

COMMITTEE B  
CHARTER COMMISSION  
MEETING MINUTES  
MARCH 25, 1992  
COUNCIL COMMITTEE ROOM

PRESENT

James Cockett (Committee Chair)  
Dolores Fabrao  
Robert Nakasone (Commission Chair)  
Victor Reyes  
Allan Sparks  
Lloyd Yonenaka  
Anne Takabuki  
Susan Nakano-Ruidas (Staff)

EXCUSED

Sherrilee Dodson  
Annette Mondoy  
Deborah Wright  
Jamie Woodburn

GUESTS

Mayor Linda Crockett Lingle  
Councilwoman Alice Lee

I. CALL TO ORDER

Committee Chair Cockett called the meeting to order at 2:03 p.m.

II. PUBLIC TESTIMONY

None.

III. COMMUNICATION 91-10-10, RELATING TO ESTABLISHING A DEPARTMENT OF HOUSING

- A. Mayor Linda Crockett Lingle
- B. Alice Lee, Maui County Council Representative

Chair Cockett: The question we had here is whether you are willing to continue on with this resolution here, or whether it's outdated.

Mayor Lingle: This resolution actually originated, I think Mayor Tavares recommended it to the Council when they were considering Charter amendments to go on the '88 or '90 ballot. He told them he'd like to see a department of housing, and that particular year the council did not go along with putting that on the ballot, but they felt it's something, I guess, to keep looking into.

These resolutions, I think there were thirteen of them, these were just things that had come up at one time or another; not something that was necessarily endorsed or not endorsed by them.

I think Mayor Tavares' vision of housing in relation to county government, and mine are very different. I'll describe them to you so you can make that decision, how you think they'd best be handled. In the past, Mr. Chairman, government saw themselves as going out and building houses. And, the county has built several fee simple housing projects -- Ohukai Subdivision in Kihei, Kumuhana Hale in West Maui, Skill Village in Paia, Luana Gardens, and so on. And, they thought that was the best way to do it because they could get housing cheaper than the private sector. The reason they could is not because they are more efficient than the private sector, because they are not. Not because they are smarter than the private sector, because they are not. But that they had the land for free; they got it donated. In fact, if I had a piece of land, which we do in some cases, and I went out to a private developer, they could do it much cheaper than the county could for a variety of reasons. So, my theory about government housing is that we should not be in the housing business, of putting fee simple housing on the market.

It doesn't mean we are not interested in housing; we certainly are. We have some parcels, we have one upcountry in Makawao right next to the post office, which I want to do a small senior citizens two story housing, twenty units. But, I'll go out with a request for proposals -- nonprofits... Right now, under

Mayor Lingle: (Continued) the new federal, they call it the McKinney Bill, under this new federal housing act the money cannot come directly to the county government. It has to go to what they call a CDC, or Community Development Corporation. So this current year the council put money in the budget to form a CDC. And, their attitude is 'we put the money in and now you guys got to go do it. Good luck to you.' So I didn't know what it was, I didn't know what a CDC was or what they meant by it. So we met with a fellow named Marvin Auwae, from a group called Pacific Housing Foundation on Oahu. They are a CDC. And, he came up, and one of the council members had another woman from San Francisco, a CDC there, come and talk to us, but we felt more comfortable with this fellow from Honolulu. He's formerly with the Hawaii Housing Authority and he really knows all the programs; so he came up and met with us on a couple of occasions, and Councilmember Lee, we invited her to come because this was her idea. And we have in fact, written to the people who wanted to sit on this CDC and we're very close to having our very first meeting. But, they would be that nonprofit housing corporation who would have access to these federal funds, who would be able to do a variety of projects as they have done on Oahu very successfully, at Pacific Housing Foundation.

And, the role that I see, Mr. Chairman, for housing for the government is two areas. One is low income rentals; I do see a role for county government and/or CDC and special needs housing; housing for disabled people, housing for the mentally retarded citizens, and that type of housing, Senior citizens... But, I don't see the government in competition with private home builders. There are a lot of things we can do to help them, and we do. But, that's a very different philosophy than what had been done up to this point, very different. And with the CDC being formed, I think they are going to play a very important role. And, in these economic times to create a new department, with a new director, with a new deputy, new administrative assistant, new word processors, new desks, new chairs and so on, I don't see the value of it. Again, if our philosophy was different, then maybe... If we were going to continue to go out and build houses, then maybe you need it.

We have a housing division in the Human Concerns Department, and their role these days, is pretty much administering Section 8, housing rental subsidy program. They now work real hard on the homeless issue and they've been a liaison, very helpful for us in dealing with the families that were at Maalaea, and a liaison with the Maui Catholic Charity, so they play that role. Also again, in the special needs housing, they work with the Maui Association of Retarded Citizens when they had a glitch and were on the verge of losing some federal funds for a project we had already gotten the money for, the housing people went in to help them.

So, I think we're, again based on this philosophy, not in need of a new department at this time.

