

TRANSCRIPT
Meeting of the
HAWAI`I COUNTY HOUSING AGENCY
Hilo, Hawai`i
January 8, 2013

Agency Members Present

J Yoshimoto
Karen Eoff
Dru Mamo Kanuha
Zendo Kern
Greggor Ilagan
Val Poindexter
Margaret Wille
Brenda Ford
Dennis "Fresh" Onishi (arrived at 9:28a.m.)

Absent and Excused

Staff Members Present

Stephen Arnett
Susan Akiyama
Sharon Hirota
Noel Fujimoto
Amy Self
Nadine Pomroy

Members of the Public

None

Mr. Yoshimoto: Okay Good Morning everyone this is the Hawai`i County Council Committee on Housing, hold on one second here, today is January 8th, its approximately 9:06 we're here at the Hilo Council Chambers I would like to begin the meeting by calling the meeting to order and introduce the council members that are present this morning to my far right Mr. Ilagan next to him Mr. Kern next to him Mr. Kanuha our vice chair Miss Eoff to my far left Ms. Wille followed by Miss Poindexter and Miss Ford and I'm J Yoshimoto, morning everyone, aloha. I would also like to let the public and council members know that I just received a memo from Mr. Onishi and I'll read it as it states here regarding his attendance to today's meeting, this is to inform you that due to a serious plumbing emergency in my home which requires my immediate attention, I may not be able to attend this morning's meeting due to the nature of this emergency I'm not sure how long it will take to resolve this matter, however, I'll make every effort to attend the meeting in a timely matter. I apologize for any inconvenience this may cause. Okay, we're going to start by taking statements from the public on items on the agenda. I don't see any testifiers here in Hilo, why don't we check with our various sites, why don't we start with Ka'u,

Ka'u can you here us? No, okay Ka'u's down, Mike? Pahoa? How we doing in Pahoa?

Mike: Good morning Mr. Chair we do not have any testifiers for the Housing committee this morning.

J Yoshimoto: Good morning, thank you for letting us know, over in Kona, how we doing in Kona?

----: Good morning, Mr. Chair, we have no testifiers in Kona.

J Yoshimoto: Okay, thank you, and in Waimea, good morning, we have any testifiers in Waimea?

----: Good morning, Mr. Chair, we have no testifiers this morning.

J. Yoshimoto: Okay, thank you. Okay, we will move on to the next item on the agenda which is approval of minutes from October 16th, 2012. May I have a motion?

Mr. Kern: motion to approve minutes

Mr. Kanuha: Second

J. Yoshimoto: Okay, any discussion on the motion to approve the minutes? Hearing none. We need the clerk or someone here. Hold on one second. Well if not I think we're all going to say aye, so anyway, all those in favor of approving the minutes say aye

Council members: aye

J. Yoshimoto: any oppose? Okay, so it's unanimous, okay, onto new business, we have the election of the Chairperson of the Housing Committee, may I have a motion to appoint someone as Chair of the Housing Committee. Mr. Kern?

Mr. Kern: Mr. Chair, I'd like to nominate and appoint Greggor Ilagan to chair the Housing committee.

Ms. Ford: second

J. Yoshimoto: Okay, any discussion on that appointment? Mr. Ilagan did you like to start off by saying anything? No, any discussion on the motion? Miss, no, Miss Wille?

Ms. Wille: Okay, I just want to say I think we all have great confidence in Greggor and I'm glad to have him heading up this committee and know that he will do so in a very far sided way and deliberate and I appreciate him. Thank you. Bye bye.

J. Yoshimoto: Okay, thank you, Miss Wille, any other Mr. Ilagan go ahead.

Mr. Ilagan: I do want to say something and I'm looking forward to working with Steve Arnett and the County Housing Agency, I got to meet your staff and looks like we're going to be working really well together and thank you for the nomination and thank you.

J. Yoshimoto: Thank you, Mr. Ilagan, okay, any other discussion? If not, all those in favor say aye.

Council members: aye

J. Yoshimoto: any opposition? No, the vote is unanimous with Mr. Onishi of course, excused. Okay, Mr. Ilagan.

Mr. Ilagan: Well at this time the chair would like to entertain a motion for the election or nomination for the office of vice chair of the housing committee.

Mr. Kern: Mr. Chair

Mr. Ilagan: Mr. Kern

Mr. Kern: I'd like to nominate a Karen Eoff to vice chair of the housing committee, if she's a so willing?

Ms. Poindexter: second

Mr. Ilagan: it has been moved and second that Council member Dennis " Fresh" Onishi has been nominated to the office of vice chair.

Ms. Ford: Karen Eoff

Mr. Kern: was it suppose to be Fresh?

Mr. Ilagan: no, fresh. Can we take another nomination? Please?

Mr. Kern: yeah, I'd like to withdraw my nomination on the fact that I was confused.

Mr. Ilagan: could we please have a motion for?

Ms. Ford: Point of order sir? Mr. Chairman? We can nominate anybody we choose and then we vote on who we want so, if Miss Eoff wants is willing to be the vice chair of that committee then the nomination from Mr. Zendo Kern should stand. Perhaps you could ask Miss Eoff if she's willing to serve in that capacity?

Mr. Ilagan: Council member Karen Eoff would you be willing to serve in that capacity?

Miss Eoff: Yes I would, however, is that okay?

Miss Ford: Point of order, excuse me, its just a nomination, the vote is still going to take place so I would respectfully ask that Mr. Kern renominate Miss Eoff and get a second on that since he withdrew his motion.

Mr. Ilagan: Could we take a recess for five minutes? Thank you. The chair would like to entertain a motion for the election or nomination for the office of vice chair of the housing agency.

Mr. Kern: Mr. Chair

Mr. Ilagan: Mr. Kern

Mr. Kern: all right, at this time I want to hold and keep my motion withdrawn and move to nominate Dennis "Fresh" Onishi to chair of the housing committee.

Ms. Eoff: second

Mr. Ilagan: has been moved by Mr. Kern and second by Ms. Karen and that nomination for Dennis Fresh Onishi to the office of vice chair, is there any discussion?

Ms. Ford: wait, I would like to make a nomination as well.

