

William P. Kenoi  
Mayor



Greggor Ilagan  
Chairman

Dennis "Fresh" Onishi  
Vice-Chairman

County of Hawai'i  
**HAWAII COUNTY HOUSING AGENCY**  
50 Wailuku Drive, Hilo, Hawai'i 96720  
Phone: (808) 961-8379 Fax: (808) 961-8685

*Hawai'i County Housing Agency is comprised of the Hawai'i County Council Members*

**MEETING NOTICE**

**DATE:** February 5, 2013  
**TIME:** 9:00 a.m.  
**PLACE:** COUNCIL CHAMBERS, Hawai'i County Building  
25 Aupuni Street  
Hilo, Hawai'i 96720

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**AGENDA**

1. **CALL TO ORDER**
  
2. **STATEMENTS FROM THE PUBLIC ON AGENDA ITEMS:**
  
3. **APPROVAL OF MINUTES FROM:**  
January 8, 2013.
  
4. **NEW BUSINESS:**
  - A. Approval of a resolution authorizing exemptions of certain code requirements pursuant to section 201H-38 and section 46-15 of the HAWAII REVISED STATUTES for the housing units to be constructed by Kidds Development Corporation at Kumulani Gardens in South Hilo.
  
5. **OLD BUSINESS:**

None.

**ADMINISTRATOR'S ORAL REPORT:** The Administrator will provide a summary of progress at Na Kahua Hale O Ulu Wini (The Homes at Ulu Wini) status and future. This will be followed by an update on Kamakoa Nui model homes.

**6. NEXT MEETING:**

**7. ADJOURNMENT:**

**NOTICE IS HEREBY GIVEN** that pursuant to Hawai'i Revised Statutes (hereinafter "HRS") 92-3.5, the Hawai'i County Housing Agency will be conducting this meeting via videoconference. Agency members will be present at the following locations:

- Council Room, Hawai'i County Building, 25 Aupuni Street, First Floor, Room 1401, Hilo, HI
- Kona Council Chambers, West Hawai'i Civic Center, 74-5044 Ane Keahokalole Highway, Building A, Kailua-Kona, HI

If audio stream is lost between Hilo and Kona for more than a short period of time, the meeting will be terminated.

Public Attendance via videoconference is available at the following locations until 4:30 PM or later in the event public witness testimony has not been completed:

- Council Room, Hawai'i County Building, 25 Aupuni Street, First Floor, Room 1401, Hilo, HI
- Kona Council Chambers, West Hawai'i Civic Center, 74-5044 Ane Keahokalole Highway, Building A, Kailua-Kona, HI
- Pahoa Council Office, Pahoa Marketplace, 15-2660 Pahoa Village Road, Room 304, Pahoa, HI
- Waimea Council Office, Holomua Center, 64-1067 Mamalahoa Highway, Suite 5, Kamuela, HI

Note: If you require an accomodation or auxiliary aid and/or services to participate in this meeting (i.e., sign language interpreter, large print, etc.) please call 961-8379.

If you are a lobbyist, you must register with the Hawai'i County Clerk within five days of becoming a lobbyist. {Article 15, Section 2-91.3(b), Hawai'i County Code} A lobbyist means, "any individual engaged for pay or other consideration who spends more than five hours in any month or \$275 in any six-month period for the purpose of attempting to infulence legislative or administrative action by communicating or urging others to communicate with public officials." {Article 15, Section 2-91.3(a)(6), Hawai'i County Code} Registration forms and expenditure report documents are available at the Office of the County Clerk-Council 25 Aupuni Street, Hilo, Hawai'i 96720.

**SUMMARY MINUTES**  
Meeting of the  
HAWAI`I COUNTY HOUSING AGENCY  
Kailua-Kona, Hawai`i  
**January 8, 2012**

The meeting of the Hawai`i County Housing Agency (HCHA) was called to order by Chair J. Yoshimoto at 9:06 a.m. at the Hilo Council Chambers, 25 Aupuni Street, Hilo, Hawai i 96720

Agency Members Present

Greggor Ilagan, Chair

Dennis "Fresh" Onishi, Vice-Chair (arrived at 9:28s.m.)

Jay Yoshimoto

Brenda Ford

Dru Kanuha

Zendo Kern

Karen Eoff

Val Poindexter

Margaret Wille

Absent and Excused

Staff Members Present

Stephen Arnett

Susan Akiyama

Noel Fujimoto

Sharon Hirota

Amy Self

Nadine Pomroy

Members of the Public

**STATEMENTS FROM THE PUBLIC ON AGENDA ITEMS**

None

**APPROVAL OF THE MINUTES**

Approval of the minutes of October 16, 2012 was held. The approval vote went as follows:

AYES: J.Yoshimoto, D. Kanuha, Z. Kern, G. Ilagan, B. Ford,  
V. Poindexter, K. Eoff, M. Wille - **8**

NOES: None

ABSENT AND EXCUSED: D. Onishi - **1**

**NEW BUSINESS-**

**Item 4A-** Election of Chairperson

AYES: J.Yoshimoto, D. Kanuha, Z. Kern, G. Ilagan, B. Ford,  
V. Poindexter, K. Eoff, M. Wille - 8

NOES: None

ABSENT AND EXCUSED: D. Onishi - 1

**Item 4B-** Election of Vice Chairperson.

AYES: J.Yoshimoto, D. Kanuha, Z. Kern, G. Ilagan, V.  
Poindexter, K. Eoff, M. Wille, D. Onishi - 8

NOES: B. Ford - 1

ABSENT AND EXCUSED: None

**Item 4C-** Overview of the Office of Housing and Community  
Development Programs for the new Housing Agency members - **No  
Action taken.**

**ADMINISTRATOR'S ORAL REPORT**

None.

**ADJOURNMENT**

A motion to adjourn was made by Mr. Yoshimoto and seconded by  
Mr. Kanuha. The approval vote for adjournment went as follows:

AYES: J.Yoshimoto, D. Kanuha, Z. Kern, G. Ilagan, B. Ford,  
V. Poindexter, K. Eoff, M. Wille, D. Onishi - 9

NOES: None

ABSENT AND EXCUSED: None.

The meeting was adjourned at 10:27 a.m.

*Note: A complete transcript of the minutes is available at the  
Office of Housing and Community Development.*

#### 4. NEW BUSINESS

- A. Approval of a resolution authorizing exemptions of certain code requirements, pursuant to section 201H-38 and section 46-15 of the HAWAII REVISED STATUTES for the housing units to be constructed by Kidds Development Corporation at Kumulani Gardens in South Hilo.

- 4A. Approval of a resolution authorizing exemptions of certain code requirements, pursuant to section 201H-38 and section 46-15 of the HAWAI`I REVISED STATUTES for the housing units to be constructed by Kidds Development Corporation at Kumulani Gardens in South Hilo

The County of Hawai`i ("County") Office of Housing and Community Development requests adoption of the resolution authorizing an exemption of certain code requirements, pursuant to section 201h-38 and section 46-15 of the Hawai`i revised statutes for the housing units to be constructed by Kidds Development Corporation at Kumulani Gardens, south Hilo, Hawai`i covered by Tax Map Key 2-5-006:061.