Chair Cockett: That's the reason why we invited you down, to get your views of it. Any questions?

Sparks: How does the CDC going to merge with the housing division then, or is it?

Mayor Lingle: That's a good question. No, the CDC will be separate from the housing division. And, it's interesting to look at how will CDC relate to housing division and, what we thought was an important question, how will they relate with Hale Mahaolu, because we were very concerned. We work very closely with Hale Mahaolu and they've performed a tremendous service for the county. They, in fact, manage county projects, Luana Gardens, they manage the rental portion of Kumuhana Hale in

Mayor Lingle: (Continued) West Maui, and of course, Hale Mahaolu. So, one of the first people we wrote to was the executive director of Hale Mahaolu, and had meetings and Roy Katsuda came in, and he's very much in favor of the CDC because Hale Mahaolu are not developers of housing, they're managers of housing. CDC are not managers of housing, they're developers; so, they work very well together, and in fact, he has worked with Pacific Housing Foundation before.

Sparks: So, the CDC runs on federal funds only? Or, no, county funds...

Mayor Lingle: Could be county funds, could be federal, could be state, could be we just have a piece of property and we want to develop it, because the county does have some properties, and we want them to do a project. And, we describe it as senior citizen housing, and they go out and find the funding for it. And, the people on the CDC are not your typical social service types; these are the big land owners, we have representatives of every major company, the banks, a real estate group, developers--Jim Schuler's company, we have a representative from him on there, because these are people who know how to get housing built. So, we've taken a little different approach. We have a council member on there, we have a person from Human Concerns, but it's basically people who have access to money, to people, to land.

Sparks: And they can receive federal funds.

Mayor Lingle: Yes, they can. In fact, this new federal act is actually set up to funnel money to CDCs as opposed to... It cannot come to the federal [sic] government under this new code.

Sparks: What are the general conditions on this; I mean, what is the money for, what kind of housing?

Mayor Lingle: A variety; it was this omnibus federal bill, Al, and it was just all sorts of housing. But, there was just a philosophical turn on the federal level where they did not want the money going to county and state governments. They wanted these CDCs to develop, set up to go to...

Sparks: When was this bill passed?

Mayor Lingle: '90.

Sparks: After all the scandal about HUD.

Mayor Lingle: Probably. But, I can send you a copy of our draft of the agreement with Pacific Housing Foundation, because basically we're hiring them as a consultant for a number of months to get this Maui CDC up and running. And, when I say consultant, it's not what you normally think of, in other words, they let us pick them up from the airport so we don't have to pay for rent-a-car... It's on a shoestring, I mean they are really doing us a favor, I think, in helping us. So, it's at real hard costs, and again, any money they get is going to Pacific Housing, which is again, a nonprofit corporation.

Sparks: Let me be clear now on your philosophy. The county is not going to build housing, but certain kinds of housing, what...we're going to assist private enterprise through the CDCs and getting federal money, and...

Mayor Lingle: Well, there are a variety of ways I see us entering into housing.



Mayor Lingle: (Continued) One is with Hawaiian Homes, for instance. Here's an area... You know everyone says the single largest component in the cost, and therefore the price of a house in Hawaii, is the cost of the land. Here's an organization whose beneficiaries are mostly people in the income brackets we want to assist; they own the land. It seemed to me a logical place for us to become involved, and we have. In Waiehu Ko, they had a subdivision that had been stalled for several years, and we went in and moved their subdivision along. We, for the first time, we put county funds in for freeing the sewer line. Before that, they had been treated as though they were a company, and they came in and we sort of spit out these standard subdivision requirements, as opposed to seeing them as a resource to get more people into housing, because they had all this land. We're working with them on the Keokea lands...

Sparks: What is this organization you're talking about now, its a...

Mayor Lingle: The Department of Hawaiian Home Lands...

Sparks: No, no. The Hawaii Ko, or whatever it was...

Mayor Lingle: Well, that's the name of their subdivision, that's...

Sparks: Oh, okay. So it is the Hawaiian Home lands development...

Mayor Lingle: Yes, it is. So, that's one area where we're involved, and I see the county in that role in helping Hawaiian Homes... On Molokai they have land, they have awarded leases to people, but the people haven't been able to get in; so we're very involved with them. We were involved with C. Brewer recently, in a project in Wailuku Industrial area, turning some industrial land into housing land, behind the Wailuku Community Center. And, we got it down to the county council because we were able to guarantee them certain things that they needed to go forward. So, just from staff time, we're looking at the possibility of 500 units, \$130,000 and below, fee simple, two bedrooms. Whatever you and I think aesthetically about it, it's in an area that it's desirable, people want to live in town. So, I see us working in that way, too. We work with the state on their projects, HFDC projects in Lahaina that is temporarily stalled over the Hawaiian Homes, seeded lands, OHA question. We're in a joint venture on the sewer expansion in Lahaina with them, because it will accommodate that project. We have some money that the county put up, and they put up a lot of money so that we could expand the sewer treatment. So, I see that as a way that we're involved.