Mr. Ilagan: Ms. Ford

Ms. Ford: I would like to nominate Miss Eoff to the position of vice chair of the housing agency.

----: second

----: second that

J. Yoshimoto: Point of order, Mr. Chairman, I just think we only can address one nomination at a time, so I guess for discussion purposes you know we could discuss options before we take a vote, but when we take a vote I think we need to take yeah one nomination at a time. Ms. Ford, I think you and I are probably on the same page in terms of addressing the parliamentary procedures so.

Ms. Ford: I'll withdraw my nomination at this time.

J. Yoshimoto: yeah but anyway for discussion purposes you can mention other possibilities if you want to.

Mr. Ilagan: at this time is there any discussion? None.

Ms. Eoff: excuse me, Mr. Chair, yeah I'm a little bit uncomfortable because I know we had discussed this at our previous organization meeting and cause Mr. Onishi is not here I'd hate to overstep what was expected to take place.

Mr. Ilagan: Thank you, Ms. Eoff, right now the motion is on the floor that Dennis "Fresh" Onishi has been nominated for the office of the vice chair of the housing agency and is there any discussion?

Ms. Ford: Yes

Mr. Ilagan: Ms. Ford

Ms. Ford: Thank you I will not be supporting this nomination, I've had some difficulty with Mr. Onishi for four years in his position as chair and it started up again within the first four hours of this term and I do not appreciate having somebody be the chairperson who cannot deal fairly with all of us, so therefore I will not be supporting this. Thank you.

Mr. Ilagan: Anyone else?

Ms. Wille: Margaret Wille, and I think Fresh has some great ideas but he's not always present in West Hawaii and I really want someone there that this is there very top priority be here and we really have urgent issues on the West side and I would like to see representative from that side, I would be happy to postpone this to when Mr. Onishi is present and can be part of this but in his absence and not hearing otherwise I will support Karen, Miss Eoff. I will support another candidate.

Mr. Ilagan: Currently

Ms. Wille: Can I move to postpone? Till call of the chair when Mr. Onishi is present.

Ms. Ford: second

Mr. Ilagan: Ok, well there is a motion to postpone the nomination and second by Ms. Ford. Any discussion?

Ms. Poindexter: yeah, I agree that we should postpone that till Fresh, unfortunately, he had an emergency that came up this morning and I think it would be best if he was present to be

able to continue this so I'm agreeing with postponing it to the call of the chair.

Mr. Ilagan: anyone else?

J. Yoshimoto: real quickly Mr. Chair, yeah I think that's a good idea, you know and you're here today Mr. Chairman so I think we'll be fine for today, so whenever if he does manage to show up today then we can address it later on, on the agenda so motion to postpone to the call of the chair I think is fine.

Mr. Ilagan: ok, miss clerk, let's have a role vote?

Miss Clerk: Mr. Eoff?

Ms. Eoff: aye

Miss Clerk: Ms. Ford:

Ms. Ford: aye

Miss Clerk: Mr. Kanuha

Mr. Kanuha: aye

Miss Clerk: Ms. Poindexter

Ms. Poindexter: aye

Miss Clerk: Ms. Wille

Ms. Wille: aye

Miss Clerk: Mr. Yoshimoto

Mr. Yoshimoto: aye

Miss Clerk: Mr. Kern

Mr. Kern: aye

Miss Clerk: Chair you have seven ayes, oh I'm sorry chair Ilagan

Mr. Ilagan: aye

Miss Clerk: Chair, you have eight ayes

Mr. Ilagan: Okay, lets continue under the new business, we have Mr. Arnett, Steve Arnett director of the housing agency to provide us with an overview of his office, Mr. Arnett please come forward and introduce some members of your staff.

Mr. Arnett: Thank you chair Ilagan, members of the housing agency and county council thank you for having us. We hope to have a long amiable relationship with all of you and anything that you need or and want we hope to be able to provide to you as quickly as possible so please do not ever hesitate to ask us to help because we certainly want to before I begin I would like to introduce my staff, present this morning is Susan Akiyama my assistant administrator, we have Noel Fujimoto who is the division head for Grants Management, Sharon Hirota, who is our division head for Existing Housing, and our secretary is Nadine Pomroy, who is also with us today and did all of the secretarial work, Nadine would you stand? And also our Corporation Counsel representative, Amy Self. So without further ado, I would like to jump into the manual that we've provided everybody today, the format that I'd like to run through is as follows, I'll do an overview and then I would like to introduce each of our division heads who will do their own individual overview of their

individual sections, I'd like to start off by saying that the funding for the housing office of housing and community development is typically been funded the percentages are ninety three percent federal funding and seven percent from County. So almost all of our funding comes from some sort of federal grant through the admin fees that we get as a result of the grants that we receive, I'd like to direct your attention if I could to page three of the manual that we've provided you folks, I'm sorry page two, the financial data that's inclusive in page two first of all let me just start with staffing, we have approximately fifty one employees in our division, we're actually short a couple right now because of people that have left we actually had one of our employees past away a couple of weeks ago, Herbert Hayama, I don't know if any of you knew Herbert but he was the former building division chief for many many years and a very valuable asset to us because of the knowledge that he had so we're really sad to see him past away but nonetheless, we have approximately fifty one people positions that we have in our department if you take a look at our budget our community development division has received a huge amount of money over the past several years most of it in federal grants and that money has been used primarily for the construction of the low income housing and transitional housing that we have in Kona called Ulu Wini, the homes of Ulu Wini not Ka Hale o Ulu Wini we've called that originally the Kaloko Housing Program because we really didn't have a name for it at the time and Elizabeth Lee who is the kupuna from that particular ahapua'a was given the honor of naming it and that was what she came up with. So we've actually had a federal neighborhood stabilization grant we call that the NSP grant, we've actually had two actually a total of three the first one is for five point six million the second was for four million and then our late senator Inouye was able to get us a special purpose grant of four hundred and seventy five thousand and we've had County monies that are in place of that of approximately ten million dollars while we're on that particular subject I'd like to flip to page three if I could please and have you note that in the new grants approved and received we also received another five point seven and four point two seven five in the neighborhood stabilization program grants one and rounds one and three, neighborhood stabilization pretty much has disappeared off the federal radar screen so we don't anticipate any more money from those two programs unfortunately, but we've been very fortunate in that money that was not spent by other counties sometimes come back to us because the funding agency of the state that receives the money and then doles it out to the counties is called the HHFDC Hawaii Housing and Finance

