

Meeting of the
HAWAI'I COUNTY HOUSING AGENCY
Hilo, Hawai'i
April 3, 2023

Agency Members Present

Cindy Evans
(attended via Zoom as observer)
Michelle Galimba
Holeka Goro Inaba
(attended via Zoom as observer)
Jennifer Kagiwada
Matt Kanealii-Kleinfelder
Ashley L. Kierkiewicz (Chair)
Heather L. Kimball
(attended via Zoom as observer)
Susan "Sue" L. K. Lee Loy (Vice Chair)
Rebecca Villegas
(attended via Zoom as observer)

Absent and Excused

Housing Staff Members Present

Susan Kunz
Jennifer Kualii
Michael Yee
Royce Shiroma

Corporation Counsel

Elizabeth Strance
Sylvia Wan

Members of the Public

Toby Hazel

Kierkiewicz: Good morning, everyone. Welcome to the convening of the Housing Agency. I'm calling this meeting to order on Monday, April 3rd, 2023, the time is 10:04 a.m. Noting for the record, members of the Agency that are present today are Heather Kimball, Sue Lee Loy, Michelle Galimba, Jennifer Kagiwada, Matt Kanealii-Kleinfelder, my name is Ashley Kierkiewicz, the presiding officer of this Agency. Thank you, and participating remotely, was that notice in the public, no, no just recognizing that Agency Member Cindy Evans is joining us as an observer. At this time, we will be taking statements from the public. I believe we have one member of the public here to testify, Miss Toby Hazel.

Hazel: I'm not Miss, I'm Ms.

Kierkiewicz: Ms. Toby Hazel, thank you.

Hazel: I'm over 80 years old, you become a Ms. I'm really happy to see you all here today and it's only because of Jen's newsletter that I read and take testimony today which leads me to wonder why the housing people don't tell you directly when the meetings will be and you can give testimony, part of the problem I think is that there's a lot of withholding going on and you know secrecy. So one of the things about discussion of leadership roles for me and other people that I know has to do with the Tenant Advisory Board which I never knew anything about, they met for one hour this year, during the open access comment period in this room and we got quite a number of people here, there might have been over a dozen people here that were tenants that wanted to say something or question some of them, and we were very surprised that we were now the Tenant Advisory Board for one hour. I think that's really insufficient, you guys need feedback from people who are, you know, who are taking these services. Not only for the good things that we do, but for the loop holes, when people got evicted after Covid you don't wanna make homeless people, I'm sure you don't intend to do that, but that is what happened and the voucher system, I never knew much about it, I didn't know there were emergency vouchers, and neither did the people who got evicted, I know, because I helped one person, I live up in Mohouli Senior Residences and one of the guys up there got evicted, I tried to help him, I went to (inaudible) a couple of times, and yeah, never heard anything from HOPE Services, from his worker here and all this other stuff about emergency vouchers been given out. There's just some big gaps and one minute of reorganizing yourself, what is it? I don't understand why, now you're the Hawai'i County Housing Agency, HCHA? That's some new thing I don't what that is either, but so if you're gonna have these annual plans and people could testify, you know, maybe it's important that you include some of these things in the packets that you give people when they first come in through housing, you know, to go to these places, these apartments because right now it's, you know, like a dark room. So the annual plan I find here, so evidently the idea that the Tenant Advisory Board could meet monthly is a shocking request.

Kierkiewicz: You have 30 seconds.

Hazel: A shocking request that could be made to help people that need clarification or have other questions that they're particular worker doesn't seem to be able to answer so I ask you to do that and make that part of the annual plan, and however that links in with the 5 Year Plan, I don't really understand, but I think it's important that you, that you realize that there's actually four arms

to the government, there's judicial, the legislative, the executive and the forth arm is the people.

Kierkiewicz: Thank you, Ms. Hazel, for your testimony and for being here and I also just want to note, Mr. Holeka Inaba, also another member of the Housing Agency he is on Zoom and observing as well. I just want to take a moment to address a couple of things that Ms. Hazel brought forward. We do have new members of the Agency here today, as you can tell, we are not in the Council Chambers because we checked our Council Member title at the door. We are here simply as residents of Hawai'i County, serving in this capacity as Housing Agency members. So that way, Ms. Hazel is aware of why we are meeting here. The other thing that I wanted to note was the plans that this Agency is reviewing today, the Consolidated Action Plan, it's a Five-Year Plan that the Office of Housing and Community Development must submit to the Federal Government so that they are aware of how we are spending money that is being provided by the Housing and Urban Development Department. Every year we submit an Action Plan to tell them how the money has been spent and how we will further spend the money, that's a way to ensure that there is transparency in the process, and that we are meeting our articulated measurable goals and outcomes. I'm sure our Housing Administrator and team will get into that a little bit further, but just wanted to make sure that I was answering

Kierkiewicz: We're not taking any more testimony or comment. The final thing that I'll say is, thank you for highlighting the fact that you know some folks who didn't know about the voucher program, I think OHCD and their team work really, really hard with community partners to make sure that folks who are in need of these resources receive them but sometimes folks fall through the cracks. Thank you for letting us know but I know that they work really hard to make sure that those who needed the vouchers receive them. Are any other testifiers?

Kualii: No.

Kierkiewicz: Okay, at this time we'll be moving on to the next item on the agenda which is the Approval of Minutes from the April 5, 2022 meeting of the Housing Agency. May I have a motion to approve?

Lee Loy: So moved.

Galimba: Second.

Kierkiewicz: Thank you. There's a motion by Agency Member Lee Loy, second by Agency Member Galimba. Any questions or discussions on the Minutes?

Seeing none, all in favor of approval, please say aye. All said aye. Any opposed? Motion carries with six aye votes. Next item on the agenda under New Business, discussion point A, Leadership Roles, I will be turning it over to Housing Administrator Susan Kunz.

Kunz: Thank you very much for being here today. So because there are new members, I think, we wanted to give a sense that we want to point out that in the Hawai'i County Code, Article 32, Housing Administration, there's language in there that talks very broadly about the Hawai'i County Housing Agency. Without reading the whole Code, although it's very short and very broad, to give you understanding, the reason for the Housing Agency is to provide a body that with an overview.....

Lee Loy: Susan, I'm sorry, can you give us a second, I see a note about being unable to hear. Sorry to interrupt.

Kierkiewicz: I just also want to make note that we have another Agency Member that's joining us in observation status is Rebecca Villegas.

Kunz: Okay, great. So the Hawai'i County Code, Article 13, under Housing Administration, defines the Hawai'i County Housing Agency, and in very simple terms the Housing Agency was set up to review and provide guidance on our Housing Choice Voucher programs, and so we normally come to this body to present on an annual bases, our Annual Plan for the Housing Choice Voucher Project program, sorry, and also on a 5 year bases, the Five-Year Plan. So today we are here to look at the 2023 Annual Plan for the Housing Choice Voucher, there is another item on the agenda which is having to do with our, another Hud program which is the Community Development Block Grant program for information purposes. But the main reason why we're here is for the for the Annual Plan. I am gonna call Michael Yee up, who is our Division Manager, and he, yeah, I'm gonna ask, oh, so we were gonna do an overview to kind of talk a little bit about that.

Wan: We're not there yet.

Kunz: Okay.

Lee Loy: We're establishing the leadership.

Wan: So it's just talking about the leadership of the agency.

Kunz: Okay, okay.

Wan: So we can't jump into the plans yet, cause those are the next agenda items. So right now, it's just talking about like what the Agency wants to do regarding their Chair, Vice Chair and what not. Sorry, Michael.

Kimball: Corporation Counsel Strance, Judge Strance, do you have guidance to give us before we proceed?

Kierkiewicz: Thank you, Corporation Counsel, you have the floor.

Strance: Thank you, I think Housing Director's broad overview of the structure is important as an orientation to discussion about leadership, because I've been asked to provide some comments about your roles, the roles on this board versus roles on the County Council, and I think that that discussion is better understood in the context of how this program, and how this board is generally set up, and so I would ask for just a little bit of latitude from the director so everybody is on the same page in terms of that whole structure and bases for this Agency.

Kierkiewicz: Judge Strance, are you advising us that we should allow Director Kunz or Administrator Kunz to proceed with presentations from her staff on the next items on the agenda?

Strance: No, just in terms of providing a general background and I'm happy to sit with the Director and I'll tag team with her then we can go directly into the leadership issue.