The CDC itself, again, this one parcel up in Makawao comes to my mind. It's a good project to become involved with. I want them to do a small project first and have success at it, and then move on...

Sparks: What kind of housing is that going to be?

Mayor Lingle: We're looking at senior citizen housing. It will be twenty units or under...

Sparks: Like Hale Mahaolu?

Mayor Lingle: That's correct. And, we would earmark, we get these certificates, these vouchers, Section 8 vouchers... And, one of the reasons Luana Gardens is successful is because we reserve those vouchers for that particular project, as opposed to the applicants who come in and just want to live anywhere. The majority are that type, but we can have the authority to reserve. So, what we would do is reserve



Mayor Lingle: (Continued) twenty certificates for that project upcountry, so that anyone who lives there pays no more than 30% of their income, within certain income requirements. So, I see us in a variety of ways, any other way than us being developers of housing. My first experience with the county as a mayor the housing development was the Kumuhana Hale project, and it was to me a perfect example of why the government just shouldn't be involved in the housing business. We have no incentive to get this done in a timely way; we're not paying the interest charges, we're passing them on to the buyers. Whereas, developers will push, because they know every day they don't have someone in that house, it's costing them money. And, during that first of January, Al, you know we got here and the attitude was sort of like -- well, I don't think we can do it this month, you know -- and you have these homes sitting there, literally sitting there, they were finished, people just couldn't move in and I... The first thing, well okay, go down to the title company, this shouldn't take more than three days -- he says, 'oh, no, it takes eighteen days.' So I said, well why? He said, 'I don't know; it always takes eighteen days.' Well, it's located on Wells Street -- walk down there! And, literally, we had them walk down with the pouches, they got the papers, they walked them to corp counsel... But, that whole attitude is just different, when you are not personally paying the interest. So, developers have this tremendous incentive... In fact, when Schuler builds a project, they are here in Public Works, they want those certificates of occupancy right now, cause they just qualified someone, they want the next one in. And those kind of people, I think, do a good job of getting housing on the market.

Sparks: It sounds like your philosophy is to help certain kinds of housing, where we have real housing needs, right, with infrastructure and whatever push you can do, in a way that you wouldn't do for a normally well-financed developer just building very expensive homes, right? Was that true?

Mayor Lingle: I don't get involved at all in that type...

Sparks: So they go through the regular rigamarole and all the permits, and all the conditions, and they will be assessed fees for developing their own sewers, waters, or roads and all that, but that your philosophy is not necessarily so for say Hawaiian Home Lands developments or low income types...

Mayor Lingle: Well, we just had one come in for Lahaina called Ke-Com, it's an offshoot of the Weinberg Foundation, and they want to put up these units, they're going to put them on the market -- rental units -- for people 60% of median. Now, we can't put those types of units on the market, I mean no one would put it on because it's just, you just can't make any money at it, it's impossible. I mean, 60% of the median is \$24,000 that a family could earn as a whole, a family of four could earn no more than \$24,000... So, we helped them by bringing three or four different county departments together at one time, because they're getting, they're going after these state and federal tax credits; so, we get very involved with that in making sure that they make their deadline, as we did with Kahului Town Terrace, the A & B project. They had this end of the year deadline, or they don't get federal tax credits, so they tell us at the beginning of the year, and we make sure everything goes right. So, there are just a variety of ways we can have big impact, but without creating a whole bureaucracy...

Sparks: But, you don't want all those varieties of ways housed under one central highly more visible organization called a department; you'd just as soon keep it under the division.

MARCH 25, 1992

Page 6

Mayor Lingle: It's not really in the division right now. It's just sort of where ever it pops up.

Sparks: And, is that the best way to do it?

Mayor Lingle: I think so, because it always comes back to the same thing... You need to have this inter-departmental approach. You've got to have Public Works in on these things, and you've got to have Planning in on almost any of these things, and you've got to have Human Concerns. And when you have a...

Sparks: So, who pushes then? There's so many different angles...

Mayor Lingle: I do.

Sparks: It's at your office level then?

Mayor Lingle: Yes.

Nakasone: I have a question. Towards the emphasis of housing, what about the Department of Human Concern, the question of changing the title and changing the philosophy of that department, you know like the Department of Housing and Community Service, or something like that, where at least you can identify in terms of housing it's an integral part of their now existing Human Concerns.

Mayor Lingle: I think that would be acceptable, we'd have to...

Sparks: Change the name? To include housing somehow?

Mayor Lingle: To highlight it somehow...

Nakasone: Yeah. I think the department, the question of the overlapping of state and county responsibilities, you know... I think in your social programs they are a very strong state responsibilities. But, the housing thing is really state and county, but the individual counties have their own responsibilities to provide housing, so it seems like a lot more, in terms of title that... If you change the title to Department of Housing or... Instead of adding another department, you know, change the emphasis to the housing, rather than just Human Concerns...