Development Corporation, and we at OHCD have an excellent relationship with that entity and as a result of them knowing that we if we say we can spend the money we spend the money and so that they have been reprogrammed money that other counties cannot spend and give it to us and we spend it as quickly as we possibly can so its been a good relationship that we have with them. We also, on that same page, page three we also receive annually two loans or two grants that come from the federal government one is called the CDBG grant which stands for Community Development Block Grant and that the amount of that grant varies from year to year. In our last fiscal year we received about two point nine million we anticipate and this year the grant amount was reduced by the federal government by about fifteen percent so we received about two point five nine five for this current fiscal year in addition, the other grant that is handed down by the federal government is called the HOME grant, HHFDC is there inhabitable wisdom decided a sometime ago that instead of dividing up the grants and getting each county and by each county I'm referring to the three minor counties that would be Kauai, Maui, and the Big Island instead of dolling out the money as they had in the past which would mean each county would get a specific amount of the three million dollars they decided that each county would take turns in getting the full amount as it turns out Hawai'i County was first up so last year we got the full amount of the three million dollars but this year we get nothing next year we get nothing and then the following year assuming that the HOME grants are still available from the federal government we'll get the full funding amount again so we had and that amount is three million and if you take a look on page three the second column two point nine five zero of that three million is the amount that must be dolled out to non profits and so we were only allowed to keep fifty thousand in the form of admin fees which goes to pay for salaries and wages. Yes.

Ms. Ford: Excuse me, Mr. Chair, may I be allowed to ask questions as we go forward?

Mr. Ilagan: Ms. Ford, let Mr. Arnett finish his presentation and then we'll ask questions after.

Mr. Arnett: Okay, thank you, the divisions that we have at OHCD are several we have the administrative services division which is headed up by our assistant administrator we have the construction managements division which is headed up temporarily by a gentlemen by the name of Chris Fujiuchi he's in a temporary position at the moment, those of you who were on the council prior to this particular council remember Jeremy McComber who was in who was the division head at that time and he's left us and now works for HOPE services. We also have Grants Management

and we have existing housing so those are the divisions that we have split up our department into, also a part of OHCD is we have a loan program we have actually two loan programs one is called RERP which is the if I may.

Ms. Ford: page two

Mr. Ilagan: Excuse me, I just wanted to note that council member Dennis Fresh Onishi is here to my left. Thank you.

Mr. Arnett: the residential emergency repair program and the NAHASDA program also are two loan programs that give loans to low income individuals on the Big Island, the NAHASDA program unfortunately is been funded with very little money in the past couple of years so most of the funding for low income individuals for rental repair I'm sorry not rental repair but home repairs is through our RERP program the residential emergency repair program and if you know any individuals in your districts who need repairs to their home there are income qualifications that are necessary in order which to do so but that program is available. And last but not least before I get into having our division heads come and speak is we work very closely with HICDC which stands for the Hawaii Island Community Development Corporation and HICDC is headed by a gentlemen by the name of Keith Kato and Keith does a lot of really interesting things with the funding that he gets self help housing if you're familiar with self help if you're not let me explain a little bit what happens with self help housing. Typically what happens is HICDC will buy attractive land that more than likely is already entitled it may have as many as ten or twelve lots that they buy I think the maximum is thirteen and the minimum is ten so they would then find ten to thirteen qualified families who would then band together and work on everyone's house until its all completed typically those house design's are the same so everybody has the same exact house design and layout but long story short is that everyone is required to work on everyone's house until the final one is done so nobody gets to move into their house until everybody's house is fully completed. That's self help. That particular model is it has worked quite well and I went to a grand opening of a self help housing that was completed in Kohala and to see the light on the families faces who were about to move into those homes was just overjoyed and heartwarming for me to be there and be a part of it. The secondary phase that HICDC does is they also do rental housing same kind of funding they take the funding and will buy a lot and put up rental housing typically its for low income seniors and the most recent one I've done is in Miss Wille's district in North Kohala called Ainakea Senior Housing and there about to embark on another one in short order but long story short is they do rental housing for low income individuals

as well as self help so at this point I'm going to ask Susan Akiyama to come forward and give us her overview on Administrative services and then we'll proceed with other division heads and since Chris Fujiuchi is out ill today I will take the role of giving a little discussion on construction management but if Susan will come forward.

Susan Akiyama: Good Morning, so real quickly before I go forward I wanted you to take a look at the binder that you have in front of you. You'll notice that we've tabbed several sections in there and we're not going to go through the whole thing today but there's a section on our approved organizational chart, you'll find a copy of our current budget, our goals and objections by division, information about well there's an annual report that was submitted that's also there, information about the housing agency and the workforce investment board that we're responsible for, we'll go over that in our program section. Towards the back you'll see OHCD Rules that are in there, there are websites that you can go to that will give you additional information about the programs the federal programs that you'll hear about today and internet websites for additional information but of course you're always welcome to give us a call and you know if you have special questions that you might have even after today. Okay, so going back to page three and this section is the section that we're pretty much going to cover for you today so on page three administrative services division is the division that I am responsible for it houses our accounting, our clerical branch, and our technology services branch and these branches or staff provides support services to the entire office and in addition to overseeing this division I also work with Steve and help Steve on special projects and general oversight of the office activities. So I'm going to pass it back to Steve and he is going to go over the community development division section.