**ACTION:**

That the Hawai`i County Housing Agency approves the form of the attached resolution and recommends its adoption by the Hawai`i County Council.



## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE EXEMPTION OF CERTAIN CODE REQUIREMENTS, PURSUANT TO SECTION 201H-38 AND SECTION 46-15 OF THE HAWAII REVISED STATUTES FOR THE HOUSING UNITS TO BE CONSTRUCTED BY KIDDS DEVELOPMENT CORPORATION AT KUMULANI GARDENS, SOUTH HILO, HAWAII COVERED BY TAX MAP KEY 2-5-006:061.**

**WHEREAS**, on September 21, 1981, Change of Zone Ordinance 716 became effective, changing the district classification from single-family residential (RS-15) to single family residential (RS-10) on the parcel covered by Tax Map Key 2-5-006:061; and

**WHEREAS**, the development of the original project stalled due to a lack of sufficient water which resulted in the developer being unable to meet the deadlines specified within Change of Zone Ordinance 716; and

**WHEREAS**, KIDDS DEVELOPMENT CORPORATION is now the current owner and developer of the 25-acre parcel and has secured sufficient water commitments for the project to move forward for the construction of eighty-three (83) housing units on 10,000 square foot single-family lots. Forty-three (43) of the housing units, equaling fifty-two percent of the total project, will be affordable in accordance with Section 201H of the HAWAII REVISED STATUTES (HRS); and

**WHEREAS**, KIDDS DEVELOPMENT CORPORATION entered into an agreement with the County, dated December 20, 2011, to make Kumulani Gardens an affordable housing project and satisfy the affordable housing requirements of both Kumulani Gardens and Hilo Hillside Development, a development within 15-miles of Kumulani Gardens; and

**WHEREAS**, KIDDS DEVELOPMENT CORPORATION will satisfy the affordable housing requirements of Kumulani Gardens and Hilo Hillside by providing (43) affordable homes, with ten (10) homes affordable to families earning less than eighty percent of median income, eleven (11) homes affordable to families earning below one-hundred percent of median income, and twenty-two (22) homes to be affordable to families earning less than one-hundred and forty percent of median income; and

**WHEREAS**, HRS Section 201H-38, in conjunction with HRS 46-15.1, allows the County, with approval of the County Council, to exempt low-income housing projects from certain code requirements to facilitate the development of the project; and

**WHEREAS**, KIDDS DEVELOPMENT CORPORATION has requested that the County exempt the property from certain code requirements to help reduce the cost of producing the affordable housing; and

**WHEREAS,** should the developer not complete the affordable housing development, all conditions of Ordinance 716 and conditions of Tentative Approval for Subdivision 00-000019 shall be complied with. This includes submittal of request for a time extension to both Ordinance 716 and Tentative Approval, as applicable; and

**WHEREAS,** the project will promote the goals contained in Section 201H-38 of the HRS, and Chapter 2, Article 13, of the Hawai'i County Code.

**BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI'I,** that the exemptions requested for the Property attached hereto as "Exhibit A" are hereby approved.

**BE IT FURTHER RESOLVED** that this resolution will take effect immediately.

**BE IT FINALLY RESOLVED** that the County Clerk shall forward copies of this resolution to the Honorable William P. Kenoi, Mayor, County of Hawai'i; the Director of Planning; the Director of Public Works and the Administrator of the Office of Housing and Community Development.

Dated at \_\_\_\_\_, Hawai'i, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

INTRODUCED BY:

\_\_\_\_\_  
COUNCIL MEMBER, COUNTY OF HAWAI'I

COUNTY COUNCIL  
County of Hawai'i  
Hilo, Hawai'i

I hereby certify that the foregoing RESOLUTION was by the vote indicated to the right hereof adopted by the COUNCIL of the County of Hawai'i on \_\_\_\_\_.

ATTEST:

COUNTY CLERK      CHAIRPERSON & PRESIDING OFFICER

ROLL CALL VOTE

	AYES	NOES	ABS	EX
BLAS				
FORD				
HOFFMANN				
IKEDA				
ONISHII				
PILAGO				
SMART				
YAGONG				
YOSHIMOTO				

Reference: \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

# Exhibit A

## Exemption List

### **Hawai'i County Code:**

1. Hawaii County Change of Zone Ordinance, Section 1, Condition B, regarding increments:
  - Suspend all phasing requirements on the development of the project. This will allow the housing units to be built in 1 phase instead of 2.
2. Hawai'i County Change of Zone Ordinance 716, Section 1, Condition (E), regarding curbs, gutters, and sidewalks:
  - Eliminate the requirement to construct concrete curbs, gutters, and sidewalks and allow subdivision roads to be improved with paved shoulders and drainage swales. This would be consistent with the surrounding neighborhoods and would result in a significant reduced cost for building affordable housing.
3. Hawai'i County Fees
  - Exempt Subdivision Inspection Fee of 0.25% of subdivision improvement costs; *Building Permit Fees, and other County Fees* for the 43 affordable housing units only and not for any market priced units. This will help reduce the costs of producing affordable housing.

**TRANSCRIPT**  
Meeting of the  
HAWAI`I COUNTY HOUSING AGENCY  
Hilo, Hawai`i  
**February 5, 2013**

Agency Members Present

Greggor Ilagan  
Dennis "Fresh" Onishi  
Dru Mamo Kanuha - (arrived at 9:09am)  
Zendo Kern  
J Yoshimoto  
Val Poindexter - (arrived at 9:09am)  
Margaret Wille  
Brenda Ford  
Karen Eoff

Absent and Excused

Staff Members Present

Stephen Arnett  
Susan Akiyama  
Alan Rudo  
Amy Self  
Nadine Pomroy

Members of the Public

Tim Reece

**Mr. Ilagan:** Housing agency to my far right is Councilmember J Yoshimoto, Councilmember's Zendo Kern, Councilmember Karen Eoff, and to my far left is Councilmember Margaret Wille, Councilmember Brenda Ford, and I'm Councilmember Greggor Ilagan, the Chair for the Housing Agency, at this time we will call to order the housing agency meeting, now it is the statements from the public and I want to be advised that you have three minutes per agenda item, I was account for the testifiers starting with Waimea, good morning Waimea, do we have any testifiers?