Kierkiewicz: Okay, so for the purposes of where we are now, discussion of leadership roles, how do we proceed, would you like to provide us with more information so we can make an informed decision on leadership structure?

Kunz: Sure, sure, I mean, you know, I think, to lead the discussion I wanna point out that the Hawai'i County Code does not outline details about the membership of this group except to say that it would be made up of the Hawai'i County Council Members and it also does not talk about terms of membership. So, I really appreciate you taking us to this point since you were the previous Chair of this committee but I think we do need to discuss, maybe going forward, so can you assist me with that, okay?

Strance: Good morning. Elizabeth Strance, Corporation Counsel, and thank you for the latitude Chair. This particular Agency is unusual in the construct of government, because it is set up with defined membership of you folks separate and apart from your duties and your appointment as Council Members by virtue of your election, that you're on this Agency and so the leave your Council hat at the door was, yeah, it's an apt one. The history of this

Agency, it really has a very strong connection to Federal law, and not the State law or a County law, except that there's a, the County Code provides for this Agency and provides for your membership in the Agency so I think that distinction is important, there are a handful of boards and agencies within County and State government that are set up this way. Some of the other housing and development authorities, and those sorts of things describe certain elected officials as being members of certain Boards. This one is, has the entire body of the County Council on it, and normally, as you know from your ethics training, when you sit on a nonprofit board, when you put on your Council Member hat, there's possible conflicts of interest, if what you're requesting or voting for in your outside board membership leads over into your Council membership. There is a general exception on the conflicts of interest provisions of the County Ethics Code and State Ethics Code as well that provides an exception, but it does require a certain amount of discipline on this body's part, and then when you put on the other hat about what the rules are here versus what the roles are at the Council level, when the role of the Housing Department was very small, essentially a facilitator of just Federal money, instead of taking on a much broader role in an increasingly role, larger role, it was much easier to draw those distinctions, those distinctions are a little bit, they're not blurred, but there are important, it is important to know what your purpose and function here is versus the when you go back into your roles as Council Members and so to the extent that you have a very focused purpose here and it's stated in your agenda, it's primarily a policy role and a direction of Federal funds preference for use of Federal funds mode, then that's kind of the carve out here and so for members of the public who might not see you with different hats, they just see you and you as a body, then there's potential for confusion and so I know part of the discussion about whether to hold this meeting in Council Chambers or to hold it here, decision to hold it here was in part to really anchor this group in its separate role and so I appreciate the Director's initial comments about what the role is and what the purpose and matters on the agenda are, because I do think that it kind of anchors you in this different, in this different role so I just wanted to take a few minutes about that because you know there are other rules around conflicts of interest that, but for how this particular Agency is set up, there would be other concerns.

Kierkiewicz: Thank you, Corporation Counsel, I want to open up to the Agency Members to ask questions or provide comments.

Lee Loy: I have a question.

Kierkiewicz: Ms. Lee Loy.

Lee Loy: Thank you. Thanks Judge Strance for being here. I understand our role but I also understand that a lot of this happens because of our terms as

Members of the Council, under the Housing Agency, does it follow the same terms, or have that changed throughout Council terms?

Strance: Your position on this Agency is tied to your position as a Council Member, so if a Council Member were to term out then that Council Member would stop being on the Agency which is why we have a couple of new members here today.

Lee Loy: Thank you. I yield.

Kierkiewicz: Ms. Kimball.

Kimball: Thank you, Chair. Can you be briefly speak, Judge Stance, to some guidelines in terms of any discussion that might be prohibited, being that the potential issues of crossing our Agency role.

Strance: If there is business that is pending before the County Council, then you may not be prohibited from discussing it here, but then you might, then you would be prohibited from discussing it at County Council and so if, for example, there's a Bill, or you want to present a, you think of a Bill should be presented to County Council, that would be, I think, problematic. More problematic would be that if there's a Bill pending at the Council that in lieu of having the discussion or in addition to having the discussion at a Committee or Council meeting, you started having it here, that would be problematic because the notice for this meeting is completely separate from the notice of your Council Committee and Council meetings.

Kierkiewicz: Ms. Kagiwada.

Kagiwada: Thank you. I'm just wondering, so just a verification that in our role on this Agency we are not representing our districts in any way, is that one thing we are saying?

Strance: Well, the Code is silent to that, but the Code doesn't describe a geographic representation, it just describes who shall sit on the Agency and I believe that it's Chapter 2-66, I think, is the provision.

Kagiwada: Can you make a recommendation?

Kunz: It is silent. Can I make a comment?

Strance: Yes.

Kunz: It's my hope that you would represent your district, I think that's the reason why the Council Members were written into the Code as members of this Agency, was to make sure that in our program we would have island wide representation so it is my hope, if it doesn't conflict legally, that you are representing your district.

Strance: I think in fairness, I mean, the idea was, I didn't do the legislative history, but you folks do represent a section of the island community, and you know, the purpose of this Agency is to make housing available to those areas of the County where the Housing Agency finds that adequate housing accommodations are not available and so you folks would probably have some of the best information on what's accurate within your own districts.

Kagiwada: Thank you so much.

Kierkiewicz: Anyone else? Okay, just to confirm, resolution, plan are being prepared today to discuss the Agency Members are also same as the Council. I remember years back before we reorganized Committee structure, these plans were being reviewed in Finance and I think it called in the question, just the duplicative nature of the conversations happening in Agency, having it in the Council and bring me in if I'm going a little bit too far, but I think that's where we started our conversations are on the make up of the Agency because Council Members are having the same conversations twice, one is, on the record but not broadcast to the broader community and so I don't want to go any further around updates to Codes, I'll just say that there is, because of where we are today, leadership structure, who's on this body, what the terms limits are, what the precise focus is, work needs to be done legislatively to provide more clarity to the Code and I'll just end it there.

Lee Loy: Chair, I have one more comment.

Kierkiewicz: Yes.

Lee Loy: Thank you and Judge Strance, you mentioned, you haven't really taken a deep dive into the legislative history of the Agency, you know, as we formulate some of our leadership roles here at future discussion, I would love to see a legislative background and history of it, from my personal knowledge when the Agency was kind of codified, we have a very complete, different make up, we were not as single member districts, we were at-large, it was completely different, back in 83, when this was codified and so I would love to see that legislative intent and history to help better serve Agency Members and then their role as a Council Member, that duplicative process.

Strance: Be happy to do that.

Lee Loy: Thank you, Judge Strance. I yield.

Kierkiewicz: Ms. Kimball.

Kimball: One more point to make on that is, I believe that it's in the amendment that happened in 2014 that actually established the Council Members as the Agency Members. The initial creation did not have that language in it. Motion to appoint Agency Member Galimba as Chair and Agency Member Lee Loy as Vice Chair.

Kierkiewicz: Can we do that today, to discuss new leadership?

Strance: You can discuss so long as you don't have an election, you have to agendaize that discussion. You're stuck. I mean the broader discussion on leadership, rules, you've indicated that there's not anything specific about terms or things like that, so if you wanna have more of a broad-ranging discussion about leadership, then it can get, ideas from that can get translated into some sort of motion for the next meeting.

Kierkiewicz: Okay. We don't have anything on here about having a discussion or informing the next agenda, can that happen off line when OHCH.....

Inaba: Excuse me, sorry, can we get Committee Members to speak more loudly, we can't hear you folks.

Strance: Looks like you have to pass down the microphone as you're speaking.

Kierkiewicz: Sure, I just wanna be clear for Agency Members that are observing today's meeting, today we are just discussing leadership and structure of the Agency because it was not formally agendaized that we would be electing a new Chair and Vice-Chair, at this time I am unable to entertain any motions to elect new Agency leadership.

Kunz: Okay.

Galimba: So we can't discuss terms and process of leadership roles then we could, at the next meeting vote on. For example, we wanted to say that we, leadership would be a two year term, that would be something that we could vote on next time.

Strance: Correct.

Galimba: Although, that might be I mean, given that we only have two-year terms as Council Members, that can get close.

Kimball: Maybe co-terminus.

Strance: Or you could do it concurrent.

Kierkiewicz: Thank you. Anyone else? And to broaden the discussion, it doesn't necessarily have to be Council Members, with a non legislative hat serving on this Agency. I'll just put that out there as well.