Steve Arnett: Thank you Susan, we as you can see in your binder we have three different branches in our community development division. One branch is the planning branch, the second one is the development branch and the third one is the housing program, in the planning branch its primarily has to do with the affordable housing piece each and every developer is required to come up with if you are a brand new sub divider the chapter eleven of the county code requires that twenty percent of any new homes that come online in a subdivision be affordable homes for hopefully local residents to buy and move into of course we also have problems with the how much is really called affordable but nonetheless we'll deal with that at another point. As far as the planning branch is also concern is we have one of the members of our staff is the fair housing officer, so if there

are complaints regarding rentals that have to do with fair housing issues, Alan Rudo of our office is the fair housing officer for the County he would come out and investigate and write a report there are various levels of State and County agencies that may or may not be involved if for some reason or other the particular complainant didn't like the report that our fair housing officer had issued they could conceivably go to the State level and have the State also investigate and last but not least could even go to the federal government and have HUD investigate and we've actually had that happen on my watch but fortunately I can honestly say that everybody came back with the original agreeing with our original report even though the complainant didn't so. The projects the development branch basically is construction and in the development branch we have built quite a few structures during the Kenoi administration and I'm happy to say that with the push from the administration it's been quite a nice accomplishment for Mayor Kenoi and OHCD we started off with a homeless shelter in Kona in the old industrial area and that's called the West Hawaii Emergency Facility that particular building was started right at the beginning of the Kenoi Administration it houses thirty one single individuals typically its sixteen males and fifteen females with a resident night manager it's located in the old the side of the old waste water treatment plant in Kailua Kona and it is for afternoon and evening only. It is closed during the day so if you are a homeless individual you are not allowed to be there during the day unless of course you're very very sick but it's primarily for safety of homeless individuals men and women not families who need a place safe place to lay their head and if you haven't seen that facility and would like a tour of it we'd be happy to give you a tour of it. I remember very vividly a when we had the grand opening of that particular facility our late senator Inouye came and took a nice little tour and I walked with him into the one and only unit that we had furnished at the time, he walked in he looked around he turned a back and he looked at me and he said, wow, this is really nice! And I thought to my self wow that's a huge compliment, so we also agree that it's very nice so if you or any of you are interested in touring any one of our facilities why please just speak up and we'd be happy to arrange that for you. In addition, to the West Hawaii emergency facility a part of that RFP was a remodel of a building that was originally there that was built by Stanford Carr which was originally and still continues to be called the friendly place. The friendly place is now operated by Hope services and provides an opportunity for the homeless individuals to do their laundry, to take a shower, to have a place to store their things in a locker

where they can put a lock on it they even sometimes serve meals use to be that they serve breakfast every morning and actually serve lunch every day and they had many of their religious churches come in and actually do an evening meal subsequent to that we've had some problems with individuals who have been attending the friendly place and some of those services have been curtailed due to I don't want to say violence but arguments that have taken place there we've actually even had the police come unfortunately and also a result of reduction in staff from Hope services but at some point and time we hope to have a little more security and maybe get some of those services restored. Another construction program that we have completed is the homes of Ulu Wini as I've mentioned before, there are forty that were built and occupied. Of the forty, I believe eight are designated for transitional families and these by the way are for families not for individuals so this is for people who have children that transitional means that you pay only a nominal amount for rent the maximum stay for transitional families is two years after a two year period of time hopefully we've got some kind of training for the heads of households so that they can actually do some kind of gainful employment and move from the transitional housing into low income housing and there are clearly income limits for the people who live in the homes of Ulu Wini typically is thirty to fifty percent of the average median income which means that you're on the very low end of the income strata, under construction on that same particular site are thirty six additional units which we hope will come online at the end of March the due date for that particular construction is March the twentieth and my last consultation with our construction manager is that we're on time and on budget and that's pretty much been the mantra that has been laid down by the housing administrator who comes from private sector and realizes that sometimes governmental jobs get out of hand and so we just decided hey early on on time on budget if it can be done privately why cant it done in government, its not a novel idea and its just something that we just said is going to happen and our administration also pulls that same cord. On the same site we've built what's called our educational training facility. It's a small warehouse that will eventually house the Hawaii island food basket and also habitat for humanity those two non profit organizations probably do as much or more for the low income individuals in the County of Hawaii as any that we have. And I want you to understand that its not free rent for those two entities they will be paying rent maybe a little bit less than market rate but nonetheless we at OHCD decided that without some kind of rent we would not really have the ability to make repairs and maintenance on that

building in the future so much of the rents that we have they will either go for repairs or some kind of maintenance but eventually into a fund that will be used for future capital improvements if they become necessary. There is also a third bay that will be used by the police department for storage of either evidence items or confiscated items that have been taken during the course of some kind of criminal investigation or what have you I don't know exactly what all there going to put in there but long story short is that we're going to save the police department about a hundred thousand dollars a year by allowing them to have this facility as their storage as opposed to having to pay for some kind of a commercial storage some where else so the police department is pretty happy about being able to have an opportunity to get away from having to have commercial storage for their items. The last piece of the homes of Ulu Wini is another twenty units the full maximum build out on that particular eight acre parcel is ninety six units with our second increment we'll have seventy six completed and we will then need to complete twenty more to do the full build out with the assistance and approval of our administration we have approximately two million dollars in CIP funding which is been a run through the channels and hopefully will become available so that and that's just about enough we actually need slighted a little bit more than that to complete the twenty units but hopefully in another year we'll have the full build out the homes of Ulu Wini will be completely constructed and we'll get several of our homeless families off the street and into actually very nice comfortable living situation and once again if you folks would like an opportunity to walk through any one of those units we'd be happy to show you. They're very very nice units they really are. The next piece in the development division is the Kamakoa Nui workforce development workforce housing project in Waikoloa. Back in nineteen ninety, eighty nine the County was given two hundred and seventy plus acres in Waikoloa as a fulfillment of affordable housing piece for transcontinental development may not have been that name at the time but nonetheless that particular acreage sat fallow for many many years until the Harry Kim administration decided that they were going to construct homes they did an RFP and eventually selected a developer named Unidev to do the construction and City Bank at the time actually sent their president and CEO out and gave a presentation and wooed Mr. Kim to the point where Unidev was selected as our construction manager of that particular project. Subsequent to their selection we've run into some disagreements and as you are probably are all aware there is now a lawsuit between the County of Hawaii and Unidev I'm not going to go into the details of that that's not my