**Mr. Hirt:** good morning chair, we do not have any testifiers for the housing agency this morning.

**Mr. Ilagan:** Mahalo, Waimea. Moving on to Pahoa, good morning Pahoa, do we have any testifiers?

**Pahoa:** Good morning Chair, no we do not have any testifiers for your committee this morning.

**Mr. Ilagan:** Mahalo Pahoa, good morning Kona? Do we have any testifiers?

**Kona:** Good morning chair, no we do not have any testifiers today for your committee thank you.

**Mr. Ilagan:** Mahalo Kona. Moving to Ka'u, Ka'u do we have any testifiers?

**Ka'u:** good morning chair, no we don't have any testifiers here in Ka'u.

**Mr. Ilagan:** Mahalo Ka'u, and we have one testifier in Hilo and we'll start with Tim Reece. Morning Tim

**Tim Reece:** Aloha and good morning to you Mr. Chair and the County, I got to get this straight here because this is a big part of my testimony, Hawaii County Housing Agency, right now you're not councilmember's, I mean technically and a part of what I wanted to speak about was on your new business A, this is approval of a resolution, well couple things here, there's no number and I've been trying to get information on this resolution I finally got it here this morning seconds ago its included in not an agenda but an agenda with a bunch of addendums because I have the agenda right here and its not in the agenda so now I find it on the table over here seconds before the meeting, if you look at these authorizing laws I've been telling this to the public and the County and the media at large here and nobody seems to be catching onto it, but if you look at the very law that is cited here as section H forty six dash fifteen of the Hawaii Revised Statutes it is clear that this body here is not suppose to be staffed by Hawaii County Councilmember's if you look at the conflict in there, they talk about a County agency or an appointee of the mayor, how did you folks get your offices here, I know I can't ask you a question but rhetorically do you all remember you got it by default by being elected county councilmember's you're not appointed by the mayor, you're not picked by the mayor, actually what happened was somehow you were able to run for two elected offices at the same time, something that is prohibited under state election laws its also prohibited by the county charter, however, you didn't not you people personally but the election information the ballot did not inform the public that you would also by default because years back a prior county council decided that they would try to maintain control of all HUD monies and county housing agency issues they said we will be from now on county council will be the county housing agency so I'm going to urge you to read forty six fifteen and look at the conflicts in there when they talk about experimental and demonstration housing projects the mayor of each county after holding a public hearing on the matter and receiving the approval of the respective council shall be empowered to designate areas of land for experimental and demonstration housing projects, I should've underlined the sections that are more relevant to it but you see the part about the mayor appointing or designating the areas the mayor of each county with the approval of the respective council may designate a county agency or official who shall have the power to review all plans and specks for the subdivisions

development improvement of the land involved and construction sale of homes thereon the county agency or official shall have the power to approve or disapprove or make modifications to all or any portions of the plans and specks. Now councilmember's you have to hear the conflict in there that you're appointing yourselves but the mayor suppose to appoint you he suppose to put you in there and you're also suppose to be experts in the field you're suppose to be social workers, housing officials, real estate officials, sales officials, so you know let me see if I can find the other part here that was really good you're going to recommend something to yourselves on this resolution, county the charter talks about getting away from useless redundancy so why is this silliness continuing, how come nobody.

**Mr. Ilagan:** Mr. Reece, please summarize.

**Mr. Reece:** There's my summary, how come nobody has had the guts to look under this folly and if you want to relate that to why we've been foundering in many ways with county housing it might just be because how the board is comprised for comparison look at two o h dash thirty eight notice how that is peopled its by experts in the private community so man I thank you folks for your service and I don't mean man its habit thank you I appreciate the work housing agency is doing, lets get back to within the law though and do it right. Thank you.

**Mr. Ilagan:** Mahalo, Mr. Reece. At this time we will end the statements from the public and moving onto approval of the minutes, may I have a motion to approve the minutes of January eight two thousand thirteen.

**Mr. Kern:** so moved.

**Mr. Onishi:** second.

**Mr. Ilagan:** moved by councilmember Kern and second by councilmember Onishi, any discussion? None. We'll do a voice vote, all in favor say aye.

**Councilmember's:** aye

**Ms. Ford:** Excuse me do we have a clerk? Do we need a clerk for this?

**Mr. Ilagan:** no we don't. all oppose say no, none. Ayes have it approval of the minutes for January eighth two thousand and thirteen, moving on to new business, may I have a motion for approval of a resolution authorizing exemptions of a certain code requirements, pursuant to section two o one h dash thirty eight and section forty six dash fifteen of the Hawaii Revised Statutes for the housing units to be constructed by Kidds Development Corporation at Kumulani Gardens in South Hilo.

**Mr. Onishi:** so moved

**Mr. Kern:** second

**Mr. Ilagan:** moved by council member Onishi second by council member Kern, any discussion? Councilmember Ford?

**Ms. Ford:** Does anybody know what the resolution number is because we don't have one, how can you move a resolution into life on the floor that has no number?

**Mr. Ilagan:** I'm going to call up the director of housing, Mr. Arnett, could you please step up?

**Ms. Ford:** I don't know that Mr. Arnett will be able to answer that question because all bills and resolutions need to have numbers assigned to them. Its not in the laserfiche? And I have several more problems with this. Go ahead if you want to ask, well I have the floor so let me tell you all the problems I see with it. First of all, Kidds Development is not in the original ordinance, the original owner of this property has a different name so I don't know there's no information in the ordinance I went back and actually pulled the ordinance that this resolution by the way a resolution has no force of law and that's in our council rules so I went back and looked at the original ordinance which passed in nineteen eighty one this has been sitting around for thirty one years and has never been cancelled its still a live ordinance and it is actually in the code if you look in the section referred to seven point nine you will find this in the code we want to make a code change of any kind you have to use a bill not a resolution. Secondly, this developer has shown up apparently has purchased the property when you look at the meets and bounds in the original ordinance you will see that there's thirty point five or I'm sorry there is approximately thirty point zero zero one acres you look at the resolution twenty five acres, what happened to five acres I have no clue there's nobody to explain that at this point, Secondly we're doing affordable housing outside of an ordinance remember that a resolution has no force in law so if the developer decides not to follow this and we wind up in court we have something that has no force of law trying to enforce a law that's already on the books, Secondly, thirdly, or fourthly, or something, when you look at the exhibit this exhibit all of these things in this exhibit should have financial impacts serious financial impacts and should be in the ordinance. If we're going to amend the ordinance you amend the ordinance, when you suspend curbs, gutters, and sidewalks that's something that we put into all of our rezoning same thing if we're going to phase it or not phase it that's in the thing and then lastly Hawaii County fees their asking to be exempt from fees I don't even know what fees these entail this is so nebulas and grammatically incorrect as well that I can't tell what their doing but there's a financial impact to the county that should be in the code or in the ordinance so it has the force of law so I object to this entire proceeding I think we should have Mr. Arnett withdraw this and take the code I mean the original

ordinance seven one six and do our normal standard operating procedure which is to ramsayer so that we can add or subtract what we need. I yield.

**Mr. Ilagan:** Before you take the floor, councilmember Wille, I'm going to have Mr. Arnett speak on the resolution, before you.