Sparks: Fifteen years ago when I was doing this Charter review stuff, we created the Human Concerns department, and one of the logics was that there's a lot of different things going on from programs for the youth to the aging, housing to all these different kinds of stuff going on, and there was all these separate offices kind of attached to the mayors office at the time. So, one was to have a better place for it all to be coordinated, but another one was to make it a more highly visible, more significant function of the county government, giving it department status. Do we have a similar problem now, do you think?

Mayor Lingle: I think we are moving towards something. We discussed this, maybe coming down and talking to you about it, it's just that, again, the economy is such... We're talking about tremendous additional expense no matter how you look at it, it adds expense. But, to answer your question, candidly... We have a joke I tell the departments, "Whatever you do, don't be candid." Candidly, there are some, Al; the logical one is the federal grants program -- Community Development Block Grants -- right now is an office under the mayor. Economic Development is currently an office under the mayor. We're going to the council this year for a trans-

Mayor Lingle: (Continued) portation coordinator. Transportation obviously is another area that we have not been involved with before that we need to. Some people see it as planning, some people see it as community development, but we have toyed with a lot of that sort of thing, budget... We had seen it... We called it Budgets and Communities Development, or something, and actually we had drawn out a table of organization, and everything...

Sparks: With new departments?

Mayor Lingle: No, a single department with all these... I guess you are asking me, you know, when you start to get these three, or four, or five new things and they are not attached to any department, those would be the ones that come to my mind. This Community Development Block Grant, Economic Development, Transportation, Budget, and those are all right now under the mayor's office. All of these things, but not transportation because we don't have a coordinator, so I have one of my executive assistants just assigned as...

Sparks: So what is this particular problem then? At a certain point a new activity gets to be fairly large, larger, large enough to be a department, perhaps. But, there's another argument about the additional expense of turning it into a department. I mean, we ran into, we discussed that one a lot fifteen years ago, too. Aren't we going to get a lot of flack for ANOTHER government department with another director, and all the secretaries, and all the office space, and all that sort of thing that goes with it?

Mayor Lingle: I think you will.

Chair Cockett: I presume then, there is some form of table of organization that you have now, with all of these descriptions for the person to be in charge of... I would recommend then that, if it's feasible to expand on this then, recommendations come out of your office, and...

Mayor Lingle: And, I guess that's the problem, Mr. Chairman. I don't want to be the one to recommend a new department!

Sparks: Spoken like a true politician, right?

Mayor Lingle: I could give you... We've really done a lot of looking at it, a lot of work, because we saw what you saw in Human Concerns. That you have these various things... Again, it's just a balance, is it worth it? Is it worth the expense of... I don't know.

Sparks: Well, thinking back over the last ten, twelve years of your service here, do you think the Human Concerns department was a good idea?

Mayor Lingle: Yes. No question in my mind.

Nakasone: Well, as far as personally, I still have some arguments about where do you draw the line between county and state responsibilities. It seems that, you know, we don't get the help too from the state in terms of funding, and yet the county assumes a lot of responsibility in the social programs. And yet, there's also the overlapping of state and county... So, the question is who is responsible, and when it comes to the question of funding, you know, they start pointing fingers at each other. They want the program, but they say "that's your problem."



Sparks: Yeah, that was the discussion before I remember...

Mayor Lingle: I hardly ever deal with that issue anymore, whose responsibility it is. I hardly spend time on it anymore, although as you say, it's... If it comes down to it, national defense is important too, but I'm not going to protect the island from a defense posture... But, this homeless issue, if we waited for the state -- we just wouldn't meet it. We have lots of issues we've become involved in...

Sparks: Do we still have an immigration service?

Mayor Lingle: Yes, we do. That's a perfect example that we dealt with in the past in the council, 'cause the obvious question is, "What are we doing in immigrant services? That's a federal function, if any." But, at the same time, if we didn't have it now today... You know I look at it much differently today than I did ten years ago, or even five years ago. It's performing a tremendous function that if we didn't have it here, we would have some very serious other problems to deal with; very serious problems.

Sparks: So, you notice a big need and you don't want to spend a lot of time debating whether it's your responsibility versus some other level of government's responsibility, so we jump in there... Then there's the problem of overlapping... and the question of tax burden, you know...

Mayor Lingle: I figure it's better for the tax payer in the end, though. We're more efficient than the state, anyway. We're going to do it cheaper...

Nakasone: Well, if that's the case, I think there should be a funding program from the state, and assign it to the counties... One way or the other, right?

Mayor Lingle: You're trying to take away what we have right now.

Nakasone: But it's not the funding, yeah? The funding is always the critical question. There's merits to the programs, but nobody's willing to put out the funds.

Sparks: That's it on almost every issue around government anymore.

Nakasone: Well, I could see housing where if the question is not to create, you know... What's to prevent the administration from identifying a second level of specialty? Like you can have, give incentive to a person who's capable -- give him a deputy's position. I don't know where it is, but is it where you can only have one deputy or department head?