kuleana that's corporation counsel but just give you a heads up that we are in a lawsuit and that actually has been going on for a couple of years. During the process of the Keno'i administration taking over initially there was a there was two LLC's that were set up one was a non profit called HIHT and the other was called WWH and the WWH was a for profit LLC HIHT was a non profit that actually held the title to the land. I don't really know quite what the ramifications of doing so were but long story short is my opinion is and I repeat this is my opinion only was an attempt to try and move away from having to pay for a prevailing wage which would mean having to pay for union workers and I'm going to repeat it one more time that's my opinion, nonetheless, when the Keno'i administration came on board we took a look at HIHT and WWH and decided that we could probably do a better job if we took it in house so we closed down HIHT and closed down WWH and had the County I'm sorry had the board of directors of those individual LLC's sign the title to the property back over to the County of Hawaii and we basically although those entities are still in operation today because of the lawsuit they don't really do anything at this particular stage. At one point and time HIHT was hemorrhaging money to the tune of about thirty, twenty to thirty thousand dollars a month and that has all stopped and as I said we've taken that project in house we have two planners in our Kona office that pretty much took that project over and monitored it to the point to where it is today and where it is today is as follows, we have four model homes that are built and furnished on site and those homes are basically for people to come in and see if its something that they would like to buy. Now these are homes that are for purchase we have through the RFP process selected Aldridge and Associates as our sales team and they are currently in the process of marketing those homes. Our plan is to build four to ten at a time to take advantage of the economies at scale by buying materials in bulk and doing IFB's so that local the developers can build homes in quantity as opposed to one at a time and those homes will be built only after people have signed on the bottom line and have put up money that will eventually will probably be non refundable should they back out. Now the ultimate goal is to complete the ninety one home sites that are available at Kamakoa Nui and eventually have some revolving fund money that comes back to the County as a result of the funding that we have in place and if you look at page two you'll see that we have over forty three million dollars in that particular project. Forty million plus came from government obligation bonds that were issued by the County and another three million plus came from our housing agency fund that we have had funds in for some time.

Mr. Ilagan: Excuse me Mr. Arnett I just want to be mindful of the time, you have ten minutes for the rest of your presentation and I want to open it up to the question for the other council members. Thank you.

Mr. Arnett: Thank you, thank you, okay, with that I'll move on a little bit, the final piece of our program is the housing program branch and there is where we have the RERP and the NAHASDA Programs. As you can see there, we were awarded a hundred and sixty seven thousand five hundred dollars from CDBG funding for our loan program and as I said to you earlier if any of you have any low income individuals who live in your district that need repairs to their homes please consult with us and have an application sent to you for those individuals so it can be filled out and vetted to make sure they qualify and if so hopefully those loans can be funded to those particular individuals so with that I'll conclude my discussion on construction management and I'll ask Noel Fujimoto if he will come forward and give you a little overview on the Grants Management division and go from there. Thank you.

Noel Fujimoto: Thank you Steve, good morning everyone.

Mr. Ilagan: morning Noel.

Noel Fujimoto: Just to go briefly over the grants management division, I was actually promoted last month to head this division prior to that I was the I helped administer the HOME program for the County so basically we in the grants management division there's three major grants the CDBG grant the HOME grant and WIA grant. I'll go over the CDBG, the HOME grant, and some of the smaller grants and Susan will follow up with explaining the WIA grant portion. Basically our division are responsible for administering the federal grants that the County receives or our office receives. And mainly these grants are primarily to help low to moderate income people or families right now the CDBG grant we get approximately two point five million a year we're not sure exactly how much we're going to get this year because of the congress still is in session and they haven't decided or came up with a figure or come up with a figure yet but we anticipate about two in a half million and basically our process for the CDBG Grants and the HOME grants are we start in October we go out to public hearings and at that time we publish an RFP also for organization's that are interested in applying for the grants so we receive the grants normally beginning part of January in fact, this year's grants will be the applications will be in fact this Thursday is the deadline to submit their applications so after we get the applications we review rank all of these proposals and we make a decision as far as which grants or which proposals are going to be approved. So we have up until then we come to the County

housing agency meeting and also to the County Council for approval on these projects which is our annual action plan and the annual action plan is due to HUD in May, May fifteenth so the process runs from about October to May as far as the HOME grant as Steve mentioned earlier the HOME grant is received by the State and passed through the neighbor island Counties and in the past it was divided equally among the Counties we each got about a million dollars a piece but last year they decided to change the allocation process and award the full three million to each county on a rotation basis, so we got ours last year, Kauai's is in line to get the full three million this year and Maui next year so next time we'll be eligible to receive HOME funds would be in the year two thousand fifteen. And initially our office was against this new method of allocation because in our County we have projects every year that HICDC mainly have on line and they want to apply for HOME funds to help them with these projects so we felt that we wanted to keep it the same have it every year plus its easier to plan if we know we're going to get three million every year, one million every year and we have the projects lined up. Unfortunately, some of the other Counties were having a hard time spend the HOME funds and that's why the State decided to change the way to allocate the funds. On the NSP grants, this was actually an initiative president Obama started back in two thousand and eight to help initiate and stimulate the economy and we were fortunate enough to get over ten million of the neighborhood stabilization program funds and this was the total of these funds were placed into our Ulu Wini project to help finance that project. Some of the other small grants we receive SPG or Special purpose grants these are actually set aside or earmarked funds that congressional Hawaii congressional delegation have the option to award these funds unfortunately congress put a moratorium on these funds back in two thousand and ten so we're not receiving any right now but we got a good chance on these funds from the late senator Inouye's office he was very instrumental in having these earmarked funds passed out to the State of Hawaii and the County of Hawaii. Lastly, the HPG or Housing Preservation grants program, this is actually administered by HCEOC Hawaii County Economic Opportunity Council, we have some program income funds that is earmarked for this program and we usually go out and RFP whenever we have enough program income to get this program going on again, so right now the HPG program the funding is for this last appropriation if kind of being used up so we might have to go out for an RFP in the future. Aside from that, the WIA is the other main grant and I'll ask Susan to explain that to you. Thank you.

Mr. Ilagan: Thank you Noel and congratulations on your promotion and Miss Akiyama, I just want to say take five minutes to do your presentation and we'll open it up to the council members for questions.

Susan Akiyama: Okay, all right, so the Workforce yah and we also have one more the existing housing division, Sharon Hirota, so I'm going to take one minute.