**Ms. Wille:** okay.

**Mr. Arnett:** This resolution is basically a two o one h exemption resolution in essence two o one h gives any kind of a developer for of typically affordable homes the opportunity to exempt themselves out of certain things. Before you folks were elected we had forrest city come before us with a whole laundry list of two o one h exemptions for there project right below laiopua in kailua kona the original two o one h exemption request was for ninety three items we ultimately got it down to twenty something but long story short is that the idea is to exempt themselves from the code for certain items in this particular instance it has to do with the building permit fees for affordable housing which is a fairly standard thing that developers are requests in order to keep the costs down for their affordable units and also the inspection fees in this particular case their also asking for swales to be allowed instead of curbs and gutters I did my own little investigation by going out to the neighboring communities to see exactly what we have in terms of swales and gutters and the width thereof my first reaction was this is a safety issue or could be a safety issue because we don't have sidewalks for kids to walk along the streets but after seeing how its done and neighboring communities sunrise ridge etcetera the swales and I used the term swales because its nothing more than an extension of the asphalt paving is quite wide and in my opinion is generally enough that it is safe I felt okay with the safety of this particular request. I'm going to defer to corporation counsel with regard to whether or not this should be an ordinance verses a resolution obviously I'm not a lawyer and cannot really comment on whether it should or should not be an ordinance verses a resolution but long story short this is pretty much standard procedure in terms of a developer coming and asking for exemptions from the code in order to have their project be somewhat cheaper to build because we are indeed creating affordable housing for people that will ultimately be for sale at an amount less than what would be market. Now, Miss Ford and I both agree that the code itself allowing for affordable housing to be sold at hundred and forty percent of the average median income is somewhat exaggerated I've never agreed with that but nonetheless its never been changed so that is pretty much where we are in terms of what the code is not to say that I agree with it because I don't but nonetheless I am stuck with it until such time as this body as council decides

that this is what they want to change. So that's my statement at this particular point I would ask Miss Self to come and speak to whether or not an ordinance is required verses a resolution if I may ask Chair to allow that to happen.

**Mr. Ilagan:** I'm going to, before we do that, I'm going to have councilmember Wille speak. Go on.

**Ms. Wille:** Ok, Amy you can stay there and hang in there. Just so you answer these questions at the same time. Let me say I share Ms. Ford's concerns obviously we all care about affordable housing, I don't think that this meets the county standards for affordable housing and appears to use the standards for the state standards so if you look at the criteria for each of the categories it does not appear to be what is in the county code it appears to be in the state now maybe I just need an explanation on that I would also I mean I tend to believe that if exemptions are appropriate that we ought to be working on those to make the norm and not where everything is by exception but to the extent that there are exceptions it will be really helpful for me as a beginner councilmember to say here is the exemption here's what it would require here is what we want to do and why its okay let me say I'm very disturbed in many areas of Waimea where the sidewalks are omitted, pedestrian safety is probably my communities highest priority we have entire subdivisions where you're in and out of cars I don't necessarily care that everything be paved be that but I just so you know I am not okay with exempting and clearing where its not pedestrian safety I don't mind lets make it a little narrower road or whatever as long as it provides but that's really important to me I also want to just quickly say and I don't feel we can get into this today but I have some of the same concerns as Mr. Reece and I feel that we need to deal with that and I would like someone to come speak to it and if we need to address it we need to address it again I don't feel educated enough at this point to speak on it but I share your concerns and it looks like a real problem to me so I think we need to get it straight but not here today so again Amy if you could clarify in-terms of county affordable housing standards verses state and this is not when I look at the county alignment it doesn't line up and I'm not going to be voting in favor at this time I'm all for affordable housing I just don't want to be doing something the wrong way. Thank you.

**Mr. I lagan:** Councilmember Kern?

**Mr. Kern:** Thank you, Mr. Chair, well first of all our numbers for affordable housing are not really affordable I completely agree on that and I think we should do something to look at that but the way I understand this is that two o one h reso is one of those things that have the force of law in effect of law in this

situation HRS two o one h provides for doing the exemptions for zoning via a resolution approved by the council so to me this is an alignment with what we are doing this in not this is separate then what Mr. Reece was talking about but this process that we have right here is the process that we use and that is governed by our HRS and it allows us to provide such a project be exempt from all statutes, ordinances, charter provisions and rules of any government agency relating to planning, zoning, construction standards of subdivision development and improvement of land for the construction dwelling there in so we do have this power we do have this authority to do this I support this we do need more affordable housing I wish it were more affordable the exemptions I feel make sense when we talk about doing away with curbs, gutters, and sidewalks on this project it does not mean that we do not have wide shoulders that are paved, I think the best example of that would be sunrise estates, sunrise ridge, its very wide its friendly pedestrians can walk in there its actually in some cases a little bit greener because you're using a lot less concrete and less man hours, less machinery, less fuel being burned, smaller carbon footprint I don't think it should be the standard but in a situation like this I think it does make sense because we are allowing that if we were just going to do a twenty foot wide road and there's rocks on the side of it good luck I wouldn't support that but this is not the case it's the full width of the right of way the full width of the road and it will have the shoulders for people to walk on and it will be safe so this makes sense to me I will fully support this and look forward to continue to work with the housing agency. Thank you.

**Mr. Ilagan:** Councilmember Yoshimoto?

**Mr. Yoshimoto:** Thank you, Mr. Chairman, Ms. Self, before I say anything did you want to add or provide any further information to the councilmember's that would help us in discussing this issue?

**Amy Self:** Yes, and I'm sorry I'm not blinking at anyone, not winking at anyone I have a scratched cornea, but I just want to get through the six things that you had concerns with Ms. Ford.

**Ms. Ford:** Lets start with the resolution number that's not there.

**Amy Self:** I don't know who assigns the resolution numbers, I don't know if that's, I don't know, that's something I don't sorry I don't know about that but I think the resolution numbers probably would have to come from the agency, but you could check with your clerk on that. I'm not sure, anyway, let me start with the first item that you mentioned, was you were stating that there is a different owner than the original ordinance that was passed in nineteen eighty one well these ordinances affect the

property not the owner so people can buy property that's already zoned for has already been rezoned it doesn't matter it's the property that is rezoned not the owners the second one was that you mentioned that reso doesn't have the force effect of law that's if you look at the charter it says unless it requires legislative actions or something to that effect so this is by state law that requires that the legislative body of the county approve or approve with modification or disapprove the project by resolution within forty five days after you've received it so you guys have forty five days to either approve, modify, or disapprove and if you don't take action in forty five days from when you receive this its going to be deemed automatically approved by state law. The third item was the difference in the acreage if you look at the real tax map, web page at the TMK it says that its twenty five acres, I don't know if the five acres got subsequently subdivided out I don't know the planning director may be able to speak to that but the tax map key and the real property tax is stating twenty five acres. The third item, sorry the fourth item was, something about affordable housing on I cant remember what you asked about affordable housing but this is an affordable housing project and the whole reason for these exemptions the reason the state legislature passed two o one h is to allow affordable housing projects that are affordable housing projects and they have to qualify under state law so those projects they want to be able to move quickly and they are they can get exemptions from any county code, state law, rules, all of these things as long as it doesn't affect safety or health and all the exemptions that are listed here affect safety or health the next item was a serious impact has to be an ordinance no it does not, state law requires it to be a resolution passed by the county council, the last item is, that the fees are exempted and it will cause a financial impact to the county there's state law says that they can be exempt from any county code and this is one of the I think this is under the building right inspection fees so its by state law.

**Mr. Yoshimoto:** Ok, thank you, Ms. Self, Mr. Arnett do you have anything else you wanted to add as far as information for the councilmember's?

**Mr. Arnett:** not at this time, no.

**Mr. Yoshimoto:** Okay, I noticed that the representative from Kidds Development are not here, were they suppose to be here this morning?

