling or, like, even the
21 tile roofing, like, the Tesla tile roofing and
22 things like that to generate power and battery back-
23 up systems.

24 So my understanding is that what was
25 represented by corporation counsel is correct that

1 water and waste service is being provided to the
2 area and stubbed out to our property line. But what
3 you're referring to may be on the electrical piece.
4 Thanks.

5 **COMMISSIONER CARR SMITH:** Another
6 question, please. I was curious, excuse me, if the
7 new project that was finished this year and the DHHL
8 project coming into fruition -- did those projects
9 have any effect on changes that you might make going
10 forward with the new plan?

11 **MR. NISHITA:** Thank you very much for the
12 question. Thank you, Chair, for allowing me to
13 respond.

14 I think that's essentially partly what we
15 were alluding to earlier that we do anticipate
16 likely going to have to come back before the
17 Commission for future phases of development given
18 just the changes in characteristics of the area, the
19 population needs, as well as now that additional
20 projects are coming online we want to make sure
21 we're not duplicating resources there to meet the
22 need, especially given such a, you know, small
23 population on the island.

24 We want to make sure that we're filling,
25 like, the niche gaps, which is why on kind of the

1 first phase I know we're shooting for the 80 percent
2 and below AMI to be provided whereas the Hokuao
3 side, although it is a for-rental project, is a
4 little bit on the higher side of that AMI spectrum.
5 Thank you.

6 **COMMISSIONER CARR SMITH:** One more
7 question, please. I saw there was a condition
8 regarding providing land to DOE. But then I also --
9 it seems as though the property might be surrounded
10 by DOE property. So can you explain that, please?

11 **MR. NISHITA:** Thank you much for the
12 question. Yeah, there's -- I believe it's about 40-
13 something acres that wasn't involved in the LUC
14 approval. That LUC approval and DBA was for the use
15 of the six acres I believe somewhere around there --
16 for the 201H project.

17 So that area essentially kind of has been
18 carved out already. And the Lana'i High and
19 Elementary School Master Plan Committee did work
20 with DOE and others on some potential future
21 improvements for that.

22 I think what we'll want to make sure as we
23 build out Phase 1 and look to future phases is that
24 all of those goals and plans are still in line with
25 what the community desires.

1 And we are prepared to meet that condition
2 as provided. And if the community requests us to do
3 something else we'll come talk to the LUC to gain
4 approval for any changes.

5 **COMMISSIONER CARR SMITH:** Thank you very
6 much. I'm good for now, Chair. Thanks.

7 **CHAIR GIOVANNI:** Thank you. Commissioner
8 Ohigashi?

9 **COMMISSIONER OHIGASHI:** So was there
10 something about a pool -- the Lana'i having a pool
11 there? Wasn't there something about that in the
12 past that -- I seem to have that recollection.

13 **MR. NISHITA:** Are you talking specifically
14 about this property?

15 **COMMISSIONER OHIGASHI:** Yeah. I just have
16 that recollection. But if it's not --

17 **MR. NISHITA:** Okay. Thank you for the
18 question. I'm not aware of that being a part of the
19 201H development. But that may have been a part of
20 the master planning for the DOE piece.

21 I know that they had fields and other, you
22 know, ball facilities and whatnot being potentially
23 looked at for that property. But I'm not aware of
24 any pool being planned for this property. Thank
25 you.

1 **COMMISSIONER OHIGASHI:** And the
2 declaratory ruling eliminating the timetable was --
3 what was the date on that? I just was curious.

4 **MS. DESJARDINS:** Well, that was in 2011.

5 **COMMISSIONER OHIGASHI:** So (inaudible) is
6 that the annual report does not seem to have any
7 meet on it. In fact, when you compare them to the
8 2015 and 2018 and the present one they're the same
9 report.

10 So none of the factors that you listed
11 today were included in any of the reports. So I'm
12 hoping -- since I cannot be here in the future I'm
13 hoping that your next report will be more
14 informative. That's -- that's all.

15 And you know, some people claim that I
16 don't read these things. And I just happened to
17 notice that it's all the same report. And I guess
18 thank you for that. It made reading easier.

19 The other thing too is in 2011 what was
20 the plan for the infrastructure? Was it contingent
21 upon DHHL and Pulama Lana'i building up their
22 facilities to provide infrastructure or was the plan
23 for infrastructure at that time just to go forward
24 (inaudible)?

25 **MR. NISHITA:** I can just relay what my

1 understanding is. I wasn't involved with this
2 project back then but my understanding is that at
3 that time DHHL didn't quite have an anticipation of
4 moving on that property.

5 And as you know, I think (inaudible) only
6 got approval back in 2021. So the big share of the
7 cost burden would have been born by the County or
8 additional sources that we would have been able to
9 secure, hence that being one of the significant
10 barriers to entry here.

11 **COMMISSIONER OHIGASHI:** So the reason why
12 this was never developed over the period of years
13 that we're talking about is the lack of the
14 available resources to do so; is that right?

15 **MR. NISHITA:** Thank you for the question.
16 That is a significant factor. The Department also
17 went out, I think, in 2016 for an RFP to develop the
18 site. And my understanding is there was no bidders
19 for that.

20 It's obviously very difficult to build on
21 Lana'i and then house workers and things like that.
22 So there's other barriers than just resources, but
23 that is a significant challenge.

24 **COMMISSIONER OHIGASHI:** It ties in with my
25 understanding that since that time a more -- the

1 Commission has been requiring more financial ability
2 to do these projects from private developers.

3 Do you believe that the County should
4 abide by their -- and try to financially guarantee
5 that these items will be developed? Because if you
6 started way back then and the cost would be
7 significantly less for the infrastructure. If we
8 start building out now, we could have made a dent in
9 Lana'i housing.

10 So I'm just curious is that we -- we ding
11 private developers for trying to make sure that they
12 have necessary resources to do the project to make
13 it real.

14 Wouldn't that same standard for the County
15 that their that because it's a county initiative,
16 it's county-driven, that you guys have access to
17 legislative appropriation some -- to do that type of
18 work -- shouldn't that type of model be adopted at
19 least for the county projects that come through?

20 **MR. NISHITA:** Thank you very much for that
21 question. I mean, specific to this project we are
22 pushing forward. You know, I can't say everything
23 that transpired in the past or all the different
24 issues that was faced.

25 But one of the reasons why we are working

1 with a specific developer is because of their
2 ability to demonstrate ability to leverage state and
3 federal funding and especially on the tax credit
4 side -- so that the County isn't solely on the hook
5 for all of the different expenses that are needed.

6 To be able to pencil out a project it
7 takes a lot of different funding sources. And
8 frankly, I mean, we don't quite have that expertise
9 to be able to navigate all these different
10 challenges as a particular developer may be able to.

11 But you know, especially given the amount
12 of recovery resources that are going to be needed
13 for West Maui -- I mean, we're talking, like,
14 billions of dollars so we need to be able to
15 leverage other sources to be able to make sure
16 things will work.

17 And I'm sure, as any other developer,
18 there are extenuating circumstances that were
19 unforeseen at the time that may change calculations
20 on things, including macroeconomic forces that, you
21 know, we may not be able to control. But I can say
22 from the County side at this time we are pushing
23 forward full-steam ahead.

24 **COMMISSIONER OHIGASHI:** And do you have
25 legislative guarantees for certain funding already

1 for next fiscal year to make sure that the initial
2 work regarding the infrastructure as well as the
3 initial work concerning this project be done or is
4 it no money yet?

5 **MR. NISHITA:** Yeah. No, thank you for
6 that question. Our council can't appropriate future
7 fiscal years so, you know, all they can appropriate
8 is the current fiscal year in which we're in.

9 Obviously the amount of county investment
10 we've already committed to \$10 million towards this
11 project for various types of infrastructure
12 improvements and other things that are needed. And
13 depending on the success in getting state funding
14 and the federal funding will also come into play as
15 to --

16 **COMMISSIONER OHIGASHI:** I understand. I'm
17 just asking starting July 1st is there funding
18 available that was planned at this past budget that
19 was just signed by the Mayor -- the --

20 **MR. NISHITA:** Yeah, the --

21 **COMMISSIONER OHIGASHI:** -- point five
22 billion or something dollars.

23 **MR. NISHITA:** Thank you for the question.
24 Because there's no anticipated expenditures from the
25 County side in this fiscal year there's no money

1 appropriated in this FY25 budget. As I said, we
2 would anticipate development to start at the end of
3 next year and groundbreaking to occur. So that
4 would be in FY26 is when we would come forward to
5 the County Council --

6 **COMMISSIONER OHIGASHI:** -- that you don't
7 get the \$7.1 million from the feds. Do you plan to
8 then seek funding from the Council or what is your
9 source of funding if you don't get the 7.1 million?
10 I'm just asking that question.