Mayor Lingle: No. You'd have to get the council to create another position. It's just that under the Charter it does say...

Nakasone: Necessary staff, but you don't identify deputy, right?

Mayor Lingle: Nope, not necessarily.

Nakasone: But, you know, deputies are more or less of a specialty, so in terms of the umbrella of that department, why not identify deputies to concentrate on specific areas?

Mayor Lingle: Oh, I would prefer it because then they're not civil service. Right now they do that, but they do it through this division head level. That's one of the weaknesses of the civil service system, is you cannot get to that next level. You can't come in to Public Works and get to the head of Land Use, the head of Solid Waste, the head of Engineering, and so on...

Sparks: But, if I understand what you are saying, in order to do that you have to justify it, put it in the budget...

Mayor Lingle: And, the council would have to authorize it... Unless the Charter said precisely there will be... You know, three deputies of these different divisions within that department. Unless you did it in the Charter, you would have to get the council to authorize it.

Chair Cockett: Well, I think we should take that under advisement for the full commission. Just referring back to the exact resolution here, that we wanted some input from you regarding creating this department of housing, whether we should or shouldn't, that was the question. And, I believe that will be the same question we'll ask Councilwoman Lee.

Fabrao: Excuse me, Mr. Chairman, can I expand on that? If we follow the train of thought of Bob, if we created that position, or the council created the position for deputy under Human Services, with the express duty of taking care of the department of housing, or housing, would that work? If we didn't create a department of housing itself? You'd still have to get staff...

Mayor Lingle: Well, that would be another alternative. I wasn't quite thinking of it in those terms; I was thinking of it more as if you had this other issue I was discussing, this community development/transportation. That's where I saw it working, because it would be something brand new... I don't know how it would work in the existing department, if it had a division head already in charge of that who was a civil servant... I don't know.

Chair Cockett: I think we can debate that with the full commission and see where we go to in the areas that you've voiced some concerns on...

Mayor Lingle: As I said, I'll be happy to transfer all that material that we had worked on... On this other idea of all these different areas, should the Commission want to do something... If you think it would be useful, I...

Chair Cockett: I think if you'd forward it down to us so we can have a look at it. Are there any other questions?

Reyes: Mr. Chairman, would there be any legal problem if you abolish all the division titles and create one deputy handling those major functions? You know, would there be a problem with the civil service?

Mayor Lingle: I don't know that. I think that gets to this question. It would be something different, and certainly, it would be my preference to do it that way, but probably Mr. Kokubun and corp counsel would know better than me.

Nakasone: Isn't that part of the Charter? You can create and abolish positions?

Mayor Lingle: The necessary staff...

Chair Cockett: Okay, any other questions? If not, thank you, and...

Mayor Lingle: Thank you very much.

Chair Cockett: Thank you, Alice, for coming to this meeting today.

Councilwoman Lee: You're welcome.

Nakasone: We need some more money.

Councilwoman Lee: Okay, let me see how much I have.

Nakasone: They shorted us on our budget, you know.

Chair Cockett: We'd like to pose the same question to you that we did to Mayor Lingle, regarding this resolution of 1990 regarding creating a department of housing; and whether it's viable and whether we should continue looking at it, and what you're thinking about this.

Councilwoman Lee: Well, I would support that idea. I think, considering that we are experiencing a housing crisis right now, that points to the fact that our housing division just doesn't have the resources. It's a small division, preoccupied with rental assistance programs, and various kinds of assistance programs that we don't have someone who's taking the lead and providing other kinds of housing. You know, low cost housing, across the board for the general public. We have... The focus has been mainly in the past on elderly housing, housing for the handicapped, and again, rental programs. So, I think that there is a need for a housing department. I think under the current situation, you have five or six different divisions under the umbrella of Human Concerns. All of these divisions compete for funding, compete for staff, they compete for attention from the director and the deputy director. I think the division is constrained under those circumstances. I wouldn't run out and create a department tomorrow, given our economic situation, because our budget is rather tight, but I think this is something we should plan for in the future.

Chair Cockett: It was mentioned here, the possibility of subdividing some of those responsibilities at Human Concerns, to have someone in charge specifically for different areas. For instance, someone under that umbrella to take charge say of the department of housing. I mean, as a thought, versus creating a new division with a director and office, and so forth.

Councilwoman Lee: How would that work?

Chair Cockett: I don't know, it's... The way this is written up, it's creating a new department, with a new office and so forth...

Councilwoman Lee: Now a department would mean that they would have their own identity. It would mean that they would no longer have to report to the director of Human Concerns, and they don't have that extra layer to deal with. They go directly to the mayor, they report directly to the mayor. All of those divisions have a layer, they have the division chief, they have the director, then they have the mayor. When you're the director, you don't have to deal with another person, you just do it right under the mayor.



Councilwoman Lee: (Continued) They would probably... I don't know if they would stay in that same location, but certainly they would have more autonomy, and more identity, and more accountability, I would expect.