**Mr. Arnett:** Not to my knowledge, no.

**Mr. Yoshimoto:** Ok, my understanding cause <sup>they're</sup> ~~there~~ suppose to be here to explain as far as, you know the things you mentioned about the reasons for the exemption and things like that.

**Mr. Arnett:** Susan just indicated that he did call yesterday and has food poisoning and was unable to make it as a result. That's all I know.

**Mr. Yoshimoto:** Ok, for the councilmember's information this is in district two which I represent and I attended a community meeting where committee members came and had an opportunity to talk to this development the development representatives about these exemptions and you know basically what it comes down to is Mr. Kern is mentioned if you want to build affordable housing how are you going to do it so its either requests his exemptions to get it to a lower price or if you don't then you have to have a higher price and then we don't know if it really becomes affordable at that point so really what I wanted to do is have them available to speak to that issue because its just a question of numbers whether we can or cannot do in terms of what we want to do, if the goal is to build affordable housing then this is something that the council should consider if that is the goal and I think that is, cause we need to have more affordable housing then you got to weight it at what cost, is it going to be a community that is reflected of the surrounding area is it going to be consistent with the other homes and I think it is but rather than me just telling you all this I really would rather have Mr. Pappos and Mr. Lee I think were the ones that came at the meeting because I attended that community meeting I think it was in November December somewhere thereabouts but anyway Steve you want to-

**Mr. Arnett:** They are the principles, Jim Lee and Jim Pappos yes

**Mr. Yoshimoto:** right okay, so I'm giving you the short summary of what they told me and at the meeting that I attended where community members there, but my preference of course if to have them here so they can answer more questions directly cause I cant speak on their behalf I'm only telling you what I heard so I yield the floor at this time thank you.

**Mr. Ilagan:** Director, what would you like to see happen to this resolution at this time?

**Mr. Arnett:** well to be honest with you, if hearing from the developers that the principles involved which would be Mr. Lee and Mr. Pappos becomes an important issue for you folks then I would offer that someone make an amendment to stay this particular resolution at this particular time becomes a question of how critical it is to hear from those individuals but you must remember that the clock is ticking with regard to approval of the two o one h resolution I mean once it comes before the agency the clock begins to tick forty five days thereafter its deemed approved this was an amendment to the two o one h law that was passed about two years ago I we actually wrote up a letter in opposition to that particular amendment to the two o

one h law we felt that forty five days was just simply not enough and in our experience with Kamakana ninety six exemption request I think pretty much proved to us that forty five days was not enough so I'm not going to say you should or should not.

**Mr. Ilagan:** Mr. Arnett if we postpone this to the next committee meeting, how many days do they have left?

**Mr. Arnett:** I don't know. Alan?

**Alan Rudo:** Well the resolution has to be approved at council this is only step one in that process.

**Ms. Wille:** we can actually have a council meeting.

**Mr. Ilagan:** Hold on

**Mr. Arnett:** the assumption from my staff is its less than a month.

**Mr. Ilagan:** less than a month

**Mr. Arnett:** yes

**Mr. Ilagan:** and we still need to go through council?

**Mr. Arnett:** one reading at council, yes.

**Mr. Ilagan:** one reading to council?

**Mr. Arnett:** yes

**Mr. Ilagan:** Now that one reading through council if we have the developer here and if lets say its doesn't go through because of what we heard or then its done.

**Mr. Arnett:** theoretically what you could do is you could pass this resolution today, you could require the developer to be present at the council meeting where the resolution is on the agenda and you could quiz them at that time and if the answers that you receive at that particular council meeting were not adequate for your decision making process you could vote it down at that particular time but I would after giving it a second thought I would think that since the clock continues to tick that it probably is in our best interest to pass this today and then at the council level make the decision as to whether or not we continue to agree with this resolution and pass it or vote it down at that time that would be my recommendation at this point.

**Mr. Ilagan:** Thank you Mr. Arnett, since we do got time, I'm going to continue the discussion and we did hear two opposition and we did hear two support I'm going to start with the support with councilmember Onishi?

**Mr. Onishi:** Thank you Mr. Chair, yeah its my first time so, so Steve, so when do you folks receive this, the resolution or the application? Can you come forward please and introduce yourself?

**Mr. Arnett:** This is Alan Rudo of my staff

**Alan Rudo:** Thank you Dennis, we've been working on this for about two years on this the whole process and I also want to point out that the developer did sign affordable housing agreement and contrary to couple statements by councilmember's it does meet both the county requirements and the state

requirements as well we check it with both because they did do affordable housing agreement with us its also going to be building houses in the eighty percent and below bracket and in between eighty and a hundred percent and then up to a hundred and forty percent which is allowed by law, so they are going to be doing it at the different brackets the affordable housing.

**Mr. Onishi:** So my other question was that so when do this cause we have forty five days right in order to pass so

**Alan Rudo:** Oh it came to you when we posted from what my understanding is when we send it for posting your considered receiving it the day one the next day after we send it to you, so then the forty five clock starts there.

**Mr. Onishi:** Ok, so

**Mr. Arnett:** That's at council so, I'm going to stand corrected by saying that the forty five days is not started until such time as it gets to council that's when the first day starts. So I stand corrected.

**Mr. Onishi:** Ok so we're talking about like today, now.

**Mr. Arnett:** no, today is the housing agency meeting not the council meetings so until it gets agendized on the council calendar.

**Mr. Onishi:** Oh, then the forty five days.

**Mr. Arnett:** then the forty five days starts, yes, so I apologize for my ignorance.

**Mr. Onishi:** Just to let councilmember's know that Mr. Arnett did mention about Forest City and we did like he mentioned from ninety three exemptions went down to like forty something and so there is some time but it was surprising that the developer didn't come and talk to us individually because then we could you know tell them our concerns and you know like how forest city did, they came to meet the councilmember's and we told them our concerns and then they went back to try adjust and that's how I think the process was faster and easier for everyone right?

**Alan Rudo:** Yeah, and that's an excellent suggestion and I thought they were meeting with, I know they were meeting with the ones in the district, I thought they were meeting with everybody too.

**Mr. Onishi:** yeah and cause you know when I look at this to it mentions about Hilo Hillside

**Alan Rudo:** correct

**Mr. Onishi:** and also I guess that Kumulani gardens so that's like two separate projects?

**Alan Rudo:** right. Yes, under the code the Hilo Hillside is going to have affordable housing requirement as well, but they can do it offsite with fifteen miles under chapter eleven and they chose to originally they could've done just lots too, to satisfy

the affordable housing condition at Hilo Hillside and when working with Kumulani they decided to actually build houses cause its easier for us to get more affordable housing that way.

**Mr. Onishi:** so the affordable housing going be at this Kumulani gardens?

**Alan Rudo:** yeah and its literally, I mean on the map it looks like you could walk from one to the other but its you have to go back down to Komohana and come back up the extension so they are a little bit separate but there well within fifteen miles radius.

**Mr. Onishi:** and maybe you could explain to the councilmember's where Hillside is Hilo Hillside?

**Alan Rudo:** Hilo Hillside is when you're going up the Puainako extension its on the left side of the highway where their building where as right across the street is where you have the upper extensions from sunrise this Hilo Hillside is considered sunrise estates third subdivision and by the way with the streets and whales that was one of the conditions that came up and their building Hilo Hillside at all market units and their doing the same type of streets with the wide twelve foot swales and we did drive around to make sure that it met health and safety issues.