11 **MR. NISHITA:** Thank you for the question.
12 Of course County funding is potentially always a
13 possibility. But we are trying to leverage other
14 sources, which can include private philanthropy that
15 has expressed interest in helping to fund affordable
16 housing projects in the County of Maui.

17 And as you know, like, I think the biggest
18 example of this is Hamakua Community Foundation and
19 other organizations that have collected a
20 substantial amount of funding in recovery efforts.

21 As well as as the County moves forward we
22 have requested to the Federal Department of Housing
23 and Urban Development CDBG-DR funding that would be
24 able to provide funding for housing infrastructure
25 and economic development.

1 **COMMISSIONER OHIGASHI:** I'm not asking
2 what are the possibilities. I'm just asking that,
3 hey, how much skin is the County going to put into
4 the game if we don't get this reliance?

5 And if you're telling me then that but you
6 have all these other forks in the fire, these are
7 the things you are presently working on to obtain in
8 addition to the 7.1 I understand that.

9 You know, my question is really given the
10 length of the project and this -- and given the fact
11 that it's a county-led project what -- is the County
12 going to put essentially the funds into the game to
13 make it happen? That's my question. And I've seen
14 you testify before and you're very good at it, by
15 the way.

16 **MR. NISHITA:** Thank you for the question.
17 I must not be that good because the State didn't
18 help us as much as we had asked for. But in any
19 case, I think I obviously can't commit future
20 councils.

21 We're dedicated to making this project
22 work and pencil out. I think the, you know, key to
23 remember is that I guess the best example I can give
24 you is the County of Maui just committed in this
25 fiscal year \$39 million to make a specific

1 affordable housing project happen in West Maui.

2 So I think we've demonstrated that we will
3 do what it takes to help our residents. And we will
4 certainly try to get every appropriation that we can
5 to help fill any gaps as needed. Thank you.

6 **COMMISSIONER OHIGASHI:** The area that I --
7 well, first of all I want to thank our staff -- our
8 recent-hired staff especially for ferreting out this
9 particular project because that's his job -- to go
10 look for this -- these projects that are long and
11 find out what the problem is.

12 So that's the reason why I'm asking a lot
13 of these questions about the money part as to what
14 is the reason for the stall or what was the reason
15 for the fact that it wasn't built according to the
16 plans and what is the reason right now what is the
17 necessary monies that it would take. Have you
18 penciled out what this project will be across the
19 County of Maui in terms of development?

20 **MR. NISHITA:** Thank you very much for the
21 question. As I stated earlier our -- I guess based
22 on the different funding sources that we're pursuing
23 our anticipation is a \$10 million commitment from
24 the County of Maui in addition to, you know, the
25 land and other resources like that, like, serving

1 wastewater and --

2 **COMMISSIONER OHIGASHI:** I'm asking how
3 much it'll cost us to build --

4 **MR. NISHITA:** Yeah, I'm sorry. I don't
5 have the total development -- potential development
6 cost in front of me. As I mentioned, our
7 anticipation is to move forward with Phase 1.

8 And since we're hearing from the community
9 that there may be additional factors that they want
10 us to consider in future phases, that could
11 definitely change the dynamic of costs involved.

12 And the only reason I'm asking that is in
13 past DBAs when we -- in order to determine economic
14 viability generally we ask the question what is the
15 general cost going to be for the infrastructure, et
16 cetera, et cetera, and the financing mechanisms to
17 do so.

18 So I know it's difficult for government to
19 do that. And I know it's difficult for you yourself
20 to commit to that. But those are the things that
21 the development has to go through in a private
22 sector in order to be considered viable outside.

23 And I'm glad you guys got a developer.
24 But these county-led development projects it's
25 (inaudible) a circle. First we do it and we say,

1 "We can do it ourselves."

2 And I think I remember Hannibal Devars
3 (phonetic) building those above the track and right
4 next to the track -- football stadium -- that
5 development. Then they go through a cycle where
6 it's a different mayor saying that we're not going
7 to do it ourselves. We're going to all -- we're
8 going to go and encourage private development.

9 And then I think all the guys came around
10 with this development to do it on their own. And
11 then we're now hearing that, yeah, well, we need a
12 developer to really do that. And it seems like we
13 never learn from what we went through.

14 And you yourself admit that the County
15 itself cannot do these price-outs and determination
16 of what the costs are and actually develop it. And
17 the real question is how will the County (inaudible)
18 pursue its own initiative type of projects to make
19 them more successful?

20 And by the way, the last question I have
21 is when would -- when will the first phase be
22 completed in your estimation?

23 **MR. NISHITA:** Thank you for the question.
24 We're anticipating, assuming things are falling in
25 place, which we're on-track right now, to be able to

1 break ground by the end of next year with completion
2 of the first phase, as I said, likely within 18 to
3 24 months of groundbreaking.

4 And Chair, apologies. We did plan to have
5 the developer here too to help provide a lot of
6 information. And it was my own fault. I didn't
7 realize that virtual participation was not an
8 option. And I just found that out yesterday so
9 unfortunately they weren't able to be here today.

10 But if there's a follow-up meeting or
11 additional information that we need to follow back
12 up with we can make sure that they're either present
13 or providing some type of update to the LUC as
14 needed. Thank you.

15 **CHAIR GIOVANNI:** So I have a couple
16 questions. It sounds to me like what you're saying
17 is that things are coming together and you've got
18 some confidence that you'll be able to pull through
19 on Phase 1 and that everything else is up for
20 redefinition, which may lead to an amendment that
21 you come back before here.

22 So with all of the uncertainty that you're
23 projecting for Phases 2 through 5, I'd like to focus
24 my questions exclusively on Phase 1. So how many
25 houses are in -- what's involved in Phase 1?

1 **MR. NISHITA:** I don't know if I have the
2 testimony before me right now but -- that the
3 developer submitted -- but I believe it's about 40-
4 something single-family homes in Phase 1 and about
5 20-something multi-family units I believe for
6 seniors in Phase 1 and as well as there's park space
7 and I think community center too included in that.

8 **CHAIR GIOVANNI:** So will the
9 infrastructure that's provided for Phase 1 satisfy
10 the infrastructure needed for the subsequent phases
11 or any portion of it?

12 **MR. NISHITA:** Thank you very much for that
13 question. Apologies. I just found the slide.
14 Forty-six single-family units, twenty-six -- it
15 looks like multi-family units for a total of 72
16 units.

17 Some of the infrastructure, yes, it will
18 serve other areas such as, like, bringing in the
19 wastewater and water mainlines. Then at that point
20 you're running kind of, like, laterals to the
21 additional phases and as well as, like, paving a
22 roadway.

23 But there's obviously other infrastructure
24 cost that will be factored in with additional phases
25 since those areas of land would not have been

1 developed. We'll still have to run roads and piping
2 and things like that.

3 **CHAIR GIOVANNI:** So the electrical
4 infrastructure will not be provided by a stub-out
5 from neighboring projects. So have you initiated
6 efforts with the electric company to provide the
7 necessary electrical infrastructure for your
8 project? Because I'm presuming you're not going
9 off-grid.

10 **MR. NISHITA:** Thank you, Chair. Yeah,
11 this project has not planned to be off-grid in that
12 sense as Hokuao is. And then my understanding is
13 that the developer has already had conversations
14 regarding providing electrical service to the
15 project.

16 **CHAIR GIOVANNI:** Phase 1?

17 **MR. NISHITA:** Phase 1, yes.

18 **CHAIR GIOVANNI:** All right. If you could
19 summarize you may have mentioned it in part. But
20 what are the major milestones that you need to
21 overcome and check off the list in order to -- for
22 Phase 1 only to be realized?

23 **MR. NISHITA:** Well, I'm not sure I can
24 give you in order. But --

25 **CHAIR GIOVANNI:** It doesn't have to be in

1 order.

2 **MR. NISHITA:** -- we obviously have
3 funding. So I guess one of the first things is --
4 that we're working through right now is the actual
5 development agreement through Council. And we
6 anticipate that to be completed before the end of
7 this year.

8 We do have a -- and our County Council is
9 already aware of the work that's been transpiring
10 more on a high-level basis. But they do know that
11 we're working with a particular developer and trying
12 to push forward this project.

13 And they have encouraged us to come
14 forward with development agreement for that. So
15 we're in the process of doing that but I don't
16 anticipate County Council approval to be an issue.
17 That should be completed by the end of this year.

18 The developer will go in for LIHTC funding
19 in February with -- I believe generally they issue
20 approvals for that around, like, April, May
21 timeframe.

22 And then the congressionally-directed
23 spending and community project funding request --
24 there's really no guarantee on that on the timeline
25 because it deals a lot with Congress.

1 And as you know, the House and Senate are
2 pretty split right now. The earliest that they
3 could appropriate funding for this would be on the
4 September, October timeframe of this year.