Mr. Ilagan: Ok

Susan Akiyama: So we can pass the mic on to her, the workforce investment act is a department of labor federal grant that we receive this program was signed into law back in ninety eight so we've been running this program for a few years its basically an employment and training program three funding streams well actually four there is admin and admin pot of money and we also get monies for adults, dislocated workers, which are people who are laid off from their places of work through no fault of their own and the last funding stream is for youth. Fourteen ages fourteen to twenty one basically the law requires us to have a board which oversees our budgets, our contracts, policy making for the local area which is called the workforce investment board there's information about that board in your binder and there's also a youth council which is mandated by law which oversees our youth programs. That's it.

Mr. Ilagan: Thank you.

Susan Akiyama: Okay. I'll ask Sharon to come up.

Mr. Arnett: Sharon Hirota is our division head for our existing housing which comprises of section eight subsidy rental and other programs.

Sharon Hirota: Hi, good morning, so I have couple minutes so I'll do this as fast as I can. So the existing housing division administers our rental housing programs for the County of Hawaii one of the more popular programs that we administer is the housing choice voucher, section eight program, more commonly known here as County Housing and the program brings in about fourteen million dollars in housing assistance and we use that to service around nineteen hundred families island wide as much as we would like to help everybody who has a need there's over six thousand applicants currently on our programs waiting list and we continue to accept applications on a daily basis. And under those programs, the program was designed to help low and moderate income with rental assistance, we have about eight hundred landlords that participate in our program and on an average basis we pay a little over a million dollars out a month into our landlords on behalf of the program and on behalf of the participants of our program. Built into the section eight program we also have what we call the family self sufficiency program which also individuals to have individualize case

management. Our goal is to work with them to connect them to different resources out in the community so that they can eventually become self sufficient and no longer need our services and thus we can go help somebody else on the waiting list. We also have the homeownership option program which allows eligible individuals who are in the position to purchase, that instead of rental assistance we provide them with mortgage assistance and thus far we've had as of December 31, 2010, we've had four families who have become successful homeowners and recently we've added two more to that list so, in addition, my division also oversees our Kulaimano Elderly housing project, which is a fifty unit, one bedroom project located in Pepe'ekeo and we also oversee the Ouli Ekahi Property which is a thirty three unit three bedroom duplex units located in the Kawaihae area and I'm done.

Mr. Ilagan: Thank you Sharon.

Sharon Hirota: Thanks.

Mr. Ilagan: at this time, do any council members have any questions?

Ms. Ford: yes

Mr. Ilagan: Council member Ford?

Ms. Ford: Thank you, Excuse me, Mr. Arnett, we took the Kawaihae housing and allowed it to be moved over to the Puna area. Could you give us a little update, what is going on with that project?

Mr. Arnett: yes ma'am, I certainly can

Ms. Ford: and the name of it too.

Mr. Arnett: I think its I'm not exactly sure the name of it at the moment but I'm almost certain its called Pahoa Kupuna Housing, an instance what we had was back in nineteen ninety two as a part of there affordable piece Kohanaiki which was the subdivision at the time decided that they wanted to fulfill there affordable housing piece before they did anything so Ouli Ekahi that Ms. Hirota, Mrs. Hirota mentioned just a couple minutes ago was built by Kohanaiki and to be honest with you they operated it for the first twenty years and they actually gave it back to the County last year, last December saying we're done you know we've sold our Kohanaiki property we really don't have any need or requirement to operate Ouli anymore as a consequence you have it back the sad part was is that it came back with a mortgage it was about five hundred and twenty eight thousand dollars that were on top of it but Sharon Hirota our division manager was did a wonderful job in negotiating with the State renegotiation of that loan with Zero interest, we've subsequently paid that down about four hundred and seventy thousand but long story short is that the transitional housing at Kawaihae was also built by Kohanaiki that's where that all ties in together, there were twenty four units in Kawaihae I

don't know if you ever drove past but they were the yellow buildings that will look like a hovel in which they were hovels, they were about twelve feet by sixteen feet and families actually lived in those small squalor quarters. Twenty of those units were built to be moved, moveable the other four were built slab on gray which meant they couldn't be used. I'm happy to say that ninety percent of the materials in Kawaihae transitional housing was recycled in some fashion. Doors and windows were saved and used for Parks and Recreation and the twenty units that we were actually able to move went to Pahoa and were given to the office of social ministries for a dollar so the office of social ministries paid Kohanaiki a dollar and we restored that property to its natural state after everything was taken off and recycled and what have you. The reason that the overriding reason to dismantle Kawaihae was the mandate from EPA that subdivisions not be on gang cesspools that particular project had gang cesspools and so a part of the deal was that we fill up the gang cesspools and move everything out of there. So subsequent to that those twenty units now sit in Pahoa, Office of Social Ministries has engaged the services of the students at the University of Hawaii Manoa architectural school they have drawn plans, we have come to the council with a resolution for certain exemptions on that particular property because its ag and thanks to the council approving the exemptions is now usable for urban use the plan is to take of the twenty units moved, nineteen or eighteen will be put together and they're going to be almost like duplexes, so the twelve by sixteen units are now going to become a bedroom, not a whole lot of living unit but only a bedroom. Bedroom on each side and there's going to be a kitchen that will be a communal kitchen that the two kupunas would use together, so actually have their own bedroom but they have a communal kitchen that they would use. My understanding is that there's going to be a tremendous amount of community effort put into that particular project even our former councilman Mr. Blas had volunteered to be a part of that particular group. So to be honest with you there just now getting that particular project moving in terms of construction and hopefully have it done within the next six to eight months.

Mr. Ilagan: Thank you, Mr. Arnett. Any other further questions?

Ms. Poindexter: On the CDBG funding, is it still where community organizations the main thing that they're 501C3's can apply for those that funding as long as they meet the criteria of HUD because doesn't that money come from HUD and you meet the criteria of HUD?

Mr. Arnett: Yes it does, also a part of the awardees, Noel touched on it to a certain degree, we have a group that ranks and rates each application based upon there needs but we also

file every five years an action plan and also annually we need it updated annually our action plan and included in the action plan are high priority, medium priority, and low priority projects or projects is not the word I want to use, but I guess priorities is a better way to say it anyway, long story short is the ranks and rating system is based upon high, medium, and low so if you, if your project fits into our high priority item, your going to get ranked higher than somebody else that's in a low or medium priority if you follow what I am saying, but the answer to your question is yes, non-profits can apply and would be included in the awardee process or ranking rating process.