Chair Cockett: I think that's important, accountability. Do you have questions?

Yonenaka: Yes. I'm not going to ask you what the council thinks, but I want to ask you what you feel as far as a department of housing. Do you feel that the county should be going out and building homes? And, that would be the thrust of that department, that they would become...

Councilwoman Lee: No, not necessarily; not necessarily. I feel that they can provide more technical assistance, in terms of federal programs available, in terms of coordinating between the state programs that are available, and private projects. There's a lot that they can do other than going out and actually building homes.

Yonenaka: Do you personally feel that the county should be building more homes, though? That's a tough question.

Councilwoman Lee: I don't think that should be our major focus because we just don't have the staffing to do that, so we take just as long as somebody else out there trying to do the same thing. And, we would tie up all of our resources in this tiny little project.

Yonenaka: So, the reason for the department of housing, basically, is to put literal emphasis on housing and make it get done faster.

Councilwoman Lee: That's right; that's right. And, there are many programs that are available on the federal level and the state level that are not being used.

Yonenaka: As far as housing, in terms of human concerns, it's real difficult to say this is more important than something else, but you feel that's one of the more critical areas right now, that we need to deal with better?

Councilwoman Lee: That's right, you know, I feel that a lack of housing... Unfortunately, we're forced into a situation where we have to prioritize, and, housing is needed by all segments of the community -- not just the frail and elderly; not just the handicapped; but everybody, so that has to have a priority.

And, you are right, I'm speaking for myself. The council members don't agree with me, most of them... They would prefer to leave the division as is, from what I hear. But, I've been dealing with this area for over ten years now, and I've spent an awful lot of time, and I feel I can say from experience that we do need a department. And, I thought Hannibal showed a lot of foresight by putting this on the table.

Sparks: Let me ask you about an issue that Bob raised. Suppose we give more attention to housing by changing the name of the Human Services department -- Housing and Social Services, or something of that nature. And, this we wouldn't even have to do in the Charter, but it could be done by the council and the mayor, add another deputy director, that wouldn't be civil service, to take care of housing underneath the existing department, so we don't create another department, but we create a larger emphasis. Would that be a reasonable approach?

Councilwoman Lee: I think that might be a good interim approach, because sometimes just changing a title makes a difference. And, I know you are going beyond that, but... Our committee, one of our committees used to be called Human Services, Parks

Councilwoman Lee: (Continued) and Recreation. So, we changed that to Human Services, Parks and Housing, and because of that, you know, a lot of attention was drawn to that particular committee and to that arena of housing. I would think the same would happen if you changed it to Human Concerns and Housing, or something like that, and then have a... Maybe a deputy, I'm not sure how that would work in the civil service system, but...

Sparks: Yeah, but if you set it up that way, it would have to be a budget item for that position. Or, as we were talking earlier, it could be mandated by the Charter, although I'm a little reluctant to try to mandate every position in the county.

Nakasone: Maybe Anne knows; is there a statute provisions about deputies?

Takabuki: A statute provision -- Hawaii Revised Statutes?

Nakasone: Yeah.

Takabuki: Requiring that there be deputies?

Nakasone: Or, you know, are deputies exempt from civil service, or something of that nature.

Takabuki: Offhand, I don't know. I know there used to be provisions on salaries... There probably was something like that, but I think...

Nakasone: Exemptions from civil service.

Takabuki: Yeah, exemptions from civil service, because there used to be a section on county departments. But, I think they repealed that when they did the housecleaning.

Councilwoman Lee: I mentioned that this could possibly be an interim measure, because I honestly feel that we do need a department of housing eventually. I mean this housing problem is not going to go away.

Nakasone: Can I respond to that? The reason I brought it up is, you know when this Human Concerns was created, it was Al's time I think...

Sparks: I know, those good old days, right? In my days...

Nakasone: You created a monster...

Sparks: And Bob will never let me forget it, right? I'm going to have to start defending what we did fifteen years ago...

Nakasone: You know, like I stated before, I think there's quite a bit of overlapping in state and county, in regards to our social programs. One part of the question was the tax burden to the tax payer's here; you know, they are paying state taxes, they are paying county taxes, and yet it seems like the responsibility lies primarily with the state. So, we're paying taxes to the state to take care of social programs, and then we come in with a county subsidy. Again, we're being taxed under a real property, so far paying for the same program, more or less. So, you have an overlapping of state and county. In the case of housing, I think, each county has their certain priorities, so my recommendation would be to change

Nakasone: (Continued) the philosophy of that particular department, Human Concerns, to more housing and community service, where you can concentrate more on housing. And, that was my recommendation to...

Sparks: And, part of that thing is the feeling that some of what they are doing now should be shifted back now over to the state?