5 And then the latest I've ever seen it come
6 through would be, like, summer of next year. So it
7 kind of depends on how Congress acts or works
8 together as well as even the presidential election
9 on the timing of things.

10 But somewhere within the next year here we
11 would -- if we receive the appropriation we would
12 have access to that funding. And then of course
13 there's -- you know, we have a lot of the
14 entitlements in place already. There would be, you
15 know, permitting and things like that.

16 And you know, developer would be working
17 on that concurrently with a lot of different efforts
18 that are underway with the anticipation to have
19 ground crews onsite by the end of next year.

20 And you know, from there there could be a
21 variety of challenges depending on, you know, worker
22 availability and lodging and different things like
23 that. But we would anticipate about the 18 to 24-
24 month time period for completion of it following
25 that.

1 **CHAIR GIOVANNI:** So it sounds like the
2 commitment to proceed with some priority on Phase 1
3 is there but the project is at risk if you don't get
4 the funding. So what's Plan B if you don't get the
5 funding? Is this thing dead?

6 **MR. NISHITA:** Thank you, Chair. Like I
7 said, I can't commit our County Council and they
8 can't even commit themselves to future years of
9 funding. All I can say is that we are committed to
10 getting this project done. We'll shake every tree
11 that's available.

12 And as I said, we've already demonstrated
13 significant commitments to housing, especially the
14 example I gave -- \$39 million to one project.

15 So I know that there's buy-in from our
16 Council to be able to fund and build more housing as
17 well as from our Mayor. So we will try every avenue
18 that we can to get this project through to
19 completion if other funding sources don't come
20 through.

21 **CHAIR GIOVANNI:** So if other funding -- so
22 if the state and federal doesn't come through is it
23 -- are you saying it's up to the County internally
24 and then it has to prioritize, for example, against
25 the needs of rebuilding Lana'i?

1 **MR. NISHITA:** Thank you, Chair. Of course
2 every expenditure that we have has to be prioritized
3 to every other one that the County may have to
4 commit to. So of course we'll have to weigh the
5 priorities of things that are coming down the pipe.

6 But for rebuilding activities, although
7 there are significant amount of investment that are
8 going to be needed, we do already have secured
9 public assistance that we're working through through
10 our FEMA partners.

11 And we feel pretty good about our request
12 for CDBG-DR funding from the feds where HUD can step
13 in following a disaster to provide a significant
14 amount of funding for housing infrastructure and
15 that kind of development for the area.

16 **CHAIR GIOVANNI:** I can't hear anything.

17 **THE CLERK:** I need to fix an audio issue.

18 **CHAIR GIOVANNI:** Sure.

19 **THE CLERK:** May we take a break?

20 **CHAIR GIOVANNI:** Yes. It's 10:55. How
21 much time do you need?

22 **THE CLERK:** Ten minutes.

23 **CHAIR GIOVANNI:** Okay. We'll take a break
24 until 11:05. Thank you.

25 **(WHEREUPON, a recess was taken.)**

1 **CHAIR GIOVANNI:** Okay, we're back in
2 session. And thank you for that break. So we've
3 had a chance to see the written testimony that was
4 provided to the Commission.

5 And I just want to make sure that that was
6 an email with five attachments to that email, which
7 to my reading -- quick reading -- I found very, very
8 useful and interesting and consistent with the
9 representations that you've all made today but with
10 a lot more detail.

11 It would have been great if they were here
12 to present it. That's what we were really looking
13 for. So what you've done at high-level is
14 appreciated, but this is what we were looking for.
15 So we want to make sure, Ariana, this is all being
16 posted as part of the public record?

17 **THE CLERK:** It will be posted tomorrow on
18 the public record for the website because I have to
19 check ADA compliance.

20 **CHAIR GIOVANNI:** Very good. And that
21 includes all five attachments?

22 **THE CLERK:** Yes.

23 **CHAIR GIOVANNI:** Thank you very much.
24 Commissioner Ohigashi, does that satisfy your
25 interest?

1 **COMMISSIONER OHIGASHI:** Is that
2 (inaudible).

3 **CHAIR GIOVANNI:** What was that answer?

4 **THE CLERK:** As long as it's related.

5 **CHAIR GIOVANNI:** Yeah, we may. Okay, I'm
6 going -- I know that other commissioners have
7 additional questions so I'm going to suspend my
8 questioning for now. So Commissioner Lee?

9 **COMMISSIONER LEE:** Thank you, Chair. MD,
10 I'm sorry maybe that you have to answer these
11 questions. But we can only dance with whoever shows
12 up to the ball, right? So you're familiar with the
13 PowerPoint slides that we just received?

14 **MR. NISHITA:** Yes, if you're talking about
15 the ones that was submitted as testimony.

16 **COMMISSIONER LEE:** Thank you. I'm a
17 little bit confused because some of this information
18 seems to be about other projects that the developer
19 has worked on. And it's very thin on this project
20 that's actually before us today; is that correct?

21 **MR. NISHITA:** Thank you, Chair. Yeah,
22 this presentation actually -- I mean, I guess when
23 we found out this meeting was going to be happening
24 we had very little time to, like, pull some things
25 together.

1 So they actually utilized a presentation
2 they're using for some other meeting. So it wasn't
3 specifically designed for what we anticipated the
4 LUC to want, but we thought this is the best we have
5 at this time so let's provide it to the LUC and then
6 we can always follow up with additional information
7 later.

8 **COMMISSIONER LEE:** Okay, so I'm just going
9 to confirm the developer is Ikaika Ohana? Although
10 it says there the service coordinator in these
11 slides. Is that correct?

12 **MR. NISHITA:** Yes, Chair. Thank you.

13 **COMMISSIONER LEE:** I'm not the Chair, by
14 the way. It's Chair Giovanni. I'm just a
15 commissioner. Thank you. You mentioned that -- you
16 know, you mentioned that this project is likely to
17 get LIHTC financing.

18 And I'm wondering what's that based on
19 because that's usually oversubscribed by maybe four
20 times and this -- the information we've gotten is
21 very thin.

22 You know, what in the qualified allocation
23 plan scorings lends you to say that? Is it the
24 affordability? Is it the, like, the readiness of
25 the project? Is it the financing stack? What is it

1 that you're basing your comment on?

2 **MR. NISHITA:** Thank you very much for the
3 question. And I can't recall exactly what said.
4 But I was trying to relay that we feel that -- not
5 that it's guaranteed but that it presents itself
6 well as a project to receive funding under LIHTC.

7 Well, you know, one there's -- it's
8 county-owned land. So there's County involvement,
9 including County investment in resources and
10 funding; the capital stack, as you mentioned; the
11 fact that it's a pretty underserved community that
12 hasn't been serviced by other housing projects,
13 especially with this AMI range and for-sale
14 development for quite some time, knowing that Lana'i
15 owns 98 percent of the island; and other factors
16 like that that we do feel it is a favorable project
17 for them to consider.

18 But no, we don't have any guarantees that
19 there will be a commitment for that until, of
20 course, we receive that commitment in writing.

21 **COMMISSIONER LEE:** And then the letter by
22 Councilmember Johnson says that it's referring to a
23 Pulama Lana'i 201H project. But this project today
24 is not a Pulama Lana'i project; is that correct?

25 **MR. NISHITA:** Thank you for the question.

1 The letter that you're seeing from Councilmember
2 Johnson was his letter that we asked for for support
3 for the federal funding request.

4 So this was for the \$7.1 million that we
5 asked for on the congressionally-directed spending
6 request. This isn't specific to the LUC or the
7 project generally. It's more so affirming the need
8 for additional funding resources. Thank you.

9 **COMMISSIONER LEE:** Okay, so I don't know
10 if you have the answer to this. But if you have it
11 can you tell just from an overview for the first
12 phase the number of units and the total cost of that
13 first phase in, you know, all-in cost?

14 **MR. NISHITA:** Thank you, Chair. I think
15 as -- and Commissioner. I think I mentioned earlier
16 I don't have on me, like, a total all-in cost on
17 Phase 1. And I'm sorry these slides aren't labeled.

18 But it looks like maybe Slide 7 identifies
19 the overall site plan for Phase 1 on the
20 presentation and identifies the unit breakdown,
21 which is 46 single-family units and 26 multi-family
22 units for a total of 72 units.

23 **COMMISSIONER LEE:** Thank you. So Ikaika
24 Ohana -- you put out an RFP and they were the low
25 bidder or were they the only bidder? Can you give

1 us that information?

2 **MR. NISHITA:** Thank you very much for the
3 question. The County did put out an RFP in 2016.
4 And we had no takers. We are working directly with
5 Ikaika Ohana on this project.

6 And we believe that it does fall under the
7 Governor's proclamation related to housing as well
8 as the County's demonstration that we had already
9 essentially tried to procure out the project.