Kunz: That's correct.

Kierkiewicz: Because in the past it wasn't, in this 2014 Amendment, made it so that Council Members without their legislative hat on, serve here.

Galimba: So what you're saying is that there will be another process to elect new Agency Members other than the Council Members?

Kierkiewicz: What I'm saying is, potentially the legislative body could have a conversation about the make up of the Housing Agency and whether it is appropriate for Council Members with a non-legislative hat to serve, or if there are other folks in the community and specializing in housing development to serve, considering over time the reach and scope of OHCD has grown. Council Members may or may not be part of the agency, I don't wanna get any further down the road on that particular discussion because it deviates from what's here on the agenda but just to broaden folks' mind around.

Kunz: But it would require an amendment.

Kierkiewicz: Anything that we're talking about, term limits, any of that will require an update to Code. You know, I did not do a motion so like close file on this particular discussion, we just have this discussion, Corp Counsel what do you advise?

Strance: Go ahead and fix it.

Kierkiewicz: There is a motion by Ms. Kagiwada, second by Ms. Galimba to close file on 4.A., the Discussion on Leadership Roles, have we exhausted the discussion?

Kimball: One more question to ensure, when is the next time that the Agency will have to meet?

Kunz: For the Housing Choice Voucher Program it probably won't be until next year.

Kimball: Given that we have a lot of time to pursue other options, so I think that there was a lot of evidence produced today, I think that for future deliberations. Thank you.

Kierkiewicz: Anyone else before we take the vote?

Lee Loy: Thank you, Chair. Judge Strance as you kind of put that all together, I'm reading counsel with a small "c" here, you could help us with that definition as it applies here, council with a small "c" and kind of building Chair Kierkiewicz or Agency Chair Kierkiewicz's discussion about who that members could be helpful for a future agenda discussion. Thank you.

Kierkiewicz: Thank you, noted for the record. There's a motion on the floor to close file on Discussion of Leadership Roles, all those in favor please say aye? All said aye. Any opposed? Motion carries with six aye votes just noting that Agency Members Villegas, Inaba and Evans are not with us, they are on Zoom and on observer status. Moving on to the next item on the agenda, may I have a motion to approve the Annual Plan for the Housing Choice Voucher Program?

Lee Loy: So moved.

Kagiwada: Second.

Kierkiewicz: Thank you. Motion by Ms. Lee Loy, second by Ms. Kagiwada. I'll turn it over to Administrator Kunz and it is Program Manager?

Kunz: Division Head Manager.

Kierkiewicz: Division Head Manager.

Kunz: So I going to turn it over to Michael.

Yee: Thank you. Are we allowed to show the Powerpoint? Okay. So just quick intro, so we are going over in your packet, the Annual Plan, I'll reference the 5 Year Plan, and I may reference the rules of our program, okay, so these are the three important guiding documents for the division that manages vouchers. So second slide, please. So we have, we spent about, last year 21 million dollars is extended for housing vouchers, we, OHCD Section 8, we have to work with families, eligible families to get landlords to participate on vouchers. We screen folks for the eligibility, if they do, they get a subsidy for the rent, and we also cut a check to the landlord, okay, we serve over, last year over 2,200 families. Last year, I've reported in the minutes 2,083, as of the other day, we had 2,118 people on vouchers. You look at attrition rate each month, we serve over

2,200 families, though. Next slide, 5 Year Plan is our overarching plan that lays out on basic policies, guidelines, we are in the fourth year of it, so when it ends in 2024, we'll need to have another 5 Year plan that means next year we will be talking to you about the update for the 5 Year Plan. Meanwhile, every year, once a year, we gotta provide an annual plan to kind of, the check in and how we're doing and like last year, no major changes, this year we're conveying no major changes. There will be changes in the future, I can guarantee you with all the things we're looking at, there will be changes in the next annual plan in the next 5 Year Plan that will be significant, and which will then also create changes in the rules and regs, and there'll be whole processes to go on public hearings to convey this to the community and so. As Judge Strance was talking about earlier, we do a lot of things because HUD kind of requires, Federal funds require certain things so in this case they want to make sure that when we get 20 million dollars we know what we're doing with it, right, we have a plan, we have rules to do it, and we need an agency which to kind of oversee that we're doing it and that's the HCHA, that's why you folks were created. Really take a look at how we're dealing with Section 8 funding, within that, HUD really wants to ensure that we're also talking to the people we serve. So there was a reference to Resident Advisory Board and that's required for us to work with residents to make sure they are involved in the decision making that we're doing, okay, so there was a resident meeting that was held and prior to this, there was a public hearing that was held, and in both cases, comments from those were provided to you in your packet. So we incorporate those ideas that we may, that should affect what we do into our processes.

Kanealii-Kleinfelder: One of testifiers mentioned the amount of times the Resident Advisory Board has met. How many times have they met, is there a requirement on how many times they meet per year, per plan, per whatever?

Yee: Within our rules and within HUD, there's not a requirement beyond, by the one time to be able to approve the plan. Previously to me, they were basically held once a year to basically approve the plan and basically we kind of leverage another resident group that's involved in our Family Self Sufficiency Program has a resident group, we kind of leveraged them to be able to do the Resident Advisory Group. We changed that this year to have a robust kind of Resident Advisory Group, we sent it out to our Section 8 recipients and invited them into this room, and I think when you say board you think of this like elected kind of membership thing, and maybe that was the wrong term for it, but basically anybody who's a Section 8 recipient, and anyone from the public could attend this meeting to give feedback. Our intention is clearly not to just have it once a year, that's just checking the box, and so we plan to have regular meetings, not monthly but probably quarterly where we make sure we're engaging with our residents, and if you know me well, you know, having resident engagement and having them understand what we do is really

important to our the processes we do here. We had our first one in March and our plan is to have them quarterly at this point, and you know we picked up Kehau Costa on our staff, and she's in charge of doing that, and we definitely have plans to do that and so we expect a more robust, you know, group that doesn't focus on just grievances and complaints but really looks toward how we can improve the program for our recipients.

Kanealii-Kleinfelder: Thank you.

Yee: You're welcome. Next slide. So yeah, I talked about the Resident Advisory Board, we met on March 3rd, I should add it was a very robust, resident advisory board, we had 16 residences here, who really shared their experience, and really gave us a good feeling about inviting them back, inviting others to do it, so we look forward to engaging them more regularly. But the first meeting was, I would say, success with 16 residents. Just wanted to make sure you know that we do have an official mission. Our mission is to provide for the development of viable communities through decent housing, suitable living environments, expanded economic opportunities. I think these are obvious goals that we have for housing, I think, to know within Section 8 there are a couple of side programs that are part of it. One is the Family Self Sufficiency and Home Ownership Program, so if you're a recipient in our program, you can participate in these programs to get into home ownership and that's a big thing, this didn't exist 20, 30, more like 30 years ago, when I first started in the business and it was that recognition of people coming into our program, isn't it the end goal to get them to be sufficient out of the program? So our Family Self-Sufficiency program has been around, is funded by HUD with additional funds, and it produces, we get people into, creating a plan and trying to graduate them, they have a 5 year timeline which to graduate, and they have a growing escrow fund that many of them leave with thousands of dollars to be able to purchase at home. We also have a side program, Home Ownership Program, which we plan to make more robust this next year, they'll learn more about that as we try to roll that out in a more meaningful way. But I wanted you know, that there's things besides me just giving out a voucher to folks and folks living somewhere, there are other programs that try to support what they do. Next slide. So right now, total of all our vouchers that were allocated to 2,302. As I mentioned, we're about 2,108, 2,118 right now. Within the standard Housing Choice Voucher, which is kind of the standard one, we're practically running close to 100% utilization of those vouchers at this point. The ones where we're short on is what we call special purpose vouchers, so not too long ago, actually, only a few years ago, they rolled out special vouchers for veterans, emergency housing, homelessness, foster youth and what they call Mainstream, which is non-elderly, disabled families, okay, so these are special purpose vouchers, you have to meet certain criteria to be able to receive that voucher. That has made it hard to find folks that fit that eligibility and get them