**Mr. Onishi:** good, so, one possibility is for us to postpone this to the next housing meeting and have the developer come and talk to the individual council members that's a possibility right and then we wouldn't be into that forty five days yet, correct?

**Alan Rudo:** Well I personally am not in favor of delays because ultimately it cost more money with the financing and the construction and then that's turned out to be a bigger cost that they pass on to the home buyers

**Mr. Onishi:** your lights off

**Alan Rudo:** Sorry we were you know been working on this and been pushing for this for several years to move through all the different processes including review by all the different departments of the exemptions we actually received seven exemptions requested originally and we were able to pair it down to three critical needed to make this done.

**Mr. Onishi:** Ok so just a suggestion that you know it might be where to make councilmember's much more you know eased that they get to talk to

**Alan Rudo:** Well I'm going to make that recommendation as soon as we leave that they contact each of you because you know it is a time of the essence and I don't want to delay this affordable project I've been working on this project since you know two thousand and ten.

**Mr. Onishi:** I see, ok thanks.

**Mr. Ilagan:** councilmember Poindexter

**Ms. Poindexter:** yeah if I may if I could ask councilmember Yoshimoto a question.

**Mr. Yoshimoto:** yes

**Ms. Poindexter:** direct impact comes within your district, what was the feed back from the community members in your district and did they overwhelmingly support this project or what feedback from the community?

**Mr. Yoshimoto:** My recollection was they were supportive of the project, they had some concerns about an access road that if you look at the project they didn't want the people from the proposed subdivision to be driving through their subdivision and but when you look at the layout it really looks like you know they wouldn't do that anyway because it just doesn't make any logical sense to do that but when you see I don't know if you have the map available but.

**Alan Rudo:** I don't have the full map with me this subdivision but I do that was the major concern was actually the traffic flow and when they showed the traffic study done that it was actually not flowing the direction that the people were concerned about because to get to the highway you wouldn't go back around and down into the neighborhood which is what they were assuming could happen and actually that subdivision had been stubbed out for this originally so they were connecting to what had been planned, it was a project back in nineteen eighty one but there was no water that was the major reason this project didn't go forward they didn't have water availability until very recently.

**Mr. Yoshimoto:** so, to answer councilmember Poindexter's question, so the community, my recollection was in favor of it but maybe someone help me I don't think the exemptions were on the table at that time cause I don't remember the exemptions being discussed at the community meeting. Steve or Alan did you recall?

**Mr. Arnett:** since I wasn't at that meeting I don't really know but I doubt it, I doubt that there were exemptions on the table when you had your public hearing.

**Mr. Yoshimoto:** Ok yes to that's I mean that's my recollection so that's why I too wanted to hear from them just to see to have them explain you know directly, but as the project itself I think is a positive thing.-----, sorry. Go ahead Ms. Poindexter,

**Ms. Poindexter:** you know more and more I mean I'm hearing that things may not the community may not have heard about the exemptions and so I feel a little uncomfortable you know passing this through I feel like we need a motion to postpone and bring some of the people who are doing the project and then hearing more a little bit more from the people being directly impacted

by this project at this point and from what I'm hearing I'm not feeling comfortable with it so I just wanted to share that with you so I yield at this time.

**Mr. Ilagan:** councilmember Kanuha?

**Mr. Kanuha:** thank you Mr. Chair, as you heard we would like to hear from the developers and ask them the questions so definitely recommended for them to come the next time. As to the postponement I don't know what's going to happen with that but, technical question for the council staff, if there was if this is appropriate to you in past without the resolution number I don't know if that was explained earlier or not but

**Mr. Ilagan:** lets ask the question to councilmember Yoshimoto.

**Mr. Yoshimoto:** this is just a point of information for the councilmember's so staff has indicated to me that the process works is once this passes out of committee and goes to the council then it will be assigned a resolution number because we didn't have control over this document until it arrives to us so it'll have a resolution number after

**Mr. Kanuha:** currently, thank you I yield.

**Mr. Ilagan:** Councilmember Eoff.

**Ms. Eoff:** I agree with Mr. Kanuha that it would if it doesn't affect the forty five day time clock it maybe worth our while to postpone it to the next housing agency meeting and what Chair Yoshimoto said is my understanding to is because the housing agency does function differently then our normal council committees we don't get these resolutions transmitted to us in the same fashion as other things come to committee so they do not get numbered until they come to the council which is confusing because this one is actually I guess its because you drafted it maybe quite a while ago maybe its on an old its got the old voting block from the previous council too so I think there's this resolution may need to be resubmitted through the housing agency in a different format and then once we do pass it on to council it would be part of our numbering system at that time so I would probably support a postponement I don't know if its time to make the motion but, okay there's more discussion so I yield.

**Mr. Ilagan:** we heard everybody on the floor and before we go onto other councilmember's I got a question for you, I was wondering would you support a postponement to get everything kind of organized or how do you feel about this?

**Mr. Arnett:** I have no problem supporting a postponement you know obviously what we want to do is we want to come and make sure that everybody who hears our resolution has satisfaction and clearly theres not satisfaction this morning so I would support a postponement if that's how everyone else feels we're not here to try and ramrod any kind of exemptions down anyone's throat

we, I agree with councilman Yoshimoto that is it probably appropriate to hear from the developers and let them tell you to your faces exactly what they think should happen here and why they are requesting these exemptions so to maybe make everyone happier a postponement is probably appropriate so with that I'll yield.

**Mr. Ilagan:** At this time we do got other things on the agenda and what I'm going to do is I'm going to entertain a motion for a postponement for the next

**Ms. Ford:** Mr. Chairman, there's several people on the council as well as this agency who continue to try to stymie discussion its inappropriate there are things wrong that we need to hear and be it put into public and I would appreciate if we could go through at least the second round and probably a third round before you postpone it and stop and stop trying to stop us from talking there are problems here and it is not fair to us or the public to ignore these problems by just postponing this.

**Mr. Ilagan:** Mahalo councilmember Ford, at this time I will entertain a motion for a postponement if anybody want to make that motion?

**Mr. Yoshimoto:** so moved.

**Mr. Kern:** second

**Mr. Ilagan:** moved by councilmember Yoshimoto second by councilmember Kern, and discussion on postponement?

**Ms. Ford:** Yes.

**Mr. Ilagan:** councilmember Ford?

**Ms. Ford:** no we shouldn't postpone this, we should continue the discussion because there's other things wrong, there's a cul-de-sac here that violates the county code there's all kinds of things wrong with this, this could've been done in an ordinance I haven't had a chance to call Ms. Leithead Todd up, I've had a conversation with her about it and everything you're putting in here should be in the ordinance. Miss Self has not answered the question. Yes, she said she quoted out of the HRS and said that we can do this by a resolution but our council rules are different and we can have stricter rules here in the County than the State and we need to discuss those things, I am actually in favor of this and I'm going to vote no based on what's going on with this ramroding going on in this council.