10 **COMMISSIONER LEE:** Okay. So has the
11 developer committed any equity to this project?

12 **MR. NISHITA:** Thank you for the question.
13 Could you clarify, like, what exactly you mean?

14 **COMMISSIONER LEE:** Okay, so do you have a
15 development agreement with the developer already
16 signed?

17 **MR. NISHITA:** Thank you for the question.
18 As I mentioned earlier, we're working through that
19 stage right now to present to the County Council.
20 So we don't have that agreement finalized yet.

21 **COMMISSIONER LEE:** Okay. And I'm sorry.
22 I'm aware that you don't have everything that you
23 need to probably answer some of the questions but
24 I'm just trying to see what we can get.

25 Okay, so at a later time you will have

1 some numbers as far as what the developer is
2 committed to providing in equity and you'll have the
3 financing stack available that you can distribute to
4 the public?

5 **MR. NISHITA:** Thank you very much for the
6 question. Yes, I think ultimately what we're trying
7 to relate today to the LUC is that we are making
8 progress on it and to just, you know, apologies for
9 how long it's taken to get to this point.

10 But you know, I guess what we're asking
11 for at this time is just a little bit more time as
12 we further refine and develop it so that we can come
13 forward with more information that will be useful to
14 the LUC.

15 **COMMISSIONER LEE:** Okay. Thank you. And
16 thank you, Chair.

17 **CHAIR GIOVANNI:** Well, I had one question
18 first. So I'm somewhat familiar with the process
19 for that grant you have -- the 7.1 million that
20 you've sought from the feds.

21 And that form of application, if it's the
22 one I'm thinking about, does require a total project
23 estimate and the sources of other funds that would
24 complement the 7.1 million. Do you have that
25 information available?

1 **MR. NISHITA:** Thank you, Chair.

2 Apologies. I don't have the application in front of
3 me. There is a brief write-up that was one of the
4 attachments that was just a very high-level
5 explanation of the CDS request.

6 And it did indicate the 75 percent portion
7 of to complete some of that additional onsite/
8 offsite infrastructure improvements as well as the
9 County's commitment of \$10 million for the project.
10 But specifically to what you're referencing, I don't
11 have the application in front of me at this time.

12 **CHAIR GIOVANNI:** So the 7.1 million was
13 earmarked as 25 percent of the total cost?

14 **MR. NISHITA:** Thank you, Chair. The 7.1
15 million is what is identified as -- when you work
16 with the earmark process there's a lot of factors
17 that go into it, including, like, what appropriation
18 bills it's under, what federal agency is
19 administering the funds, and then different agencies
20 may have different requirements in terms of cost-
21 share requirements.

22 The infrastructure improvements needed to
23 kind of move the project along was identified at the
24 7.1, which I believe was the 75 percent share, and
25 the County would come up with the additional 25

1 percent share.

2 **CHAIR GIOVANNI:** Okay, so it was specific
3 to infrastructure. Okay. Commissioner Ohigashi?

4 **COMMISSIONER OHIGASHI:** Yeah, and
5 following up on that, reading that document -- I'm
6 not sure who prepared it. But County of Maui
7 Congressional-Directed Spending Request for
8 Affordable Housing Project on Lana'i Federal
9 Appropriations 2025. First question is when was
10 this submitted? Was this submitted through the
11 process?

12 **MR. NISHITA:** Thank you for the question.
13 I can't give you an exact timeframe. But generally
14 we apply in about February, March of this year for
15 congressionally-directed spending. Each senator and
16 rep has their own timeframes relatively. But it was
17 probably around February or March of this year.

18 **COMMISSIONER OHIGASHI:** And the question
19 is you've been saying that the County of Maui is
20 ready to commit an additional ten million for this
21 project and able to engage in providing matching
22 funds through County sources.

23 Is there a specific earmark or within the
24 budget that you can back up this \$10 million
25 statement? The question is -- so let's say we get

1 the \$5,325,000 through the earmark process.

2 Does that then require us to find the \$10
3 million that -- I mean, the County to find the \$10
4 million or does it mean that you have it in a bank
5 somewhere ready to spend or is it sequestered
6 somewhere?

7 **MR. NISHITA:** Thank you for the question.
8 As I said, I -- we can't appropriate money for
9 future years other than what is in front of us for
10 the current or upcoming fiscal year.

11 The County does have an ongoing
12 essentially line item that we use for federal match
13 that we have a lump sum in there that we use for our
14 -- a lot of our federal grants. So that's a
15 specific line-item appropriation.

16 Of course we have access to the general
17 excise tax fund, which I think we're budgeting about
18 \$60 million this year that we'll appropriate what
19 will be spent out of that fund in FY26, which the
20 only allowable uses of the funds essentially are to
21 provide infrastructure for housing and affordable
22 housing.

23 So it would be clearly in line with the
24 use of that fund as well as we do have the
25 affordable housing fund and other sources too that

1 are earmarked every year to provide funding
2 mechanisms for similar types of purposes.

3 **COMMISSIONER OHIGASHI:** So what you're
4 telling me is no, we don't have anything specific
5 right now but we have pots of money that we can
6 commit if you give us this money; is that right? I
7 just want to boil down your answer.

8 **MR. NISHITA:** Yeah, thank you very much.
9 I think what Mayor's essentially relaying in this is
10 that he will put forward in the FY26 budget \$10
11 million. The source of where that may come from
12 will obviously factor into what the needs and
13 expenses of the County is generally.

14 So the exact pot of money that that may
15 come from may differ and it may be split amongst
16 multiple different categories, but Mayor is
17 committing to providing asking for the Council for
18 appropriation in FY26 for \$10 million for this
19 project.

20 **COMMISSIONER OHIGASHI:** And this document
21 was prepared for us, right, that you're referring
22 to? Because it was prepared by your office so I was
23 looking on the bottom Joshia Nishita. It's not
24 necessarily the actual application that we just --

25 **MR. NISHITA:** Thank you for the question.

1 This document wasn't specifically prepared for you
2 folks. This isn't the application that was
3 submitted.

4 But generally when -- and the reason why
5 my name is on it is because the Department of
6 Management coordinates all the congressionally-
7 direct spending and community project funding
8 requests to make sure that we don't have all of our
9 departments asking our senators and reps for all
10 kinds of things that may not be in the priority
11 areas of the County.

12 So we essentially facilitate that. The
13 Department of Housing and Human Concerns was the
14 representative, along with the developer, before
15 each of the congressional members.

16 And they generally provide, like, a one-
17 pager. This turned out to be a two-pager when
18 meeting with congressional staff to just help them
19 understand some of the basics of what the request is
20 about. And so that's what this was prepared for and
21 provided to you folks. But it wasn't specifically
22 made for the LUC.

23 **COMMISSIONER OHIGASHI:** I'm trying to
24 think about how I want to phrase this because it's
25 kind of -- and you can tell me if I'm totally wrong.

1 But the reason -- when did you secure or when did
2 you -- well, let me ask the question first. When
3 did you secure the developer in this case?

4 **MR. NISHITA:** Thank you for the question.
5 The developer will ultimately be secured once the
6 development agreement is passed by Council I guess.

7 **COMMISSIONER OHIGASHI:** Well, he's been
8 doing some certain things and calling himself --
9 what is it -- a project what was it? Service
10 coordinator. So what

11 **MR. NISHITA:** Yeah, the --

12 **COMMISSIONER OHIGASHI:** -- come into
13 existence --

14 **MR. NISHITA:** I can't recall the exact
15 date offhand. It definitely was after the August
16 2023 wildfires and before we submitted the
17 congressionally-directed spending request. So we're
18 probably looking at, like, the December to November
19 to January timeframe -- somewhere around there.

20 **COMMISSIONER OHIGASHI:** So was he involved
21 in this project at the time that you guys issued
22 your February -- what is it called? The February
23 report in --

24 **MR. NISHITA:** Yes, yes, the developer was
25 involved in helping us ascertain what the

1 infrastructure cost may be.

2 **COMMISSIONER OHIGASHI:** And if the -- I
3 noticed one of the other things too is that the
4 Lana'i company letter -- and I don't have -- let me
5 get it right here -- dated December 18 indicated
6 that you were going to do this Phase 1 and that you
7 have water for Phase 1; is that right?

8 **MR. NISHITA:** Thank you very much for the
9 question. The letter from the Lana'i Water Company
10 basically supports the Phase 1 project, indicating
11 the amount of GPD that will be needed for the
12 project to facilitate Phase 1. And that was dated
13 December 18, 2023.

14 **COMMISSIONER OHIGASHI:** Beyond that do you
15 have any commitments to Phase 2, 3, 4, 5?

16 **MR. NISHITA:** Thank you very much for the
17 question. Because we have heard from the community
18 about potential changes to future phases, not
19 knowing what that may exactly look like, we haven't
20 sought that commitment yet.