into housing, so we don't run at 100% utilization for those but we institute very specific things to try to increase the supply, such as, a landlord incentive. So last year, less than a year ago, we instituted a 2,000 landlord incentive for new landlords entering the program to do, to take on an emergency housing voucher, and we are at, since last year, 36 new families within that that participated. Foster Youth, we instituted one toward the end of last year for just foster youth at 3,000, and we have three right now that look like they'll take that, and these are new landlords entering our program not old ones and so that's really important that we're trying to grow that supply which is the most difficult thing, understand, I usually have a 100 vouchers out on the street every week, okay, and the success rate probably is round and depends on the month, 50%, 60%, that means it's good percentage don't ever find the housing that they need. So we are really trying to work that supply, we are trying to grow the incentive to more the programs this year that should be rolled out over the next 30 days so you'll see more announcements for more incentives, for more of the vouchers. I'm looking at instituting a security deposit kind of like guarantee for emergency housing vouchers if you can't get a security deposit from some of the other sources out there, we'll step up for the security deposit and that's mainly because if you're an Emergency Housing Choice Voucher holder, I want you to be able to go to the landlord and say, don't worry about the security deposit, it will get covered by one of these agencies, by them, or by OHCD in the end. I don't think there will be a lot of takers, but I've wanted to just make it easier for landlords to get to the yes so look for those incentives to grow the supply. I should mention Project Based Vouchers, within our 2,000 plus allocated Housing Choice Vouchers, I could take a certain percentage and use them in what we call Project Based developments. There's a cap, unless you've meet recent exemption, I was in front of you folks recently at Council with some resos and stuff for Project Based Vouchers. Great financing tool for developers, a very administratively, burden is not the right word, but it comes with a lot of administration to be able to get developers with the use of these Project Based Vouchers, but it's part of our allocation, so if I use a 100 from that, I'm taking away from the other HCV which is fine, they're a great tool know that I just can't do as many as I want, there's only a certain percentage that I could use, okay. We do a, not quite annual, probably every 2 or 3 years we do RFP for PBV, for Project Based Vouchers, when we have enough of them, then OHCD goes out and says, okay, who wants to use these? So that's just the side thing of our vouchers that you should know about. Next slide.

Lee Loy: Michael, explain to me the seven year VASH that's mentioned here. First of all, what the acronym is.

Yee: I'm sorry, veterans, so that's veterans.

Lee Loy: Veterans, okay, thank you.

Yee: Sorry, my apologies. Yes, for veterans, we have, so you're getting in a little bit of details, but veterans vouchers work on a referral bases which we work closely with our VA staff here so they have to make the referral, a vet can't just walk in our door and say, hey, I'm gonna use this voucher, Housing Choice Voucher, can I get on the waitlist. Little different, it's on a referral referral bases, we work closely, out of the 70 right now, we're using 51, you know, I would, talking to the staff we feel like we'll eventually use all of them, I think it's definitely part of that issue is a supply, I definitely have them out on the street but I'd like to see that number certainly increasing its utilization. The impact of the Na Hale project will certainly have an impact in utilizing more vouchers there, more project based, but that's over year wait still, right, so we know veterans will use more of them, the question will be, once we max out, you always have to wait for that window to open with HUD to say, hey, do you want some more, the window only seems to open usually at the last minute, you don't get a lot of warning, they're like, okay, what do you want? So we'll see if the window opens at the right time for us.

Lee Loy: Thanks, Michael.

Kagiwada: Okay, so similar question about the Project Based Vouchers. My understanding is, some of those are for projects where you are getting in the homes now, but some are more like promises for future projects, so how do you have those vouchers to promise?

Yee: So the ones that are getting them now were promised years ago. So I think that's the simplest way to explain that. So when we do an RFP, we will say you're awarded 50 PBV units. You wait years as they go through the process cause they're very early in the process, and they may change that number that they really need and you get, and I wanna say we're over an average of 5 years between the time of us awarding, and the time that I'm actually using, Covid, other things in the development process has caused a major delay, so it's become part of our strategy to really know how many have we awarded, how many are terminating out of the program cause they've reached the end of their 15 year, 20 year deadline, and being able to put it up without going up over our maximum number of units while knowing there's some exemptions to some of the rules, right, if you do senior housing, so it's become this very strategic game of trying to understand exactly what we've awarded how many are coming online and offline and trying to maximize it for the use of them. It's been a bit to try to wrangle all that in, but I feel with Kehau, we're doing a pretty good job of understanding where we're at, we feel as if we will come out with an RFP later this year for that.

Kagiwada: So it says, 311 Project Based Vouchers, those are people that are in projects now, though, those aren't promises, is that correct?

Yee: Correct. So those are ones that actively and that they an HAP contract with us to get a subsidy, so if you ask how many are in, how many have been awarded, certainly more than 300.

Kagiwada: Thank you so much.

Kierkiewicz: Anyone else? Ms. Galimba.

Galimba: The last meeting minutes, there was little discussion about targeting that you're, part of your job is to build between not too little and not too much and finding like the right target, I think you just touch on it a little bit, what I'm understanding is that the number of vouchers and number of availability of housing are very important in that eventually the lack of housing is restricting our access to vouchers, correct?

Yee: Correct, absolutely. Last year, when I presented, we were very much, I was getting into the job, and it's very much like you have 2,000 vouchers to use, HUD likes you to hit 98% of that and every month I report numbers to them both, dollar wise, and number of vouchers being used, and I talked to them every month like, where are you at, and not only just HVC, they're not as all those other ones like most of the other ones didn't have a great utilization so they are constantly asking me, what are you doing, what are you doing? But let's talk about HCV. They went up, have you at 98%, but part of the problem that swing of trying to hit the right sweet spot, is each voucher is worth a certain dollar amount like depending on the rent for that unit we're expending X amount of dollars and that could be a pretty big difference between, let's say, a Kona property and a property, let's say in Puna. They want you to go to 98%, but they also don't want you to over expend your funds, and so it's you don't know until you into that month that you have an actual voucher being used, how much you're exactly expending, and so you're constantly paying attention to how much you're spending, are you at 100%, are you less than 100%? They definitely don't want you to go over, we don't want to go over because then if we go over, we need to find the money somewhere else, right. Last year on the money side, although our utilization rate over the last year was not quite 97% I think, so little less than 90, we expand it 100, little bit more than 100% of funds, little reserve so that wasn't the issue. So you could see that trying to know exactly where to hit when you're not quite sure what the market is driving in terms of rent, and we know the market is driving hard right now, you get worried like, if you press me to 98% and our rents go up, I'm gonna to over expend the funds so I'm constantly having to make sure we're adjusting so this constant thing with our staff to say, okay, get vouchers out, get vouchers out, okay, no, stop, stop, stop. It's also, right, and you have vouchers expiring, yes, so it's a very difficult thing to kinda manage month to month to know exactly, you also don't know what the success rate is when you send a 100 vouchers

out one month, what's that success rate going to be versus the next month. So there's these long big spreadsheets that we work with HUD to try to estimate where we're going, but they're big assumptions, the number I put in for a success rate, you know, how long they'll take somebody to use that voucher, to find a place, you change those numbers a little bit and it drastically changes the numbers by the end of the year, so we're constantly developing all these scenarios to try to hit the target. I would say last year, given we expended 100%, we hit the target. We got a number of vouchers out there and expended the money, if I did more, I would have over expanded but you don't know that when you're sitting, let's say in the month of April, where are you going to really end up with, and so gotta be a little careful.

Galimba: That kind of answered my question.

Kanealii-Kleinfelder: Chair, I have a follow up question. Does the utilization, or the utilization of our vouchers equal further funding from HUD?

Yee: No, the quick answer is no. But if I totally have to be honest, I don't know how HUD always makes their decisions. There are times where they'll send 10 more vouchers for a certain program, they did that prior to me, like, oh, here's 10 more, it's not as if we ask for it, sometimes we ask for certain vouchers, and they will get it but we're not always in control of that. Their money, and I think they're paying attention to every jurisdiction that let's say, the Hawai'i office, paying attention to how everybody is expending and they want to use, they're graded on how much the funds are used, so they wanna make sure they're shifting the funds and so we got a large increase this year, which we didn't ask for, and so now I'm in the situation of having to push the 100% utilization to try to spend all the funds because if you don't spend the funds, down the road when you really want it, they're going to take it away and say, okay, you didn't use them, let's not, I want to be sure funds are getting out into our community and serving our folks, but I also have, the main problems I gotta work on that supply, that's why I'm coming out with more robust landlord incentive.