Ms. Poindexter: Community organizations they don't have to be a community development corporation but they could be a community association with a 501C3 and main thing they meet the criteria of HUD what HUD's criteria is?

Mr. Arnett: Correct

Ms. Poindexter: right? Okay, thanks.

Mr. Ilagan: Council member Wille?

Margaret Wille: I just want to first say how impressed I am with how well you get federal funds, I would like to have a seminar on how you did this and how we can do this in other sectors. I did want to ask, I think it was on Sharon's brought up about section eight that there were about six thousand applicants of those six thousand I just wondered what portion of applicants do we serve? Are we serving or do we anticipate serving?

Sharon Hirota: so we process application based on the date and time that they submit to us, so those who are at the top of the waitlist right now are those who applied in January of two thousand and eight.

Margaret Wille: In January of two thousand and eight.

Sharon Hirota: yes

Margaret Wille: I mean the one thing I really like about this program is that there's a focus on self sufficiency and moving people towards where there not just being provided housing but able to do that on their own and I really believe in that not just give the fish but teach the fishing help people to do that and I wonder in terms of the balancing of the transitional housing, rental units, verses single family ownership I happen to be really into maximizing the rental and transitional housing and not a much of an advocate for providing single family homes individual so I don't know how much you all have control over looking at that kind of where the funds go or what the allocation is and what your priorities are in that area. Maybe that's Steve.

Steve Arnett: I'm a little confuse, Are you talking about CDBG funding or you're talking about section eight funding.

Margaret Wille: I'm not talking about section eight but just generally in terms of getting funding in where we're allocating that towards such as the single the some of the units that you have in Kona or rental subsidy verses where building single family homes for single families.

Steve Arnett: Well ideally most of our programs go to benefit rental individuals whether its transitional or whether its low income.

Margaret Wille: It does.

Steve Arnett: Ideally the goal is to move people from transitional to low income housing then from low income housing to market housing be it rental and then ultimately to homeownership if at all possible. We do not subsidize homeownership in other words we don't give people money for down payments, nor do we give money for mortgage payments, so but we do we do try to encourage you know moving out of the lower levels and moving up with at all possible and if it means that we need to do some sort of skilled training through programs that we have available you know so be it but our focus is primarily transitional and low income rental assistance.

Margaret Wille: okay, that's good and one last question, just in terms of the I think it was Sharon again brought this up about no maybe you did, money for repairs for low income people and that's something that regardless of that their outside of any of these programs right now they can apply for that?

Steve Arnett: yes ma'am, and the maximum loan amount is twenty five thousand, so if you have an individual a low income individual in your district who say needs roof repair or needs some massive plumbing, sorry Mr. Onishi didn't mean to step on your toes, (LOL!!!) had need some plumbing repairs or what have you, you know certainly have them take an application and apply.

Margaret Wille: so low income eligibility and I've got repairs that are needed and they are willing to do it on a loan basis.

Steve Arnett: Yes, ma'am and I believe that the percentage for the loan is three percent.

Margaret Wille: Okay, thank you.

Steve Arnett: You're welcome.

Mr. Ilagan: Council member Dennis "Fresh" Onishi?

Mr. Onishi: thank you Mr. Chair, this question might be for either Susan or Noel, I just wanted an update on the lift van that was requested by elderly activities division, parks and rec administration you folks would have anything, what's happening on that? Just to let councilmember's know the last year what I did is working with Susan when she was a CDBG coordinator was that to try and get some funding with for to help parks and rec with the elderly activities division cause in Waimea there was this lift van that's over twenty something years old and no one

really went and tried to get a new vehicle so working with housing, working with parks and rec and also with the administration, we got the funding and maybe Noel can kind of update everyone.

Noel Fujimoto: Yes we received the specifications from parks and recs and we're reviewing it and we'll be submitting it back to parks and rec so that they can go out and do there procurement process.

Mr. Onishi: and I think its like what seventy one thousand dollars or something like that.

Noel Fujimoto: yeah, that's correct.

Mr. Onishi: good, okay, and then also what I was looking at hopefully in the future was trying to get one lift van for Kona, because Kona is lacking of a lift van too, they have a very old van there too so that's what my next plan was but thank you for the update.

Noel Fujimoto: You're welcome.

Mr. Onishi: and also just to let councilmember's know that you know I really miss Jeremy McComber because he is a really good man but now I look forward to working with Chris Fujiuchi and one of em one project is that the Hilo Hongwanji they have a property just below Waiakea High School and what they wanted to do was do a student homes student housing for the university but because of some kind tax credits or the affordable credits some thing went wrong so Jeremy was working to see how he could help with the developer to try and solve this problem but he left then the new person came in but he left so now hopefully I can work with Chris on that one. So.

Steve Arnett: Well, I must admit, Chris is only temporary

Mr. Onishi: Well hopefully then I got to work with him fast then. But yeah that's just some of the projects but also I don't maybe you folks can give an update to about the CDBG because I think the federal government or there was a problem about the funding source and depending on what happens with the fiscal year or with the fiscal cliff of the other so called I don't know what it is they looking at or what they going be cutting that might become you know on the chopping blocks correct?

Steve Arnett: its true it could be on the chopping block, we hope not but it could. Yeah, that program has been very valuable to us and but we've been able to help a lot of non profits a lot of really really good things with that program so hopefully it stays in place.

Mr. Onishi: yeah, just to let councilmember's know that about two years ago when councilman Ikeda and myself went up Susan helped us to get to meet the CDBG person up in Washington, DC and so we got to meet with that person and we thanked them for all their services and we told them that you know whatever we

can help out you know to let us know, but that's what we did up there. Thank you, thanks Susan.

Mr. Ilagan: Thank you council member Onishi, any other further questions? If none, I just want to say thank you Mr. Arnett for bringing your staff and giving us an overview of the Hawaii County Housing Agency and Happy New Year.