21 **COMMISSIONER OHIGASHI:** Is there a problem
22 in the future with Lana'i -- with a source on
23 Lana'i? In other words, are you going to be
24 hampered by the fact that you may not be able to get
25 allocated water in the future?

1 **MR. NISHITA:** Thank you very much for the
2 question. I'm not aware of any challenges that
3 potential future phases may experience, although I
4 do know that they are limited in terms of
5 availability of water.

6 But if that is something LUC would like us
7 to follow up on we can touch base with Pulama Lana'i
8 and the Lana'i Water Company regarding that request.

9 **COMMISSIONER OHIGASHI:** Oh, because in
10 Lahaina we were told that the -- one of the projects
11 that is being held up is because of the inability to
12 allocate water.

13 And so the question then turns is that
14 what priority -- Pulama Lana'i has its own project
15 going on. DHHL has its own projects. Seems to be
16 farther ahead than this particular project; right?
17 No.

18 **MR. NISHITA:** No. The Hokuao Project is
19 much further along just because they have physical
20 units up. The DHHL project, if they do pursue it,
21 would be behind our project.

22 **COMMISSIONER OHIGASHI:** Okay. But all of
23 those would require water. Have you guys secured or
24 have you determined that you guys can secure the
25 water -- the necessary water for this particular

1 project in its entirety?

2 **MR. NISHITA:** Yeah, I guess thank you for
3 the question. But as I alluded to earlier, the
4 make-up of the project may significantly change
5 depending on what the community desires.

6 So our main focus right now, which we've
7 secured access to, is for Phase 1 to make happen.
8 And that's what we can commit to at this time.

9 **COMMISSIONER OHIGASHI:** So at this point
10 in time we're not going to commit ourselves to
11 additional housing that was promised in 2011 -- I
12 think it was 400 something.

13 So we're going to limit ourselves to 60 at
14 this point in time. And that's what's going to
15 happen, right? We're not thinking wow, we're going
16 to have four or 500 additional units there.

17 **MR. NISHITA:** Thank you very much for the
18 question. Phase 1 would consist of -- I believe it
19 was 72 units and the -- I think what's been
20 established is that even since the original approval
21 the population make-up of Lana'i has changed.

22 I mean, unfortunately you have younger
23 population moving away. And then the need for the
24 types of housing has changed too as you have aging-
25 in-place population and lack of other resources.

1 So the overall scope of the project -- it
2 may be determined that Phase 1 in addition to DHHL
3 and Hokuao actually meets the demand that Lana'i has
4 or it may be that only, you know, Phase 2 and/or
5 Phase 3 might be needed and not all phases.

6 But that's something that, you know, the
7 County will work through. And what we're trying to
8 focus on right now is get the community at least
9 Phase 1 of this project while we work with them on
10 future phases.

11 **COMMISSIONER OHIGASHI:** And do you
12 estimate then that the demand -- because I'm
13 assuming that your department or one of your
14 departments or housing departments would have
15 studies as to determining what is potential future
16 demand for Lana'i regarding housing.

17 And so I'm just trying to get a hold on
18 how many people -- how many houses we're going to
19 have built, when will we build it, and whether we're
20 going to have the water to build it.

21 And what you're telling me is yeah, we
22 have enough for -- maybe we got enough for 72. But
23 we don't know if we're even going to get anymore
24 because there may not be demand and things like
25 that.

1 So I'm just trying to get an idea how to
2 do that or how to get that information. And if
3 you're telling me, hey, it's too far in the future

4 **MR. NISHITA:** Yeah. So --

5 **COMMISSIONER OHIGASHI:** Is that what
6 you're telling me? I's too far in the future -- you
7 can't tell me yet?

8 **MR. NISHITA:** Thank you for the question.
9 I think what's noted here -- I think you guys can
10 see the time it's taken to get to this point.
11 There's significant challenges with the County
12 developing a project on Lana'i.

13 And so we are putting our focus into
14 trying to meet the Phase 1, especially since that's
15 the existing approvals that we have in place that we
16 can accomplish. I don't know if DHHC has an update.

17 I know that there was a housing study that
18 was done. I don't know if that was SMS or another
19 agency on the statewide housing survey that took
20 into account different areas of Lana'i.

21 As well as we had had discussions with
22 DHHL and others regarding as they work through their
23 analysis about, you know, need and whatnot that
24 there may be opportunities to partner together to
25 come up with a more accurate assessment given the

1 changing dynamics that has occurred over the years.
2 But I'll defer to DHHC if they are aware of any --
3 the status of the updated housing study.

4 **MR. ALMEIDA:** Thank you, Mr. Nishita.
5 Thank you for the question. Presently SMS is
6 currently working on the Hawaii Housing Planning
7 Study. One of the components that Maui has
8 instituted in that is to have an in-depth analysis
9 of Lana'i needs especially.

10 So we're anticipating that report in the
11 next couple of months. And that will be very
12 helpful in us determining the exact long-term need
13 with regards to Lana'i and their housing needs
14 beyond Phase 1.

15 But presently we don't have any existing
16 material with regards to a recent survey since
17 Pulama's project was incorporated. So the SMS study
18 is going to be looking specifically into the
19 incorporation of that project on the island and then
20 the needs going forward.

21 **COMMISSIONER OHIGASHI:** Was there such a
22 study done, if you know, in 2010 or 2011 when this
23 first project was first offered or came about? And
24 has that -- and is this new study that you're doing
25 establish what changes have been made? Is that what

1 the study's all about? Is there a baseline study
2 that we're working on and finding additional
3 information?

4 **MR. ALMEIDA:** Thank you for the question.
5 I'm not aware of any study that was done when the
6 original 201H was approved as far as a baseline to
7 work off of.

8 My understanding is that SMS was tasked
9 with trying to assess the need based on Pulama's
10 project as far as long-term housing opportunities
11 that will, you know, need to satisfy the populus of
12 the island going forward.

13 But at the time that's around the time
14 that I first started with the housing division. I
15 wasn't directly involved with the project. But I am
16 not aware of any study that was done at the
17 origination of the project.

18 **COMMISSIONER OHIGASHI:** Mr. Almeida, why
19 did your department essentially just copy previous
20 reports to the Commission and submit it in February?
21 Because it's essentially a copy of every single one
22 that was done before. So why was your department
23 only copying these things?

24 **MR. ALMEIDA:** Thank you for the question.
25 I have to check with Director and Deputy Director,

1 who are not present today.

2 I did not submit the reports but I can I
3 know that with regards to different administrations
4 that have looked at the tasks that Mr. Nishita has
5 brought up and gone over it has been -- it's moved a
6 lot slower than any of us would have liked.

7 But with Ikaika's involvement we're very
8 optimistic with the opportunities that they're going
9 to provide, the funding they're going to be able to
10 secure to make it happen because financially it was
11 determined to be unfeasible for a good period of
12 time without these partnerships. Thank you.

13 **COMMISSIONER OHIGASHI:** If you weren't
14 involved in the preparing of the report -- the most
15 recent report -- my question is then who was
16 involved?

17 Because you're presented here as the
18 housing expert in this area. And in fact I think
19 that you're referred to by your department to
20 correspond with or to contact with according to my
21 understanding from the staff. My question is that
22 if you didn't prepare the report and you didn't --
23 and you have no idea why it was done that way why
24 are you essentially here?

25 **MR. ALMEIDA:** Thank you for the question.

1 Based on again the optimism we have with partnering
2 with Ikaika it's been a struggle working on this
3 project in the past with regards to come up with the
4 funding that was needed to implement the
5 infrastructure over time.

6 Obviously those costs have not gone down.
7 They've continued to go up. But now we have a means
8 in which that we feel we can get this project done.

9 I can't speak to as how the report was
10 submitted previously. But I do know that we have
11 been working hard to try and find a means to make it
12 possible to get it done. And that's our goal.

13 Thank you.

14 **COMMISSIONER OHIGASHI:** Mr. Almeida, I'm
15 going back to my question. You haven't answered it.
16 If you didn't prepare the report why are you here?
17 Because the report was that's what we asked for.
18 We're here to ask questions about your report.

19 Are you here to supplement the report?
20 Are you here to make sure that the report was
21 correct? And you know, I know you're just sitting
22 there trying to answer my questions.

23 But what frustrates me the most -- and
24 after listening to what has been going on about this
25 whole project and only know taking a look at it --

1 is that it seems as though absent -- if it wasn't
2 for the fires that nobody cared about housing in
3 Lana'i, especially this project.

4 And it seems as though the attitude that
5 the County has taken is to copy previous reports and
6 submit them up until today.

7 So as a citizen of this county and this
8 Commission I'm thoroughly disappointed on the
9 response that the Department of Housing has had in
10 this regard to this Commission. And you know, we're
11 not dumb.