Kunz: So it's interesting with HUD, right, you know, we're meeting our goals and all of that, that will ensure that we continue to get what we're getting but you over achieve your goals doesn't mean that you're gonna get more, I think I have more to do with their budget, things like that so we have to make sure that we're meeting those goals because if we don't, that's when we can impact not getting our allocation of funds, does that make sense?

Kanealii-Kleinfelder: Yeah.

Kunz: And I do want to share with the group that there's very intricate tools that HUD provides us with that they meet with Michael and his team regularly,

it's called the two year tool, and you know the ability for them to, you know, I always looked at it like a swinging pendulum, because that thing is swinging, you don't know how high and how much money is gonna spend, and that thing's is gonna come back down, right, it depends on the applicant's income because they only have to pay 30% of that income, and then what the maximum rent is right, and that's the portion that we're gonna be spending with the HUD funding. But the tools are very robust, I mean, there's a ton of information in there, you can plug in how many vouchers that start to estimate how many vouchers you have to get on the street, taking into consideration the attrition, to hit that utilization rate without going over so, it's a constant monitoring effort and communication with HUD, too.

Yee: Back to the slide a little bit, so in 2021 prior to me coming, they ran, they opened up the wait list, and they got like 2,600 applicants, summer of 2021, by summer of last year, and I had been here for about six months, we exhausted that waitlist, didn't mean everybody got a voucher and was into housing, but we exhausted that waitlist, 2,600 names of one year, that is a lot of processing. We opened up the waitlist again in September of 2022, beginning October 3, 2022, and we got another 2,500 plus applicants. One of the main initiatives nowadays is lease in place, you find a family that's already in a place that isn't on a voucher that is not maybe in stable housing or certainly eligible, and you get them to into a voucher, you get the landlord in, try to get them to agree to it, and usually we're pretty successful with that. Lease in place, has been a tool used around Hawai'i on other islands, and has been a successful program to utilize vouchers, doesn't give a person sitting on a wait list of chance, necessarily, but if you're on the waitlist in a unit, you get it very quickly. We processed over 40, 50 of those at the end of December, beginning of January, so that helped with utilization rate. I want to say, out of the 2,500 we received last October on wait list, we've cleared almost 500 of those names and I'm launching in over the next few months we're gonna launch into, probably the next 1,000 of those folks. If we're gonna be, it's a plus and minus of letting too many vouchers out there into the marketplace but we need to get to 100% utilization for making sure we expend the money so we're gonna be pushing out a lot. I think one of the good news, bad news, and this is kind of both sides, is the fair market rents that's set by HUD usually gets out every October, we have a special change in that, that's effective this month and it's substantially raising our, the fair market rent let's say, on a 3 bedroom by \$300 or \$400, which you when you go look at payment standards, and we can go 120%, a three-bedroom house we're looking at \$400 or \$500 more that a landlord would receive in rent for the unit. Again, the unit needs to meet reasonableness from the area so just because the max could be 3,000, doesn't mean a landlord could just charge 3,000 wherever they're at, so that's not the case. So, we should be able to theoretically get more landlords interested in joining our program because the rents are higher, pretty much the landlords and Kona

laugh at us when we kind of talk about the rents that right now are approved, hopefully that will change, the downside is, we'll just push the general marketplace up for everybody, it could, there's always that potential. So we shall see. But I will say, in terms of the timeliness of getting a fair market rent increase outside of their usual cycle, which are only like 4 or 5 out of the Hawai'i region that got it, it was timely because we have a lot of extra units to have to expand, okay, so that's gonna help. Okay, next slide.

Kagiwada: So just to clarify, the 2,500 are those 2,500 new people that don't overlap with the year before?

Yee: I'm sure there was overlap, I'm sure there was overlap. I don't have the count out of how many of that 2,600 ended up in housing with us, or how many chose to exit voluntarily, and not want something, so I don't have that number, but I can guarantee you there was overlap. I should also mention, so we had the opening wait list to end of October, if you missed that, it was two week window, you're out and you may have to wait till next time we open. We have a separate state program called the Tenant Based Rental Assistance, TBRA Program, which we need to expand their funds to not a ton, it was only a few, couple of 100,000, so we opened up that waitlist in January, and we said, hey, you know we opened up very short period of time, if you missed that waitlist, perfect time to get at least on this, it's not of a robust of a program as Section 8, but it leads to Section 8, if we determine that coupon. We had over 1,000 applicants in one week on that so there was a chance for people who didn't get in in the September opening ,to get in then, and we went from having almost zero coupons a couple months ago to having 16 coupons out there on the street today, and we only need to get a few into the program to be able to expend the funds, so again, kind of gives you an idea of the need that exist out there for folks, right?

Kagiwada: So if you get a voucher, is it just for a year?

Yee: Yes.

Kagiwada: And then you need to reapply?

Yee: You go through what we call a renewal process.

Kagiwada: And with those renewal people still be included in that 2,500?

Yee: No. So if you get a voucher you're in then you to annually through the annual review. Anybody remaining on the wait list, if you don't take, most of the reason, you'll still remain on the wait list, there's some exceptions that, but you generally stay on it, now, we cleared 2,600 names from 2021 to 2022, I

don't think that will be the case with the 2,500 that we recently got, I think that wait list may be active for a year and a half at least, we'll see. So it could be a little bit before we open up the wait list again, again managing a wait list opening has to do with making sure we don't have so many applicants that it becomes stale that you're calling folks three years down the road, and you're you have a very low success rate.

Lee Loy: Thank you. Michael, you mentioned the value of the HUD vouchers and share with me one more time, the timeline was October or did I hear that incorrectly?

Yee: Incorrectly, oh, got it, yes, fair market rents usually come out every October. So then, that sets the payment standards, it's the numbers we then forward to RPT who set their property tax exemption for that right that happens in October. In this case we're getting a chance to reset, effect of May, first week of May, okay, so we're gonna put these fair market rents into place, payment standards, with landlords starting in May instead of waiting let's say, if they increase October this year, and we definitely, having people start using this increase, starting in June to the end of the year will expend a lot of the funds we need to expend if we did it, if it became effective October, and I started doing the new rates in November there'd be no, hardly any effect on the budget by the end of December 31st, right?

Lee Loy: Absolutely, and share a little bit on that increase rent for a different discussion and maybe another agenda item, contained within our Real Property Tax Code is our affordable rental rates of which is capped at 75% of those HUD values. So setting them earlier helps or hurts this tax.

Yee: So, A, RPT is not in the practice right now, or I'm not sure if it's code or practice, that just because HUD comes out with a new FMR in April, this month, that they're gonna reset their 75% exemption. That's already been set on last year's rate, and you had to apply for it I think in December. So there's this lag in time which is problematic, I agree, so what happens when landlords start saying, Hey, the rents have gone up to here, my rent's over here, it's not 75%, and there's this big lag, there's this disconnect. I also would and I think Susan would agree, I'm not sure it should be said at 75% it should be set by a lot higher, right, again, not our code so you know, but certainly when we're looking at the ecosystem of affordable housing, we need to address that I believe.

Lee Loy: I'll look to that because it goes back to one of your slides about the codes that concern that there's other hard corners in other places that really don't help us realize all the potential in these housing vouchers, right, and it doesn't incentivize landlords to come in because of that act.

Yee: So I think I can confidently sit there and say if we changed from 75% to a higher rate, it would incentivize more landlords to participate in our program, which is a plus for us and that's what we want and when we see the need, we need that.

Lee Loy: Thank you, I yield.

Yee: I think on this slide, I just wanna address that we're really doing more landlord engagement with the landlord incentives. I gave you some of the numbers of folks participating. We have numerous kind of informational meetings now that landlords are coming to we probably had like a dozen last week that are really interested in joining the program, and I think that's the critical nature of understanding the supply is our biggest, an impediment right now, and we need to work on that and so it gets to your question around it, you know, voucher processing stuff, we have staff here, highly competent, know how to do it. They understand the numbers. So you know, they disappointed when we're issuing out so many vouchers, and people can't use them. So just wanna let you know that we are working hard on the landlord side as much as possible.

Yee: Next slide.

Kanealii-Kleinfelder: Quick question? 2022 progress, 2023 progress?