Mr. Arnett: thank you there's one thing that I forgot, and I would like to mention before you guys leave and that is we did in Waikoloa we did build a park there was a twelve acre piece that was designated for a park and we've constructed the park and we built a regulation size soccer field and a softball diamond and baseball diamond for the kupuna and the kids to play on and in the works and under construction as we speak is a skateboard park there as well now the skateboard park is coming from private funding but nonetheless the park itself is a soccer field, softball/baseball diamond comfort station parking lot and maybe even a eventually at some point and time a community center for Waikoloa, Waikoloa doesn't really have a community center so that would be a really valuable edition for that particular community so I just wanted to add that that's the thing I forgot.

Mr. Ilagan: thank you Mr. Arnett, thank you.

Mr. Arnett: thank you all for your patience and indulgence in listening to us drawn on and hopefully it was worthwhile.

Mr. Ilagan: At this time, I will recognize a motion to nominate a vice chair for the Hawaii County Housing agency.

Mr. Kern: point of order, Mr. Chair, I think the motion is pending right now and we'd be into discussion right now, now that Mr. Onishi's there and if we could I'd like to start that out.

J. Yoshimoto: just as a point of order you would just need to call the item back to the floor. Just say that we're going to address the motion to nominate Mr. Onishi is, is where we were at, and it will become live.

Mr. Ilagan: I will bring back the motion to the floor to address the nomination for the vice chair of the housing county agency.

Mr. Kern: Mr. Chair

Mr. Ilagan: Councilmember Kern

Mr. Kern: Thank you, I'd like to apologize to my fellow councilmember's for the confusion that I have caused this morning. I'd also like to especially apologize to Ms. Eoff for putting you on the spot, I didn't mean to do that, I didn't remember correctly and Mr. Onishi my action of making that original motion was nothing against you or anything else it was just pure confusion so I'd like to be able to move on from that and I again apologize for that and I support Mr. Onishi for the vice chair of this position. Thank you very much.

Mr. Ilagan: Can I get a second, discussion.

Ms. Poindexter: I feel obligated because I had initially also agreed to that to having when we spoke I don't feel like I want to go back on my word too so I want to honor that so I'm going to say that I'm going to support Fresh Onishi. Thank you.

Mr. Ilagan: anyone else? Councilmember Eoff?

Karen Eoff: thank you Mr. Chair, yes I wanted to thank my fellow councilmember's for their confidence and support in me but at this time I too support Mr. Onishi for vice chair and if he has any change of heart or does not want the position then I would consider it but otherwise I'll support Mr. Onishi.

Margaret Wille: Yes, My one concern is just that West Hawaii be really well represented on the housing issue and I want to know that Mr. Onishi or whoever that there really going to be taking a comprehensive look at housing on the west side and be a presence over there I mean otherwise its going to be two people from the east side and so I'm really looking to the west side being well represented not just on individual items but on the sort of big picture of what do we do about housing and how do we deal with that in terms of water how do we deal with it all in terms of the overall development there as well as in terms of transportation that may be all of the housing for that area should not be right there but that we ought to increase transportation so I'm just asking for a high level of commitment to Mr. Onishi or whoever does it and that I do have a lot of questions and concerns in terms of on the west side. Thank you.

Mr. Ilagan: Councilmember Onishi?

Mr. Onishi: thank you Mr. Chair, just to answer some of Miss Wille's questions is that you know I think about a year or two years ago I think I met with Steve folks and with your staff about trying to see how we could adjust affordable percentage housing and to see where we could bring it down but the bottom line we need to understand is that when the housing project is done they go by this percentage but then also the person needs to qualify and that's where I think there's a lot of problems maybe someone from your office can you know maybe answer to that or add to that but the things lot of times we need to have like rental housing I think that would be much more feasible for certain areas because of how there's not enough jobs and people are not working and so that's where I worked with them to see how we could do the adjustments on that. Transportation wise like I mentioned before you know I worked on one project with them already with parks and rec and administration about getting that lift van for Waimea, Honoka'a, Laupahoehoe but now like I said I wanted to see if I could get something down for Kona and to help out the seniors out there. And that's what the bottom line is for you know like CDBG you know I guess its every

individual councilmember whatever projects you folks have in there you have to work with that non profit or work with that public private company to try and see how they can get some CDBG funding from housing and that's what I've been always trying to work with and you know I had a meeting with the Hilo adult care, the Hawaii Island Adult Care meeting with the CDBG group to find out how they can improve there ratings because they didn't qualify the last time. So that's some things but I really appreciate working under housing and working with Chairman Ilagan on this. Thank you.

Mr. Ilagan: Thank you councilmember Onishi, any further, councilmember Kern?

Mr. Kern: I just like to point out the fact that I personally I don't feel that the vice chair or even the chair of the committee necessarily drives that on the islandwide basis I feel that its up to us as individual councilmember's to work with our constituents as the need for that on this housing and so I feel that the vice chair if the chair isn't able to do that the vice chair is going to lead the meeting their going to help the process of it but again its up to us as individual councilmember's to do what we can for our districts and the people of the Big Island as a whole and work together to do that so Ms. Wille, I don't feel that that's the driving force there, I feel like we are the driving force so I'll finish we that. Thank you.

Mr. Ilagan: Thank you councilmember's', Ms. Clerk can we do role call?

Ms. Clerk: Sure, Ms. Eoff?

Ms. Eoff: aye

Ms. Clerk: Ms. Ford?

Ms. Ford: No

Ms. Clerk: Mr. Kanuha?

Mr. Kanuha: aye

Ms. Clerk: Mr. Kern

Mr. Kern: aye

Ms. Clerk: Mr. Onishi?

Mr. Onishi: aye

Ms. Clerk: Ms. Poindexter?

Ms. Poindexter: aye

Ms. Clerk: Ms. Wille?

Ms. Wille: aye

Ms. Clerk: Mr. Yoshimoto?

Mr. Yoshimoto: aye

Ms. Clerk: Chair Ilagan?

Chair Ilagan: aye

Ms. Clerk: Chair Ilagan you have eight ayes.

Chair Ilagan: Thank you Ms. Clerk. Since there's no old business and may I have a motion to adjourn?

---so moved

---second

Chair Ilagan: all say aye

Councilmembers: aye, adjourn