12 But you know so please if the Housing
13 Department, which I know you're not the director --
14 if they want to put forth what's been going on,
15 please have somebody spend the time and write out
16 what has been going on and what has been happening,
17 especially since this has been given -- what is it,
18 2018 was the last one, right?

19 You're six years late, right? Especially
20 since you're six years late, okay? And I know I'm
21 trying to be nice on my last day. But I can't help
22 myself sometimes.

23 **CHAIR GIOVANNI:** Try harder.

24 **MR. NISHITA:** Chair, if I may just make a
25 comment?

1 **CHAIR GIOVANNI:** Please, you may respond.

2 **MR. NISHITA:** Okay, thank you. No, I
3 think your points are well-taken. And I think it's
4 well understood. I think my understanding of the
5 report is that it was essentially an update from
6 2019 to 2023.

7 Once again, I mean, I hate to say what
8 Buddy said. I personally wasn't involved in the
9 report. But nothing essentially happened from 2019
10 to 2023. So while, you know, it's --

11 **COMMISSIONER OHIGASHI:** -- got water. You
12 told me you got a developer. You told me that you
13 have been in talks about trying to figure out the
14 funding mechanism of that. So don't tell me that is
15 the case.

16 This is just laziness. And this is an
17 insult. And you know, I -- you know, I'm sorry I
18 cannot contain myself. But what you just said
19 contradicts what the record shows, right?

20 **MR. NISHITA:** Thank you, Chair. No, thank
21 you, Commissioner Ohigashi, for the statement and
22 question. As you can imagine, the complexity
23 involved -- as we stated, like, there's a lot of
24 things still not even final yet that we're just
25 providing an update to the Commission on that we

1 still have to go through the necessary approvals
2 for.

3 So I don't believe that there was any
4 feeling on the Department's side to, like, withhold
5 information or to not provide information to the
6 LUC.

7 But I think your frustrations and comments
8 regarding making sure that the Department is not
9 copying the same information and providing the most
10 accurate assessment available is well-taken and
11 we'll take that back to the Department to make sure
12 they understand the LUC's position. Thank you.

13 **CHAIR GIOVANNI:** Thank you for that.
14 Commissioner Ohigashi, anything further?

15 **COMMISSIONER OHIGASHI:** Nothing.

16 **CHAIR GIOVANNI:** Thank you. Okay,
17 Commissioner Carr Smith?

18 **COMMISSIONER CARR SMITH:** I have one
19 question about the housing itself. I don't want to
20 make any assumptions. But who are these houses for
21 or who will they be for? Are they for the residents
22 of Lana'i? Are they for Maui County? Will there be
23 any controls or restrictions about who can be in
24 these homes?

25 **MR. NISHITA:** Thank you for the question.

1 If my colleagues have anything to add I welcome it.
2 But the main thing I would note is we do have to
3 follow fair housing laws. So the provision of these
4 units would be subject to fair housing requirements.

5 **COMMISSIONER CARR SMITH:** You can add
6 additional requirements though too, right?

7 **MS. DESJARDINS:** Chair, can I respond?

8 **CHAIR GIOVANNI:** Who's that? Yeah.

9 **MS. DESJARDINS:** Mimi.

10 **CHAIR GIOVANNI:** Please do.

11 **MS. DESJARDINS:** Mimi DesJardins. That's
12 a fair point. And we struggle always with trying to
13 carve out, for example, a certain percentage for
14 teachers or firemen or making them available for
15 residents of the west side, et cetera.

16 And in looking at all of the
17 constitutional requirements and fair housing law we
18 settle mostly on the language of "to the extent
19 permitted by law" and then we will try to put our
20 wish list of limitations.

21 And then when the lottery actually occurs
22 we can look at the pool and look at the law and see
23 if we can jive it to fit our intent, which is
24 hopefully Lana'i residents or west-side residents.

25 So that's a good question. And we do

1 struggle with that often to try to make it less
2 available for folks who it's not intended for.

3 **COMMISSIONER CARR SMITH:** Understood.

4 Thank you.

5 **CHAIR GIOVANNI:** That's it? Okay.

6 **COMMISSIONER LEE:** Chair, I got a
7 question.

8 **CHAIR GIOVANNI:** Commissioner -- go ahead,
9 Lee.

10 **COMMISSIONER LEE:** What's the current
11 population on Lana'i? 2,500? 2,000?

12 **MR. NISHITA:** Thank you for the question.
13 I apologize. I don't know offhand. It would be a
14 few thousand though would be their current
15 population.

16 **COMMISSIONER LEE:** And you know, I'm
17 sorry, but did anybody do any kind of research as
18 far as what kind of income they're making there?
19 Their average income is about 30, 40,000 a year.

20 **MR. NISHITA:** Thank you very much for the
21 question. So I think what Buddy alluded to earlier
22 there was some assessments done previously and
23 currently in development.

24 Hokuao also kind of did their own
25 assessments. And Councilmember Johnson and his

1 staff also did an informal kind of survey of
2 residents. You know, based upon a lot of that,
3 that's why we're shooting for that 80 percent and
4 below AMI given the need in the area as well as how
5 that population is not currently being served.

6 **COMMISSIONER LEE:** So how many of these
7 units are going to be 30 percent up to -- well,
8 it'll be 30 percent AMI. You got to give them at
9 least 30,000. It all depends on family size.

10 So how many actually would qualify with
11 their income that they're currently making and the
12 current residents that's currently living on Lana'i?
13 I mean, so I'm not sure how many units are going to
14 be 30 percent AMI, how many of them are going to be
15 40. Are we looking at a percentage of them being 80
16 percent?

17 **MR. NISHITA:** Thank you for the question.
18 I don't have the exact breakdown in front of me.
19 Some of those plans are still being developed.

20 But yeah, in regards to, like,
21 specifically the LIHTC funding the way they look at
22 it now to my understanding is the average has to be
23 about 60 percent and below AMI, which means that you
24 can offset, like, you know, you have a -- you serve
25 a 30 percent household and an 80 percent household.

1 Then that can average down to, you know,
2 towards that 60 percent total AMI category. So it's
3 some type of stacking -- average stacking method
4 that they - to my understanding that they'll be
5 utilizing here going forward into the future.

6 But generally speaking more of the homes
7 are in kind of the middle area to meet that average
8 and then some on the low -- very low end and some on
9 the higher end

10 **COMMISSIONER LEE:** You know, I just wanted
11 to follow up on Commissioner Smith's question as far
12 as is this units for outsiders or are they kind of,
13 like, designed for the people that's currently
14 living there in Lana'i? Thank you.

15 **MR. NISHITA:** Thank you. I guess what
16 I'll say here is we have to follow fair housing
17 laws. And obviously we want to help to take care of
18 our Lana'i residents who are in need of housing.

19 **CHAIR GIOVANNI:** Commissioners, anything
20 further? So I want to -- obviously you've sensed a
21 little frustration coming from our Commission. And
22 it's not solely targeted to you.

23 But we have a backlog of tens of thousands
24 of affordable housing projects that struggle to come
25 to fruition. So you're not unique in that struggle.

1 And we're trying to find ways to understand what
2 those impediments are.

3 Largely they are financial and often
4 they're tied to front-end infrastructure. But
5 they're real. And I've got my own theories about
6 why it's that way in Hawaii and not other places.
7 But it's real and we appreciate that. But it does
8 come out in frustrations on both sides.

9 We also are frustrated in part because we
10 have a lot of delinquent projects that we never hear
11 from unless we actually reach out to them and tell
12 us -- and request what's going on.

13 So I do implore you to be more proactive
14 in informing this Commission about your successes
15 and your struggles. Then we know what's going on.
16 Otherwise we end up in situations where we're
17 frustrated.

18 So you do have a progress report that's
19 due to us in June of 2025. I'm going to use the
20 word "robust." I strongly encourage you to be as
21 complete and robust in that as possible, including
22 project cost.

23 For example, I would imagine that if you
24 could give the priority to staff to develop a total
25 project cost it wouldn't be that difficult. You've

1 got infrastructure cost. I know what this form
2 looks like that you sent to the government. And you
3 have to estimate other costs that are paid by
4 others.

5 You've also represented in the information
6 you've provided this morning that the housing itself
7 that would be built in Phase 1 has been engineered,
8 designed, and constructed in Kona.

9 So you're not starting with a blank lot.
10 You know what the houses are going to look like and
11 you know what they cost in Kona very recently.

12 So this Commission -- I think I speak for
13 my fellow commissioners is looking for a robust
14 update which addresses the milestones that you've
15 talked about in terms of financing, in terms of
16 project costs. How is it going to come together?

17 And let me say upfront the focus should
18 be, in my mind, 95 percent on Phase 1 because the
19 uncertainty associated with Phases 2 through 5 are
20 so great that I think you'd just be telling us just
21 all about your uncertainty.