Yee: 2022 progress. Yeah, I can't tell you where we're going yet this year. I think it's all kind of, you know this stuff in terms of what we've been doing, I think we had a successful year, we utilized our vouchers, we utilized the money, no major changes, I think we probably mentioned in one meeting at Council once around home inspections and stuff and if we wanna increase that supply, we gotta work closely with landlords around unpermitted work and stuff and where's that line of life and safety, so I know when I joined, anything that had been like denied for not even having a permit, no matter what the reason was, we went back to take a look at what, why we did that, in there were definitely a group of them that we ended up doing HAP contracts, Housing Assistant Payment contracts with, so trying to be flexible. But there is a hard line, you know, as a former planning director I'm not gonna support illegal subdivisions, having people build illegal houses of not just one, but 2 or 3 on a property and say, hey, give me a HAP contract on these, so I'm not gonna do that and also it's hard when somebody illegally builds an entire home, and we have no idea how it was wired or whatever you make it difficult not to say no, we have expertise in-house to deal with that with Neil Erickson, and so, but the easier ones you build out a carport, you build out certain things we're definitely taking a look at that and making sure as long as they're safe we could approve those. Last, slide, please. That was it.

Kierkiewicz: Administrator Kunz, is there anything that you would like to add, and then I'm gonna open it to Agency Members to ask questions about our Annual Plan.

Kunz: No, I think Michael did a good job. Open it up to questions.

Kierkiewicz: Mr. Kanealii-Kleinfelder.

Kanealii-Kleinfelder: Thank you. Following up on what Ms. Lee Loy said, one thing I watch closely is equity and if you truly want to go with equity, it really is long term renting, building equity or maintaining HUD funding in the community in various sorts of landlord [inaudible]. This is more of a statement but I will lead it with a question, how many of our wait list folks are always on the list, is it same folks again and again and again, are you seeing constant rotation in the people that apply?

Kunz: So I can tell you that, you know there was a time, years past, where we would have a wait list that was perpetually open, we would have thousands of people sitting on this wait list, that doesn't happen anymore. We open wait lists for a set period of time and close the wait list. We run through the wait list, and so I would say, the success rate of us calling people off of that wait list is about 30%, 30% of the people that we call off the wait list actually respond or are actually actively pursuing the next step with us, the other 70% we don't know what happened to them. I don't know if we're seeing the same people coming on to the wait list over and over.

Yee: There are definitely some repeats, you know, that's gonna happen. I have no idea what that number is. But when we've opened up the wait list so much over the last few years, there was a long period of time where the wait list wasn't open for years, certainly prior to me, but when you ran 2,600 in 2021 and another 2,500 last year, that's a lot of folks kind of going through the stuff, right now, we've just called like a 100 folks and trying to come in for the informational and the take rate in terms of they even showing up and being interested is less than 50% I think and so just last we had to institute having to call every person say, hey, we invited you to this thing please bring this XYZ to try to increase that rate so a lot of folks are applying, and we don't know what the reason why they don't wanna come in, again, we won't kick them off right away, but we don't do any analysis over who's kind of staying on that list. If you're truly interested, we clearly pull that first list, and if you were really interested and you were eligible, you were gonna get a voucher from 2021, and like I said, we've cleared 500 on the 2022 list so far.

Kanealii-Kleinfelder: I'd be interested in seeing the number of repeats because that repeat number, they've been on 20, 30 years, they could have bought a house by now.

Yee: Correct.

Kanealii-Kleinfelder: They could have been moved in and ownership becomes equity, perpetuating renting where it's not building the equity, that's what I'm hearing.

Yee: Yeah.

Kierkiewicz: You mentioned earlier about it taking five years to graduate and you're referencing a couple of these programs, Self Sufficiency, Home Ownership, can you expand on that a little bit.

Yee: So to clarify, on FSS, when you, Family Self-Sufficiency program, when you join the program, you create a 5 Year Plan, so it's not that it takes them 5 years.

Kierkiewicz: These are families that are also receiving housing vouchers?

Yee: Yes, you have to be a voucher holder, can't be the public. We have one case manager specifically funded for HUD for this, they've gone upwards of 70 cases, 70 families they work with, that's too high over ratio. We probably sit around 50 or 60 right now for the one case manager, the HUD ratio is around 30 or 40 that they talk about. So we try to do more with one person, know that person who did it for a while retired last year, and so we have a new person who was in case management for many years, and experienced, so she's taken over, and they produce out of the, you know, 50, 60, or so, there's a graduation rate of about 15 folks every year, average, which seems about right in terms if you're on a 5 Year plan, the percentage that you're graduating each year. Fifteen out of 2,000 vouchers is a drop, right, and home ownership program only has a few participants but we're growing that and there's a way that you can buy home and have HUD use the voucher to help pay your mortgage. Little more details, but we're growing that more. Yep to the home ownership again, you have to be in the voucher, and you need to participate. Know that within the County budget that's gonna go in front of you soon, there's a proposal from Susan to ask for two new positions in my division, one is a technician to help process, but the second one is for an FSS, sorry leaving that behind. I've requested a second family self-sufficiency employee, not funded by HUD, funded by our HUD admin fees because we believe so much that the intended impact is to graduate folks out of the Section 8 program and into homeownership right, and so we're gonna hopefully get the second position to grow the Family Self-Sufficiency Program to get more people

through the program. I would hope down the road HUD will someday, when they sit there, okay, we're gonna reopen up the funding for this, and we can fund more, we're already doing, and we'll try to sit there and say, hey, we've been doing it, fund our second position that's we've been paying for, but I want you to know there was a commitment from this leadership team in that belief that we should use some of our extra administrative funds to fund the second person so we can graduate more people through our program. A perfect example of somebody I met skating recently a few months ago, and I found out that he's been on our Section 8 program for eight years, family with three kids, and when I got talking about details and asked about Family Self-Sufficiency, he said, you know my wife and I talk about all the time like we've been in the program eight years and that if we had started by now where will we be and it was one of those things where, when you first join the program, and you're trying to just hustle to find a unit, your mind isn't on Family Self-Sufficient, right, so part of it is, we need to be better and we have been going on recruiting but we need to be even better about it. How do we get to our recipients to say, is this the right time for you to join our program and to provide the services to support you in it and so I would hope that in the future I'm reporting much higher numbers in the Family Self-Sufficiency Program and in Home Ownership, right, the second position will have us be able to be more robust about home ownership information for folks.

Kierkiewicz: And I know in the past there was concerns community wide about housing vouchers going to not Hawai'i residents even though they have the transfer ability, are you able to share if any changes have been made to prioritize Hawai'i Island residents.

Yee: So prior to me coming, within the preferences within our rules that create that kind of a preference to be able to look at Hawai'i residents first, but that's Hawai'i residents on any island though, just for you to be aware. So out of that 2,600 out of the 2021 group, we will eventually do the preferences, you do lease in place, so they're already living here, you go through let's say Mainstream, you go through these different categories, the last preference was out of out of state folks, again, by the rules of HUD, you could be on all 50 states wait lists if you happen to be at the right time to be on their wait list and when you get it, you can request to be port out, so in this case you're gonna request us port your voucher out to Florida. It's allowed by HUD. Clearly, people who are in the system understand that they can do this, we can't fight that, but we created the preference so at least when we get the 2,600 names there is a pecking order which to go through that, eventually I want to say, for last summer, when we got to the end of that 2,600, that left the couple 100 that were out of state and then you're, I was having to sign a lot of port out paperwork right at that, because we got to that bottom tier of that. It's just the nature of what's allowed within HUD. But I think by us changing the

preferences, when people apply, the ones that are living here are certainly gonna first look at and above the month that are living out of state.

Kierkiewicz: Any other questions or comments about the Annual Plan that is before us?

Kanealii-Kleinfelder: In regards to vouchers, I think there is a recent state law that allows for Hawaiian Homes or the use of Hawaiian Homes?

Yee: So I took a question from Susan around Hawaiian Homes probably last summer, and we started looking into when is it allowed. So there are some circumstances which it can occur. I'll be honest, I haven't liked dwelled into it's not as if I had somebody knocking them on door, asking me to do something like that, but we clearly got information from other jurisdictions that were allowing it to understand how they were able to do it within our rules and stuff so I feel as if, if we get that case of wanting to do it we certainly are prepared to do the research and be able to do it, we're certainly not opposed to it, clearly what we messaged before was, if you're on Hawaiian Homelands, absolutely not, everybody understands it for somebody ever walks in, it's a special case that needs to be brought to my attention right and we'll go from there.