Nakasone: I think it really requires some reevaluation of the department itself, to see where we are going in terms of our social programs. I know we are dealing with a lot of federal funds; when you talk about Section 8, that goes under housing, too, block grants, you name it, any kind of project you can call for block grants. So, I would say that if we shift the priority, and even change the title of Human Concerns to Department of Housing and Community Development, or something like that. I notice that City and County has that. So, all we're doing is not creating costs, I think if we can identify as a deputy instead of a division head, I think there is more incentive for getting qualified people to take that kind of job, and specialize in housing and housing programs.

Councilwoman Lee: So, you envision, let's say, a Department of Housing and Human Concerns, one director, two deputies...

Nakasone: Possibly two deputies, yeah.

Councilwoman Lee: One for the housing and one for the human concerns...

Nakasone: Right. And yet, you know, you're not compounding the costs as when you create another department. And, personnel-wise, you won't have that much increase. That's one possible approach.

Chair Cockett: Any other possibilities?

Reyes: Aside from the business of running that department, Hawaii is very unique, and I guess because of its uniqueness, that's one of the major reasons why housing, or housing costs, or lack of housing is a major problem. If we create this department, or rename the department of Human Concerns to Department of Housing and Community Services, or Human Concerns, with the intention that there be more focus in addressing the root issue of why we have this problem, would it really contribute to going to the basic issue -- why we have such a high cost of housing, it's due to a lack of inventory of affordable houses, and so forth, and just an example...

Councilwoman Lee: No. It wouldn't.

Reyes: Yeah, okay, It won't. You know what I am getting at, probably...

Councilwoman Lee: No, it won't solve our housing problems. A housing problem is caused by a multitude of things.

Reyes: Right. That's what I'm trying to say. But, would it significantly do more to address the problem versus you know, a totally separate department of housing. I mean, what can you do with a totally separate department of housing compared or versus the compromise or modification where you put emphasis now on the department of Human Concerns...



Councilwoman Lee: You're saying by changing the title and adding a deputy, and changing the focus of that department, will it have the same impact as a separate, entirely separate department.

Reyes: Right, because the cost of putting up a new department and...

Councilwoman Lee: I would say no, because certainly they wouldn't have... They wouldn't have the same amount of resources, the same flexibility [as] if they were by themselves. If it was a separate department, they would have more autonomy, more flexibility. If they were still tied in with Human Concerns, of course, they would still, on a certain level, need to compete for funding and staffing, and so forth. But, again, I think it would make a difference. I think having a Department of Housing and Human Concerns, you know, lends itself to a more important focus on housing, rather than not even mentioned in the department title at all, as it is now. I think it will have an impact, but not the same as having a separate department.

Chair Cockett: Okay, anything else? Yes, Bob?

Nakasone: Wasn't there a commission on, a board in the Human Concerns department? There was, huh?

Councilwoman Lee: A board? A separate commission?

Nakasone: A commission of Human Concerns?

Councilwoman Lee: I don't know.

Nakasone: [Directed to Anne Takabuki] You remember that?

Takabuki: I don't recall that, at least recently. But, there may have been initially.

Nakasone: I was thinking to give more support to this restructuring of Human Concerns, there's a possibility of establishing like a blue ribbon commission, where you have a cross section of expertise, you know, financing, construction business. With that type of background it would give support to this housing, to this department; rather than, you know, just... If you look at the description of the department, it's so general, it covers everything; but if there was a creation of a commission with, I would say, just like your review board, they have architects, they have engineers, they review designs and all that, and that would be similar where they can look and help the department itself with their expertise. You know, like a finance company, or construction engineers...

Sparks: What you're describing, Bob, sounds a little like this CDC...

Chair Cockett: I was just going to bring that up. She [Mayor Crockett Lingle] mentioned the CDC, which is an organization that's a separate organization of the developers...

Councilwoman Lee: I know.

Chair Cockett: I beg your pardon?

Councilwoman Lee: Yes, I know.

Chair Cockett: And, she was referring to them as a body to commend and work with some development here in Maui. Are you aware of that? I think you are, and what's your thinking about it? This is like a deputy or someone on staff who has the know-how, the expertise in putting these things together.

Sparks: It's not going to be a county...

Chair Cockett: No, it's not a county...

Councilwoman Lee: Actually, I initiated this about a year and a half ago. Yeah, that's why... It's the Community Development Corporation, and it would be working hand in hand with the county housing division. And, this is something what you just described [aside to Bob Nakasone]. It will be overseen by this Commission; a Commission of lenders, developers, architects, engineers, public officials... As a matter of fact, I'm on that board. And, here you'd have a lot more freedom than government. You're nonprofit and you can access federal funds and programs, state funds, county funds, private funds, and then they can go out and do a variety of projects. What the county can't do, necessarily, because our funding is restricted. And, right now, it's at the stage where it's just about being organized and established. And, we're going to be moving on this in another month or two.

Chair Cockett: Would this body then be a viable body to move in this direction versus creating a department? Is there an allied or parallel kind of a thing that we try to create?

Councilwoman Lee: I envisioned this nonprofit entity to work very closely with the county, as if it were part of the county, you know.