22 I don't want to hear about uncertainty. I
23 want to hear about certainty. And I want to hear
24 about certainty for Phase 1. And we're going to
25 give you a year to tell us -- to figure that out and

1 tell us.

2 And we really encourage you to put it on
3 your priority stack and get the people assigned to
4 it to do it. It's a tough job and you're not alone
5 in the struggles to build affordable housing. So
6 that's where I'm coming from.

7 Commissioners, anything further? Okay.
8 Back to the script. So Ms. DesJardins, you want to
9 put on your DPP hat for a second and tell us what
10 you think about this project?

11 **MS. DESJARDINS:** Thank you very much,
12 Chair. I did have a discussion with the Planning
13 Department about this project. As you can probably
14 guess from the presentation, they don't have a whole
15 lot to say about it.

16 I did find it kind of interesting that
17 they were as involved as they were. But it shows
18 you how old this is. Our newer projects the
19 Department of Planning really isn't mentioned very
20 much in our 201H approval.

21 So but they are interested generally in
22 the concept of affordable housing. And I'm hoping
23 with the bifurcation of the departments and with the
24 knowledge base of affordable housing that we hope to
25 migrate into our new Department of Housing that we

1 can overcome some of the frustrations that we feel.

2 We're all citizens of Maui County. We
3 understand how difficult these projects are so we
4 share your frustration and we don't want to add to
5 it. So we will certainly make a better effort in
6 the next update to make sure you folks understand.

7 In defense, we all know a lot of these
8 items have to do with things that will start to
9 happen once the project is rolling along --
10 drainage, putting up warning sirens, et cetera.
11 We're not going to obviously put money into that
12 until we're ready.

13 But that's not to say that we can't do a
14 better job to let you folks see that our commitment
15 is real. And so my apologies for that. But
16 Department of Planning at this point doesn't have
17 anything further to add. Thank you.

18 **CHAIR GIOVANNI:** So question on top of my
19 head is that the petitioner, which is a part of the
20 County, at some point in time -- I'm going to be
21 optimistic -- is going to go to the Council and then
22 go to the Mayor and say, "Put this money in the
23 budget." And he's going to go to the Council and
24 say, "We want to see the cash."

25 What role does I can't imagine that that's

1 going to happen without the Department of Planning
2 being questioned on do you support this, does it
3 make sense, is it within the plans. What is the
4 role of the Department of Planning in that process
5 to get real cash out of the county budget?

6 **MS. DESJARDINS:** Thank you, Chair. So the
7 Department of Planning's role is really more upfront
8 because once the 201H-38 exemption is granted or the
9 modifications are made in the exemptions, one of the
10 exemptions is an exemption from Title 19.

11 So in a lot of ways the Department of
12 Planning is no longer involved in that role because
13 the exemptions run deep into what would be otherwise
14 their responsibility.

15 I do want to say this particular project
16 is slightly unique in DHHC's less involvement than
17 normal. And that is because the managing director's
18 office has really taken the bull by the horns in
19 this particular project because so much of it is
20 tied to the responsibilities about funding, federal
21 funding.

22 And that's really their wheelhouse. So
23 this project is sort of straddling two departments -
24 - managing director and DHHC.

25 What I will go back and suggest to them is

1 that there's better communication between those --
2 the Department and the Managing Director's Office --
3 to make sure that DHHC is in full understanding of
4 the managing director's efforts.

5 But once Ikaika Ohana -- or we're assuming
6 that will be the developer we'll be working with --
7 comes onboard, my sense and experience in these is
8 that DHHC will be much more involved in the actual
9 modifications that may have to come before you. The
10 Department of Planning may have to come in and make
11 some requests to this body.

12 **CHAIR GIOVANNI:** The original 201H
13 anticipated over 400 housing units. Now we're
14 talking 72. And I'd be highly suspect we ever get
15 more than 72 to be honest with you. Does Department
16 of Planning just say, "Well, we approved a project
17 for 400. We're only going to get 72 and we're not
18 involved in it anymore"?

19 **MS. DESJARDINS:** Thank you, Chair. No,
20 probably the opposite. We would get together and
21 part of that would be obviously the needs since 2011
22 have shifted with Hokuao and DHHL.

23 And so it would absolutely involve the
24 Department's probably managing director of planning,
25 court counsel of DHHC to come together and make sure

1 that we're still all on the same page as far as the
2 modifications and exemptions that were requested
3 back in 2011 and then make some amendments to that.

4 But I can pretty much guarantee you that
5 this 201H as it stands is not the 201H that's going
6 to be on the ground.

7 **CHAIR GIOVANNI:** I would say that I would
8 agree with you. It's not the -- because if I put --
9 if I project myself to be a hypothetical County
10 Council member, I'm going to be asking you guys all
11 these questions about are we only building Phase 1
12 and that's the whole project now? And how much
13 money do you need just for that?

14 Because bottom line, you don't get the
15 money, this thing's not going to be built. So
16 hopefully you get the money or -- for Phase 1.

17 **MS. DESJARDINS:** The money and the
18 infrastructure both, yes.

19 **CHAIR GIOVANNI:** Yep. Commissioners,
20 anything further for the County? Commissioner
21 Ohigashi?

22 **COMMISSIONER OHIGASHI:** One procedural
23 question. Modifications of the 201H has to go back
24 to Council? Is it?

25 **MS. DESJARDINS:** Chair, yes, that's

1 correct.

2 **COMMISSIONER OHIGASHI:** Okay. And so any
3 discussions of - is the 72 homes being proposed in
4 Phase 1 -- does that match the 201H designation now
5 and the Land Use Commission D&O now? And if not do
6 you have to come in to both of them for changes?

7 **MS. DESJARDINS:** Thank you, Commission
8 Ohigashi. I suspect that we would come back to both
9 bodies to make those substantial amendments.
10 They're not slight modifications. So yes, they
11 would -- they could cause other conditions to
12 develop or to knock off conditions that are in
13 existence right now, yes.

14 **COMMISSIONER OHIGASHI:** This is for Phase
15 1 only I'm talking about now.

16 **MS. DESJARDINS:** Well, for phase -- this
17 is intended to be five phases.

18 **COMMISSIONER OHIGASHI:** I understand.

19 **MS. DESJARDINS:** I look at the D&O and
20 it's pretty vague in terms of what's expected of
21 each phase not just the timeline but what will
22 happen. So that may not be enough to trigger a
23 change. But if the commitment is we are now only
24 going to do Phase 1 and nothing more, then obviously
25 that is a substantial change.

1 **COMMISSIONER OHIGASHI:** So what I'm trying
2 to get at is I want to be sure because you guys are
3 the enforcement agency. We don't have that
4 enforcement power.

5 And you got to regulate yourself so I just
6 want to make sure that you guys are saying -- that
7 what you're saying is correct is that the -- not
8 correct but what you're saying is that Phase 1
9 shouldn't be a problem.

10 We don't have -- we're not going to -- we
11 are working within the parameters of the original
12 D&O and the original 201H. If we modify, it'll be
13 on Phases 2, 3, 4, and 5. And that would have to
14 come back to the Commission and the Council for
15 changes.

16 **MS. DESJARDINS:** Thank you, Commissioner.
17 Not necessarily. During the process of developing
18 and finalizing Phase 1 our department and the other
19 departments involved may make a determination that
20 substantial modifications exist even within Phase 1
21 that would trigger us having to go back and asking
22 for amendments. We are not saying that Phase 1 --
23 whatever that looks like -- is lesser than five
24 phases and therefore it's okay.

25 Within each phase if there are substantial

1 modifications that were represented to you --
2 because one of our obvious requirements is to stick
3 to what was represented back when this D&O was
4 initiated as well as the 201H resolution that
5 approved it is -- and so this is a discussion we'll
6 have to have when we sit down with the developer and
7 we look at what Phase 1 looks like.

8 **COMMISSIONER OHIGASHI:** I think you better
9 have that discussion as soon as possible because it
10 takes quite some time to get through that process.
11 Anyway, that's fine.

12 **MR. NISHITA:** Again I would just note
13 since I think part of the question was regarding the
14 amount of units for Phase 1 -- the project
15 modification specified by the Maui County Council
16 for the 201H approval identified Phase 1 of the
17 development shall consist of up to 81 units -- of up
18 to 81 units.

19 **CHAIR GIOVANNI:** To 81?

20 **MR. NISHITA:** Yeah. So --

21 **CHAIR GIOVANNI:** The current thinking is -
22 -

23 **MR. NISHITA:** -- as determined by the
24 Department of Housing and Human Concerns single-
25 family homes and multi-family homes. So we do

1 believe that the 72 units does comply with the 201H.

2 **CHAIR GIOVANNI:** Yeah, 72 is up --
3 complies with up to 81 is what you're saying. Yeah.