Lee Loy: To help Mr. Kanealii-Kleinfelder, I think it was affordable housing credits on Hawaiian Homes, not the use of vouchers.

Yee: There was a question around vouchers and it was because Hawaiian Homelands is considered the lease and you couldn't do it and that is where we delved into the research and Kehau helped do it, we delved into other jurisdictions that were allowing it, so there are examples that it can happen. So I think where we kind of left off was, we need to be able to probably, when we do our rule change, to make sure we incorporate enough in there to give us the way to be clear about when we can or cannot do it right.

Kierkiewicz: Thank you so much for the very detailed presentation and walking us through all of that that you and your team do to get the money out the door, it's very, very complicated to make sure that we have enough vouchers, we're getting them out the door, we've got enough landlords to get these vouchers and so thank you, we really appreciate all the work that you folks do.

Kierkiewicz: Alright. There is a motion on the floor to approve the Annual Plan for the Housing Choice Voucher Program for our County, all those in favor please say aye. All said aye. Any opposed? Motion carried with six aye votes, just noting that Agency Members Rebecca Villegas, Holeka Inaba and Cindy Evans are joining us remotely and in observer status. The Annual Action Plan is

adopted, approved by the Housing Agency. Thank you. Next order of business is requesting approval for a resolution adopting the 2023 County of Hawai'i Action Plan and authorizing the Mayor to execute in Action Plan and all other related documents for US Department of Housing and Urban Development. May I have a motion?

Lee Loy: Motion to approve resolution adopting Resolution 83-23...

Kanealii-Kleinfelder: Second.

Lee Loy: Discussion?

Kierkiewicz: There is a motion by Ms. Lee Loy, second by Mr. Kanealii-Kleinfelder to adopt, or approve Resolution 83-23.

Strance: One moment. The agenda item is to request approval for a resolution, the document that you've given is to go before Council, the resolution would be approving a resolution.

Kierkiewicz: Revise the motion?

Strance: Yep.

Kierkiewicz: May I have a motion to approve a resolution to adopt the 2023 County of Hawai'i Action Plan.

Lee Loy: So moved.

Kanealii-Kleinfelder: Second.

Kierkiewicz: Thank you. Motion by Ms. Lee Loy and second by Mr. Kanealii-Kleinfelder. Administrator Kunz?

Kunz: So given the discussion we had this morning, I need to shift gears a little bit, I do want to take the opportunity, so first I want to let the Members know that I do have a handful of people who are on-line and Chief Todd here who wanted to give you an update on the projects that they submitted for funding with CDBG funds. But I really wanna keep this at a higher level to talk about the plan process and not talking about the resolution specifically, are we good? Am I good to do that? Okay. So I wanna call Royce Shiroma up please, Royce is the Division Manager for our Grants Division who oversees the HUD programs for CDBG specifically what we're presenting to you today. So you got it Royce?

Shiroma: Ok, I'll be watching Judge Strance every time I say something.

Strance: I think this is part of the anticipated conflict that is permitted and approve a resolution to go before the Council without having some conversation about it so there will some latitude around this, but sort of highlight for the Members when we're going to have the same conversation twice.

Kunz: So we'll just give you maybe an overview of the process.

Strance: I'll jump in, so I think this body is making an informed decision. What I'm more concerned about is what came up before which was talking about legislation, what's going to be in your budget or something like that hasn't, this will be a direct line and I'll recommend that the minutes of this meeting accompany the resolution to Council so I'll jump in but I don't want you to feel so constrained that you don't have decent conversation.

Lee Loy: And maybe, Judge Strance or Deputy Wan, this process helps contract with HUD, correct?

Wan: Yes, for CDBG funds.

Lee Loy: Okay, and who does HUD contract with, I promise, I'll get to a question.

Wan: So Royce, who is...

Shiroma: The Mayor, as the certifying official.

Lee Loy: Okay, and the approving authority is who?

Wan: I'm sorry.

Lee Loy: The approving authority.

Wan: Of the plan?

Lee Loy: Of the resolution and Plan, is that the Hawai'i County Council or Hawai'i County Housing Agency?

Wan: So there's two different things. So the Plan is gonna get approved theoretically, if you choose to approve it, here. So the Plan that's before you that has been submitted as an exhibit or Agenda item 4.C., that would be the item that would be subject to the Housing Agency's approval, and then we would be requesting that it be forwarded to Council with the draft resolution,

the draft resolution has been provided for you to consider, the draft resolution would then go to Council, then at Council, you as Council Members, can debate and decide whether or not to pass the resolution. But it still has to hit the hurdle of the Housing Agency before it can be recommended for that introduction. That is my understanding.

Kierkiewicz: I went through the Minutes from last year and I don't recall the Agency approving the resolution, I'm looking at the motions and we adopted the Plan, we adopted voucher plans, we adopted two different CDBG program plans, but I don't see resolutions here, I think that the hiccup of where we are right now.

Wan: Yes. So I do not think that this body is adopting the resolution.

Kierkiewicz: We are approving that this can be sent to Council.

Wan: Yes.

Kierkiewicz: Okay, is everybody clear? A little bit more clarity.

Lee Loy: Because I'm really stuck between the Housing Agency having authority and jurisdiction over this, whereas HUD contracts with the Mayor, but a function of getting it approved is in a different leg.

Wan: Yeah, that's because HUD is requiring us to get it approved through the Agency, the Plan.

Lee Loy: The Plan. Okay, I think the rest of my colleagues are getting why there's like we're getting these stutters.

Wan: Yes.

Kierkiewicz: I wonder if it's most appropriate to further refine the Motion, where we are solely voting on the Plan and stating anything related to legislative matters like this resolution from the Council to deliver it on, just so that we're crystal clear and we're not breaking any of our own rules.

Lee Loy: For the record, withdrawing the Motion.

Kierkiewicz: I need a motion to approve the County Action Plan related to CDBG.

Shiroma: 2023.

Kierkiewicz: For 2023. There's a Motion by Ms. Lee Loy, second by Ms. Galimba to adopt our Annual Action Plan relating to CDBG. Thank you. Ms. Kimball?

Ms. Kimball: I'll let Judge Strance weigh in on this or Deputy Corporation Counsel Wan, but now I think the Motion is in not in align with agenda item. I would actually argue that it is okay for this body to deliberate around the request to send the resolution to Council, I think that it's even okay for this body to have a draft as an exhibit, I think about it like, HSAC, you know where we send the communications forward to the Councils with often exhibits attached that are items more functioning kind of in that same role here. The challenge is the fact that we have more than four Council Members and potential for conflict with Sunshine Law there. However, if I'm interpreting Judge Strance's comment correctly this is an acceptable conflict in this case because of the alignment of the duties of this Agency and then the future we will forward this resolution.

Strance: Yeah, I mean, you're worried that, I think the concern is if I say request to approve it that you're doing, your acting outside your authority, you don't have the authority to approve it in your capacities as Council Members, you have authority to approve it in your capacities as Agency Members and it will still need to go through normal processing, so you can describe it a bunch of different ways but ideally Member Kimball that you wanted to have it be consistent with what's on the agenda. This body doesn't have legislative approval authority so whatever you call it, it still has to go to the next step in the process. So, for example, the Housing Department would have a department meeting where they vote to send a resolution to Council. They have it all wrapped up, and they vote on it, and they send it in. This is an agency so in your capacity as Agency Members we can take certain actions and the action here would be the Mayor approve this resolution. County Charter doesn't allow it to go from here to the Mayor. County Charter requires that it stop at County Council so by Charter process, that next step has to be, we're using the same language for different actions, that's confusing people. I think you're okay with a vote on the resolution, it's not by passing the requirement that it goes to County Council.

Kunz: Can I make a comment? We're not asking for approval of Resolution 83-23, we're asking for approval for a resolution, right, so I think we're okay if we stick to the way that it's written, do you feel comfortable with that? And the discussion will be key and we'll keep it at a high level, you know, and not talking about the details of what that resolution is gonna be coming before the body tomorrow, we're only talking about the process that we took to get us to this Action Plan, we can probably even talk about some of the projects that we've selected. Is that okay?

Strance: Yeah, like I said, I'm not particularly concerned that there'd be a duplication of discussion here and at Council regarding the contents because this Agency has to have enough information to move it forward.