Chair Cockett: Then would you reconsider, maybe just hold off on this department of housing, and look towards massaging this CDC in developing things for Maui.

Councilwoman Lee: Well, I see the CDC as being an important factor in assisting with the production of affordable housing, but I don't see it as having the power of government, you know. I see it being able to do more things in terms of development and construction, but as far as that eliminating the thought of having a department, because of its creation -- no, I still feel that we should have a department, mainly because the housing problem is such a pervasive one, and it will be here for a long time. We'll always have a housing problem, because we're so far behind on it. Even as we focus our attention to encouraging private developers, and nonprofits, to do the housing for us, there's still a lot of work to be done by the housing division, or housing department. You know, there are unilateral agreements that need to be monitored. If, in the case of C. Brewer, when they build 500 affordable units, who has to monitor all that? All the sales, to see that the units are sold to families of a certain income, and that the sale price is according to our agreement, and that's only one project. As other projects come up, somebody has to be supervising all of these projects. And, that's where I see that the county has to expand its personnel, either in the housing division, or in a full fledged department. Because there's a lot of work to be done, and it's not only the producing of housing.

Reyes: So you would see this as complementary rather than competing for the same resources within the county?

Councilwoman Lee: Right. I see the division's role as going to be expanding to the point where they won't be able to handle all the work that will be coming

Councilwoman Lee: (Continued) their way in the next few years. But, on the other hand, you know, I think Bob's suggestion is something that could be done fairly easily.

Chair Cockett: In other words, with this other proposal -- compromise, I should say -- it's a method of getting this initiated right away.

Councilwoman Lee: That's right; that's right.

Chair Cockett: And, this is what you would promote or recommend now, doing something like this?

Councilwoman Lee: Right. I would recommend that now.

Nakasone: I guess one thing I'm concerned about is the public's reaction to creating more or another department, and I would imagine there would be more negative response than positive response. And, if you want to go out and sell it, you're going to have to come up with some very specific things, not like this Human Concerns provision here. It's general and so broad that you can put a dog catcher in there.

Sparks: That was one of our problems. Where does the dog catcher go? I tend to agree with you. You've got a suspicious and cynical public out there that doesn't vote for new departments. On the other hand, housing has gotten to be such a big issue, how much of the public is going to be upset if you are postured as trying to do something in that area. I don't know.

Nakasone: But, wouldn't it be easier to sell, if we say let's change the priority of the department, even change the title of the department to the Department of Housing and Human Concerns.

Chair Cockett: That's kind of the thing you are recommending and I think that should be one of the things to move this forward.

Nakasone: I think it's a better seller.

Chair Cockett: Yup. Okay, questions?

Fabrao: A comment, maybe. The Department of Human Concerns... Human Concerns to me is very important because it has to deal with the whole person, and housing is one of the issues that needs to go along with that whole person. And so, I would not like to diminish the one in favor of the other, that they should be pretty much on the same level. But certainly, I come from the community and if we did create a department of housing, and you might have some conflict, I think some people would say about time. Then, if we get it started and we needed any more funds, if we had to build any more housing projects, because people on Lanai are begging... On Lanai alone, people are paying \$1,000 to \$1,500 for rental of a house, and the company -- that's another favorite issue of mine -- is not providing the housing fast enough for their own employees of the hotels and other projects; so the department of housing should be a real good thing. I wouldn't fight it.

Chair Cockett: Okay, any other questions?

Councilwoman Lee: Jim, do you have any idea how much it would cost to establish



Councilwoman Lee: (Continued) a new department?

Chair Cockett: No, we have no idea. We just wanted to hear your input...

Councilwoman Lee: No, I thought you had asked the mayor or somebody before me.

Chair Cockett: We will look at that. We were thinking about the staffing, that's why I asked the question about whether they had a table of organization, some kind of layout of what they thought it would take. She'll be sending down some information on that. And, we certainly would look at that. We'll want to talk to Kokubun, also, if we want to form another division. However, the compromise seems to be on the table now that we should discuss that with the full commission.

Sparks: It shouldn't be too hard to get an estimate how much it would cost, would it? Think of the positions you'll need and cost them out. Think of the positions you won't need for the old housing division, subtract that from your new costs...

Chair Cockett: It isn't that easy when you create a new department like that because when we start getting into manpower, it's going to be awfully expensive. Any other questions?

Fabrao: Well, a comment again. When you organize something, especially if it's going to be a new department, you don't have to go full fledged like every other department, because until you know your needs, and as your needs arise, then you add on staff.

Chair Cockett: But, we will take that under advisement, too. If there are no further questions, I'd like to turn this meeting over to Anne, here.

Takabuki: Are you just recessing, then?

Chair Cockett: No, I'm through.

IV. ADJOURNMENT

There being no further business, Chair Cockett adjourned the meeting at 3:00 p.m.

ACCEPTED:

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James Cockett, Committee Chair                      Date