4 **MS. DESJARDINS:** Can I interject one tiny
5 thing? And that is that that may be true, but those
6 -- what those 71 units look like versus what was
7 initially represented that's what our department
8 would look at carefully and say, "Is this really a
9 substantial modification or not?"

10 **CHAIR GIOVANNI:** Yeah.

11 **MS. DESJARDINS:** So not just the number.

12 **CHAIR GIOVANNI:** So I'm back to my robust
13 progress report next June. Hopefully this topic
14 will be specifically addressed and clarified as
15 well. Okay. Any other questions for the County
16 Planning? Hearing none, thank you very much.
17 State? Ms. Kato?

18 **MS. KATO:** Thank you, Chair. Alison Kato,
19 Deputy Attorney General for the Office of Planning
20 and Sustainable Development.

21 OPSD has not had time to review the
22 documents submitted this morning in any detail but
23 continues to support this project despite the delay
24 and uncertainty in future phases.

25 The development time scheduled was waived

1 in DR11-44 due to lack of availability of public
2 funds and other factors that were mentioned by the
3 Conty.

4 We understand that the County may still
5 have future challenges in working out obtaining the
6 resources necessary for this project. But it sounds
7 like there are positive changes occurring that will
8 hopefully lead to progress.

9 OPSD understands the need for housing
10 remains and supports its expedited production. We
11 note that as things progress the County should
12 continue to keep looking at whether any information,
13 plans, and studies may need to be updated to account
14 for changes in the project and circumstances, you
15 know, which the County has acknowledged that they
16 will do.

17 And we look forward to receiving more
18 solid information and plans in the next status
19 report. We have no further comments. Thank you.

20 **CHAIR GIOVANNI:** Thank you, Ms. Kato.
21 Commissioners? We need a bio break. It's 12:04.
22 My intent is to complete this agenda item before we
23 break for lunch. So we'll take a six-minute bio
24 break. Come back at 12:10. We are recessed.

25 **(WHEREUPON, a recess was taken.)**

1 **CHAIR GIOVANNI:** I'm just going to
2 reiterate, Commissioners, any questions for the
3 Office of Planning and Sustainable Development? I
4 have none. Thank you. Final call for public
5 testimony. Ms. Kwan, has anybody members of the
6 public shown up that want to testify at this time?

7 **THE CLERK:** No, Mr. Chair.

8 **CHAIR GIOVANNI:** Thank you.
9 Commissioners, this has been a status report. We
10 are not required to make any motion or take any
11 action at this time. If no action is taken the
12 requirement of continued annual status reports will
13 remain. And the next status report is due in June.
14 And I have been guaranteed it will be robust.

15 However, if the Commission feels that its
16 concerns have not been addressed based on the
17 comments and responses provided by the petitioner,
18 the Chair will entertain a motion that either the
19 petitioner's status report has not sufficiently
20 addressed the Commission's concerns and that further
21 meetings or status updates are necessary to provide
22 the opportunity so that future dates can be
23 determined by the LUC staff or is there is reason to
24 believe that the petitioner will not adhere to the
25 conditions set forth in the decision order.

1 And that may result in the staff to move
2 forward with a formal order to show cause
3 proceedings. Are there any questions,
4 commissioners, on this requirement for us to
5 proceed?

6 Hearing none, it's time to deliberate.
7 Are there any final comments or does anybody have
8 any comments about the status report that has been
9 presented today? No?

10 My comment was is that it sure would have
11 been great if the thing that was submitted at 9:30
12 this morning was actually presented. That would
13 have been the status report we were looking for.

14 We kind of got there through the back
15 door. And we understand the miscommunication about
16 this not being a virtual meeting. But it could have
17 been a virtual meeting if you requested it upfront
18 just FYI.

19 So commissioners, deliberate. What action
20 if any would you like to take in this matter?
21 Anybody? Do you feel that what we've heard today is
22 sufficient and adequate for what we were looking for
23 to learn?

24 **COMMISSIONER CARR SMITH:** Chair?

25 **CHAIR GIOVANNI:** Where am I? Commissioner

1 Carr Smith.

2 **COMMISSIONER CARR SMITH:** The female
3 voice.

4 **CHAIR GIOVANNI:** The female voice. The
5 strong female voice.

6 **COMMISSIONER CARR SMITH:** I just wanted to
7 comment that I understand the frustration involved
8 but I also understand that this project was approved
9 in 2010 and that a lot changes between 2010 and now
10 on a variety of levels.

11 And with not much happening since 2019 --
12 we know what happened then. COVID kind of changed
13 life for all of us and then the fires.

14 So I can imagine that Maui County is
15 struggling with a variety of things. And this is
16 one of them. So I appreciate personally the
17 progress that they're trying to make at this point.

18 **CHAIR GIOVANNI:** Thank you, Commissioner.
19 Anybody else? Yeah, I concur. I think that you've
20 adequately informed us today as directly and
21 indirectly as you could or did.

22 We encourage you to move forward
23 aggressively with Phase 1. That should be the
24 focus. Get the money the best you can and keep us
25 informed. And the best way to do that is with a

1 very robust report to us.

2 Because it's going to take you several
3 months to get to where you know whether or not
4 you're going forward and at what timeframe and what
5 it's going to totally cost, et cetera.

6 So we look forward to that. And I feel --
7 the Chair feels that we don't need to proceed with a
8 show cause order or request anything in the interim
9 from you.

10 **COMMISSIONER OHIGASHI:** Mr. Chair?

11 **CHAIR GIOVANNI:** Yes, Commissioner
12 Ohigashi?

13 **COMMISSIONER OHIGASHI:** I'm not going to
14 make a motion or anything to accept the report or
15 anything like that or believe or think that it's --
16 everything was adequate.

17 But what I want to do is -- I'm not either
18 move to the extreme and have an OSC before us. What
19 I'd like to do is a commitment from the petitioner
20 and the County as a whole that they communicate with
21 our staff to keep them informed of what is going on.

22 And the important part about that is that
23 our staff is the one that informs us of whether or
24 not we really need a hearing on this matter -- on a
25 status report. And if they don't get the

1 information or if they're not kept abreast they will
2 be essentially telling us, "Hey, we got to find
3 out." So I'm asking if the County of Maui and the
4 Managing Director's Office specifically that -- will
5 you be able to communicate with our staff regarding
6 the most recent changes and keep them up-to-date?

7 And you don't have to -- it doesn't have
8 to be every year. I was thinking more, like, within
9 a couple months or whenever you make decisions that
10 you can inform the staff of that.

11 And it would be easy to do so if you had
12 an email system. Or you do, yeah? But those are
13 the types of things that I think that will be
14 important to alleviate any kind of tearing out at
15 the -- tearing your hair out at its end in dealing
16 with the County on these issues before.

17 And I know it's maybe a little but
18 burdensome. But like the Chairman said, it might be
19 a good idea since you're going to have to
20 communicate to us anyway concerning if there's going
21 to be changes in Phase 1 of the requirements. So I
22 think that if we can get that commitment from you
23 that would be terrific, Mr. Managing Director.

24 **MR. NISHITA:** Thank you. I mean, the
25 short answer is yes, absolutely. I'd be happy to

1 even provide my personal contact info to staff to be
2 able to reach out to me directly. And I can
3 communicate with them directly too.

4 But I will stress to the department the
5 need to provide better information and communication
6 with the LUC, especially as it relates to, you know,
7 regardless of whatever the status is but make sure
8 you folks are keeping kept informed about what's
9 occurring. Thank you.

10 **CHAIR GIOVANNI:** Yeah. If you are
11 successful in finalizing any development agreement
12 or not by the end of this year, a simple little
13 email to our staff to clarify that would be great.
14 And then they'll inform us. Just an example.

15 Anything further? Okay. I think that
16 will conclude this matter. And thank you very much
17 for you guys making the time today.

18 **MS. DESJARDINS:** Thank you very much.

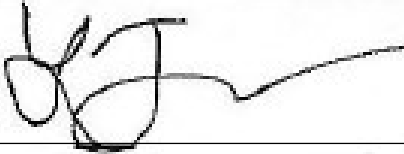
19 **CHAIR GIOVANNI:** Commissioners, I'm going
20 to move to adjourn this meeting and encourage all of
21 you to stick around for lunch, which has been
22 provided by staff. So this meeting is now recessed
23 -- adjourned.

24 **(WHEREUPON, the meeting adjourned at 12:19**
25 **p.m.)**

CERTIFICATE

I, Leann Trumble, do hereby certify that the proceeding named herein was professionally transcribed on the date set forth in the certificate herein; that I transcribed all testimony adduced and other oral proceedings had in the foregoing matter; and that the foregoing transcript pages constitute a full, true, and correct record of such testimony adduced and oral proceeding had and of the whole thereof.

IN WITNESS HEREOF, I have hereunto set my hand this 8th day of July, 2024.



Leann Trumble