Wan: I'm fine with that and I think the mix up is just the fact that it has a number cause I know originally, there was no number, so if that makes you feel better. The point is, it's a resolution, not a specific resolution.

Kunz: Yeah.

Kierkiewicz: Okay, I wonder if its more appropriate because I think are getting hung up on the approval piece considering we are playing a dual role, legislators and being Members of the Agency, so I wondered if it is more appropriate to say, motion to send a resolution adopting the Annual Action Plan to Council.

Kimball: I was going to say, it's a motion to request the Housing Agency, I'm sorry, a motion that the Housing Agency request approval of a resolution by the County of Hawai'i on the County of Hawai'i Action Plan. That works?

Kierkiewicz: Could you say that one more time?

Strance: The approval has to come from this Agency so...

Kimball: Approval of the Plan?

Strance: Right, so I'm concerned about the language, something approved by the Housing Department. I think it's fine the way its written.

Kunz: That's what I was trying to say, I think the way it's written is okay.

Kimball: Motion to Request Approval for a Resolution Adopting the 2023 County of Hawai'i's Action Plan and Authorizing the Mayor to Execute and Submit the Action Plan and All Other Related Documents to the U.S. Department of Housing and Urban Development.

Kierkiewicz: Thank you. Motion by Ms. Kimball, second by Ms. Kagiwada. Okay, thank you so much, I wanna make sure that we're doing it.

Shiroma: Hopefully, it won't be as complicated as Mike's one, or you know I don't have any fancy slides or anything like that, but real briefly, I'll just go through what this whole process, this whole program is. In order for the County of Hawai'i to receive Community Development Block Grant Program funds, which is CDBG, we need to work with HUD an provide a 5 Year Plan. The 5 Year

Plan specifies the goals the County of Hawai'i will utilize in meeting the requirements of HUD, and it specifies, and the latest plan that I have, or we have is 2020 to 2024, we're on the third year coming up, which is for the 2023 program funds and this program funds will require us to provide an Annual Plan, it's with the Consolidated, the goals and priorities of the Consolidated Plan and this Annual Plan is basically a plan of action in which the County of Hawai'i will utilize or follow in order to meet those goals in the third year of the 5 Year Plan. So that's pretty much summarizes what this Annual Plan is, and in the Annual Plan, we provide the amount of allocation that HUD provides, which is about 2.7 million dollars, and how we are going to, how we select it basically the projects or the projects will be selected, let me kinda back up a little bit. The selection of the projects to be in the Annual Plan, we went through an RFP process, it started way back in July 2020, in which we notified all of the Department Heads, Council Members, if they have any projects that they would want to recommend to apply for these funding. During that time, we had like 14 possible projects from couple, you know, specific departments and of that, six were eligible, and four was approved to submit an application. In August, during that time, we also had public hearings so that we could meet with the public in order to gather information or provide information on what this whole Consolidated Plan and CDBG Consolidated Plan is all about, and to answer any questions from the public who wanted to apply. Soon after we had the CDBG proposals available for the public and also the four approved projects from the County. In November, we had a deadline for the submission of the proposals. In November to January, we reviewed and rank and rated those proposals, and we came up with a list of priority projects. Then went up to the Mayor and the selected projects were then put into this Annual Action Plan that we have before you guys and so the plan of action that we need, based on what HUD requires, is that we need to have authorization for the Mayor to sign the Annual Plan so we can submit that Annual Plan to HUD, it becomes, in fact, an application for the funding because it specifies what we will be doing with the funds that was available. Of that projects, we have various types of activities that was, that applied and got selected. One of them is purchase of fire trucks and Chief Todd is here if you want to say a few words, if you guys got questions for him, he can answer them. His fire trucks for the areas in Ka'u and in Puna, Hawaiian Beaches? Hawaiian Acres, sorry. Those are brush fire trucks. Also online, we have other applicants that we're awarded. We have Child and Family Services, which includes renovation of their shelters in Hilo and in Kona, we have Mental Health Kokua which also we're providing renovations for their Hilo residents, and also we provide funding to purchase a transportation van to provide island wide services or assist their clients and transportation, you know, transporting them around the island. Also we have the Hāmākua Youth, we have Jeanette on there that she is using CDBG funds for Phase 2 of the Hāmākua Health, Hāmākua Youth Center in Honoka'a and finally, we have Chad from HCEOC who will be upgrading their

kitchen to become certified so they can provide meals to those in need of food and assistance. I hope I never missed anybody but they're here if you guys wanna ask questions, but those are the projects, if you look at Exhibit A in the Action Plan list that we have selected for funding for the CDBG program

Kierkiewicz: Royce, I think the project summaries are excellent, providing a really great overview of how all the money will be extended, and I know it's, I think, its on the list, including Hāmākua Youth Community Center, they were awarded last year, CDBG funding, so it's great to see these monies available to help address every step of the way so long as they're demonstrating their ability to kind of execute what they said they would do. How many folks did you say applied this round?

Shiroma: Total I think was 16, yeah, was 16 and then 7. But they were also, to kind of summarize, there were two that was not eligible because they didn't meet certain you know, the requirements of the program and then there were four at that didn't meet our 50% threshold. We want them to meet the 50% so it will show that it has met the goals and priorities of the Consolidated Plan and then we actually funded seven out of the ten because when we go down the list, when we hit the number 8, we didn't have any more funds to award. Unfortunately, you know, but we always, in case we have additional funds that come in, we keep the list so that we can fund them, if have to, in the future.

Kierkiewicz: Folks that qualified?

Shiroma: That qualified, but we didn't fund because there was no funds available.

Kierkiewicz: And the amounts folks were getting is still 100% of their ask?

Shiroma: Pretty much, we had some that didn't get 100% because those other activities, they do, they do multiple activities within the proposal so some of them will not either qualified or you know, they weren't a priority.

Kierkiewicz: How long have you been running this program:

Shiroma: CDBG, close to 40 years maybe it's something that yeah, its staff, it's not only me, it's everybody.

Kierkiewicz: Thank you.

Shiroma: Thank you.

Kierkiewicz: Agency Members, any questions for Royce, for any of our CDBG projects?

Kanealii-Kleinfelder: What it would be next round of funding?

Shiroma: We try to stick to the cycle starting in July, we have notification to you guys as well as Departments first to make sure and we start with the anticipated amount like \$1.6 million, and in the meantime, you know, when we get news from HUD, what the actual allocation is, we fill that in and then, you know, it's pretty much around the same amount.

Kanealii-Kleinfelder: So applicants will be able to apply as of?

Shiroma: September, if we stick to our normal schedule, September of 2023, this year.

Kanealii-Kleinfelder: Thanks.

Shiroma: Sure.

Kimball: I wanted to call attention to one of the programs that didn't make it due to insufficient funds available which is the Residential Repair Program which has been funded through this program. I know in my area it's the thing that is pretty widely used when we talk about the whole picture in being able to keep people in their homes, it's another piece to that puzzle, so there's opportunity to support that program through other means, I would encourage us to. I'll correct my motion one more time. Withdrawing the previous motion and motion is to Adopt the 2023 County of Hawai'i, I'm sorry, Approve the 2023 County of Hawai'i Action Plan and Request Approval for a Resolution adopting that Plan and Authorizing the Mayor to Execute the Action Plan and all Other Related Documents to the U.S. Department of Housing and Urban Development.

Kierkiewicz: Motion by Ms. Kimball, second by Ms. Kagiwada. I'm clear, today the Agency is adopting the Plan that Royce has presented and we are also sending a resolution that adopts this plan for the legislative body to deliberate on and adopt, so that our Mayor, entering into agreement to get these money to fund those projects, okay? Any more discussion on CDBG Action Plan? Seeing none, there is a Motion on the floor, all those in favor please say aye, all said aye, any opposed? Motion carries, Plan is adopted, noting that Agency Members joining us remotely and in observer status are Rebecca Villegas, Holeka Inaba and Heather Kimball.

Kunz: Thank you.

Kierkiewicz: That brings us to the end of our agenda.

Lee Loy: Motion to Adjourn.

Kanealii-Kleinfelder: Second.

Kierkiewicz: Motion by Ms. Lee Loy, second by Mr. Kanealii-Kleinfelder, any discussion? Seeing none, all those in favor, please say aye, all said aye, any opposed? Motion carries, Housing Agency is adjourned at 11:56 a.m.

Meeting adjourned at 11:56 a.m.