**Mr. Ilagan:** I just want to mention that given this postponement we will have time to discuss the issues that you have and concerns with the developer so this postponement will actually give us more time and actually sit down and clear out the issues any other councilmember's have a, I'm going to go with councilmember Wille on postponement.

**Ms. Wille:** Thank you Chair, yes, just I want to make sure that as we postpone this that are concerns are addressed when we meet

next, so I think in terms of supporting a postponement its important to state those so I would like verification on our codes section eleven dash five c and d the new criteria for income for credits I don't read it as consistent you're saying its consistent with both state and county just please.

**Mr. Kern:** We need to be focusing on the postponement.

**Ms. Wille:** Okay, well I'm saying this will depend on whether I vote for it or not. I also in terms of pedestrian safety I would like

**Mr. Kern:** councilmember we do need to be talking about the postponement and not the actual content of the reso.

**Ms. Wille:** I consider these together, I don't see this as I mean I think you can read it that narrowly I've got a couple let me just say the developer did come to me and speak he did not speak about any exemptions he did say there was community concern about it

**Mr. Ilagan:** councilmember Wille, please

**Ms. Poindexter:** We're discussing the, can I, can I

**Mr. Ilagan:** hold on, hold on, please.

**Ms. Wille:** Okay, let me just finish and the planning do we not do planning committees?

**Mr. Ilagan:** councilmember Wille, please, can we stay on postponement?

**Ms. Wille:** okay, I see this is postponement but since you don't I'll back off.

**Mr. Ilagan:** Thank you, councilmember Poindexter?

**Ms. Poindexter:** I'm supporting the postponement because I think we will have enough people here you know we'll have the developers I'm hoping that we will have some of the community members who are being directly impacted by this project we will probably have I'm sure, our director in planning, we'll have the people that we need here to have a full discussion so that's why I'm supporting the motion for the postponement to the call of the Chair to be able to grab all the resources the information that we need and I think it will give us time so we're talking about discussing the motion for the postponement in which I am in support of, thank you.

**Mr. Ilagan:** thank you councilmember Poindexter, councilmember Yoshimoto?

**Mr. Yoshimoto:** thank you Mr. Chairman, Ms. Poindexter makes good points, I just wanted to make, remind everyone that the reason why Mr. Pappos and Mr. Lee are not here we're told is that they had food poisoning last night so that's something that's unexpected that just came up so its not like their avoiding us or they don't want to be here so I think the postponement makes sense for many reasons, one because be want them here, two because if they are these concerns that we're going to raise we

don't want to restate them a second time we should wait till there here and then we can do it all one time and it makes just more sense rather than doing to twice and also to if anyone has any concerns they can always contact the departments or individuals directly.

**Mr. Ilagan:** councilmember Kern?

**Mr. Kern:** thank you Mr. Chair, regarding the postponement, I do agree that we should have as much information as we can but I feel that we do need to be careful on how we operate in this way when people come in to do a project such as this or any project they look at the tediousness in which it takes to go through these processes and I've heard stories in the past that people coming in that would actually have done really really great amazing projects would've create a lot of jobs and they looked at our process and they ran the other way and they said I'll never come back here again and so every time we postpone something every time we drag our feet on something like this its showing out there that other people that want to do projects that this is what you're going to have to go through and deal with it now granted the developers did have food poisoning that's unexpected and I'd assume they'd probably be here, so I think in this case it does make sense to postpone I don't think its going to kill the project but I just do think we need to exercise caution in this because we are setting the stage for what people are going to be seeing out there and what we will and will not do and how it will affect of social economic climate and our economy. I yield.

**Mr. Ilagan:** councilmember Onishi?

**Mr. Onishi:** thank you Mr. Chair, we could postpone this just for two weeks right? So you folks could come back with the developer but prior like Mr. Kern was saying but to me the developer should've came and talk to everyone prior to today's meeting which most developers do come especially a certain project like this so I'm thinking so, well it's on the postponement. So what I'm hoping is that I'm going to support the postponement because I want the developers to come in to see the councilmember's within the next couple weeks to talk story and also as councilmember's can go and talk to the different departments to make sure that they understand what's going on and this and that so I wish that its not going to be a one month postponement but it will be in like two weeks. Thank you.

**Mr. Ilagan:** just to clarify the postponement is onto the next committee meeting and that will be I believe February nineteenth? So this will be a postponement, excuse me, this will be a postponement to the next committee meeting on February nineteenth, since there is no discussion, we will take a I want to do a voice voice vote and all in favor say aye.

**Councilmember's:** aye

**Mr. Ilagan:** all oppose say no

Ms. Ford: no its illegal.

**Mr. Ilagan:** Ayes have it, the resolution will be postponed to the next committee meeting.

**Mr. Onishi:** Mr. Chair, you need to recognize the one no vote on record.

**Mr. Ilagan:** I thought you only have to recognize the ayes?

**Ms. Ford:** please note in the record that I voted no because this is illegal, thank you.

**Mr. Onishi:** yes

**Mr. Ilagan:** we have one no vote, ayes have it the resolution will be postponed to the next committee meeting on February nineteenth. Moving on to administrator's oral report, Mr. Arnett, now for the oral report do we have to make a motion to close the file? Does it could I have a, do a report? At this time we're going to do a administrator's oral report, Mr. Arnett go on.

**Mr. Arnett:** thank you very much, I just want to point out one thing that housing agency is really not a committee we're the housing agency so that's just one thing that's needs to be pointed out to you all

**Mr. Ilagan:** please what's the difference between an agency and a committee?

**Mr. Arnett:** I don't want to give you a specific definition of a committee I think is I would actually defer to Miss Self to give you that definition, but in essence I believe a committee is formulated by the charter, is that correct?

**Amy Self:** The difference between this and your other committees, the other committees that you have are your committees council committees this isn't actually, this is actually when you're part of an agency so you're the housing agency in these meetings, so the other committees like planning committee and all those are actually council committees those are all the council committees this however is not a committee it's the housing agency so you're acting as the housing agency when you have these meetings even though its on the same day as your other committee meetings so you're not the council right now, you're the housing agency.

**Mr. Ilagan:** Housing agency thank you

**Mr. Arnett:** thank you, just a brief update we have two projects that are in the process of being a worked on at the moment one is our Ulu Wini project we have thirty six units that are nearing completion we in our office have applied for what's called project based voucher for those particular units which allow HUD section eight vouchers to apply to the units themselves not to individuals so if someone were to move into

one of our brand new units and the those units are accepted for project base voucher the individuals who live in those units would receive a section eight subsidy of rental assistance on that particular unit if they were to move out the voucher stays with the unit and does not go with the individual which is somewhat different then how section often times works, in other instances section eight voucher go with the individual so they can as they move from apartment to apartment to apartment the voucher goes with them as opposed to it being with the unit itself so we do intend to apply for project based vouchers for the thirty six units that come on board probably sometime in the middle of April or maybe the end of April depending upon how quickly we can get the landscaping in, a landscaper was selected yesterday based upon low bid that was specific landscaping based among my conversations with my construction manager yesterday, we hope to have the landscaping in and completed by April the fifteenth so that we can have all of our brand new units occupied with low income families at that particular point and time. Our educational training facility is completed we have some federal dollars in there that we need to remove we're in the process of doing that we actually received the letter from HUD yesterday saying its they have given us our approval to remove those dollars once done the food basket and habitat for humanity as well as the police department will be tenants in that facility and we'll probably be saving the county at least a hundred thousand dollars annually in commercial rents for the police department as well as generating rents from both the food basket and habitat for humanity that will probably go into a pot for ultimate capital improvements to that building should it fall into some kind of disrepair or maintenance. The other project that we have is our ninety one home sites that are available for sale at Kamakoa Nui in Waikoloa that project is for sale at the moment my understanding is we have one buyer confirmed that has been approved by the lender we knew from the very get go that having qualified buyers for that particular project was going to be a massive problem and has certainly approved to be exactly that we habitat for humanity has been approved to buy six lots so the caveat with habitat was is that they are not allowed to build anything other than what we've designed for those particular lots so they will build our homes on our lots which will ultimately be their lots and I think the sooner we can get that community built out and move onto the next phase the better off we are. That pretty much sums up what we have going at the moment our desire is to move into the third phase of the vertical at Ulu Wini I've switched back from Kamakoa to Ulu Wini we need twenty more units to be completed before that project is completely and totally finished we're

short just a few dollars in terms of being able to do the IFB for that particular project but when completed that entire project will be ninety six units and hopefully we'll have ninety six families off the street and in some quality housing with quality services available through either HOPE Services or whomever the provider that is selected may be, we are excited at the prospect of having that project get completed and moving on to something different in terms of our affordable housing issues. With that I will I'll yield.

**Mr. Ilagan:** we have questions right now, councilmember, Miss Wille.

**Ms. Wille:** councilmember's fine, yes, can you tell me when you said with Waikoloa that buyers are a problem, I just not sure what that

**Mr. Arnett:** well in essence what we did Miss Wille was we gave anybody and everybody who was on the list that was generated in two thousand and seven and two thousand and eight back in the days when Unidev was the developer they were the selected developer by the prior administration there were a series of seven lists that were generated based upon certain priority issues before we actually went to sale to the public we decided to vet all those lists to make sure anybody on that list was either not interested in purchasing any longer or were and if so could we get those people qualified to buy, we've gone through that entire list and only one person off that list has been qualified I think we only wound up with I think twenty who were continued to be involved although we had a hundred and forty seven on the lists to start with so where we are at the moment is going to sale to members of the public and when I say members of the public I'm not talking about snowbirds who move from Minnesota I'm talking about workforce people who actually work in the Waikoloa area that was with that whole project was designed for was workforce housing its not low income housing but workforce housing so the idea is to have people who live I'm sorry who work in the Waikoloa area have housing in the Waikoloa areas we can reduce the commute from wherever they may be be it Ocean View be it Hilo be it Hamakua what have you so that the commute time is less and the quality of life increases significantly.

**Ms. Wille:** okay, well let me just ask you basically went from a hundred and forty seven potential down to one and I mean that's what it sounds like but what are the key obstacles is it that there's a down payment that's due and they don't have it what I don't want to take a lot of time but I just want to start thinking about this.

**Mr. Arnett:** I'm remissed off of the particulars in each and every individual one because I don't know the particulars I

would be lying if I even offered any but our typical problems have not been the down payment because down payment has been between three and five percent based upon the program that we deal with Wells Fargo Bank but typically its been credit scores its been having to much debt it is also having too much additional debt over and above what is would be considered I'm sorry not debt but salary having enough income range to cover whatever payments plus insurance and property taxes  
Ms. Wille: I'll cut you off just because I don't want to take the time but at some point I'd really like to work with this work with you on this issue and understand that better. Thank you.

**Mr. Ilagan:** Mr. Onishi

**Mr. Onishi:** coucilwoman Wille that's some good questions that you have and for the four years that I've been here affordable housing is one of the keys to our workforce and you know like Mr. Arnett just mentioned about like credit ratings and you know debt and this and that so maybe a possibility where you folks can discuss later on is maybe like a rental kind of process or instead of it being sold to these people because basically their just buying the homes correct the land is not for sale correct.

**Mr. Arnett:** not true these are fee simple homes.

**Mr. Onishi:** oh okay.

**Mr. Arnett:** we changed that model initially the model was that there's all going to be a rental sort of like a Bishop Estate we decided buy the land -----

**Mr. Onishi:** ah ok, ah ok

**Mr. Arnett:** and the building together so its all fee simple.

**Mr. Onishi:** oh ok ok, then well I guess yah cause of the cost and because of you know the

**Mr. Arnett:** just so you folks know and if I don't think its been mentioned in this particular setting but we do have restrictions and the restrictions are that somebody who owns or buys the property must own it for fifteen years before they have one hundred percent equity if they buy the property and sell within fifteen years we have a formula where by they share any appreciation with the county so if they buy the home tomorrow for two hundred and fifty thousand and its worth four hundred thousand and they sold it the following day they don't reap a windfall of the difference between the purchase price and the sale price they are required to share that appreciation with the County for fifteen years after they've lived in the home for fifteen years the equity becomes theirs a hundred percent of course the longer they live in the house the less they have to share with the County.

**Mr. Onishi:** and that's program is kind of like how the state housing project was correct? Where you know like say Puainako on the right side.

**Mr. Arnett:** correct.

**Mr. Onishi:** right, they had I think was a ten year they had to stay there or if not if they sold it or was either back to the state or they had some kind deal that

**Mr. Arnett:** we opted to include an additional five years due to the fact the we've you know the County has forty three million dollars into this project and we just didn't feel it fair that any buyer be able to come in and buy at a lower price and then reap a huge windfall we felt that the longer they lived in the unit and the longer we extended the time that they lived in the unit the better it was for everybody because we're trying to create a community where people sink roots where they don't come in and do a house and flip it that's just not where we are.

**Mr. Onishi:** well maybe an option is just to look at renting that's a possibility to get at least people in that homes already but thank you.

**Ms. Wille:** I just want to say I agree with everything councilmember Onishi just stated I don't know if there is any option to switch any of these things over to rental and get people in now but I'd perhaps this is something we could do in a separate presentation and discuss that we're at least I and at least one other councilmember would be interested in understanding this procedure more.

**Mr. Arnett:** let me also make sure that you understand that these homes are not built we have four models that are built and the plan is to build them as economy of scale so no more no fewer than four at time and no more than twelve at a time so if we have four buyers that commit and have their deposit become non-refundable we then begin the process of building four homes but the idea is that since they are not built, building homes for rental use is probably not where we would like to go.

**Mr. Ilagan:** any further questions? None. Mr. Arnett, at this current time may I have a motion to adjourn.

**Mr. Kern:** so moved

**Mr. Onishi:** second

**Mr. Ilagan:** moved by Mr. Kern and second by Mr. Onishi. All in favor say aye

**Councilmember's:** aye

**Mr. Ilagan:** all oppose, say no.

**Ms. Ford:** no

**Mr. Ilagan:** we have one no the rest ayes the ayes have it we are adjourned

**Mr. Arnett:** thank you all very much.

**Ms. Ford:** Miss Leithead Todd please.