

# LU Committee

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**From:** Kirsten Szabo <kirstenszabo@gmail.com>  
**Sent:** Tuesday, October 16, 2018 9:21 AM  
**To:** LU Committee  
**Subject:** Testimony in support of the Apartment Rental Housing Project located in Wailuku at TMK (3-5-001:064)  
**Attachments:** Wailuku Affordable Housing CC to County Council.pdf

Dear Committee,

Please see the attached testimony addressed to Ms. Schatz but is a CC to the council in support of the apartment Rental Housing Project located in Wailuku at TMK (3-5-001:064).

Regards,

Kirsten Szabo

Kirsten Szabo  
320 Ainakula Road  
Kula, HI 96790

October 15, 2018

Linda Schatz  
Representative  
Legacy Wailuku LLC  
1111 Third Avenue, #2850  
Seattle, WA 98101

Dear Linda Schatz:

I write in support of the Wailuku Apartment Rental Housing Project located in Wailuku at TMK (3-5-001:064). Maui County has a shortage of affordable rental housing and I wish to offer my support to the proposed project, for the reasons outlined below.

**I have friends and family who need quality rental housing.**

My friends and family work hard raising their children in Hawaii but the high cost of living and lack of housing units make it difficult them to find quality housing to live in. The project is located in an ideal location in Wailuku town near services, schools, parks, and in a safe community where our friends and family would like to raise their children. We have not had a rental project of this size and scale come to Maui County in decades. About 39% Maui's households are renters, yet we produce very little rental units. Approximately 45% of Maui County's renters are single individuals and many are one pay check away from homelessness. That is why I support this project to ensure we build quality housing for our local families.

The Central Maui Market Study also notes that there has been no large scale dedicated rental project on Maui since 1990 that were not subsidized. This is the first project in a long while and we need to support projects like this to ensure our family and friends have a place to live.

**The project allows young families to live in Wailuku.**

Young families do not yet have a means to buy a single-family home. They still need a place to live and a safe, quality rental is highly desirable near schools that are within walking distance. Maui County lacks quality rentals. Many new rentals have been converted to vacation rentals. This project is committed to long-term rentals for local families and will serve a need for young families that need to find a safe, secure, and rental community with amenities. In June of this year the median price of a condo in Maui was \$515,000 at a 20% increase from June last year. The single-family home median was \$727,500. With sale prices climbing it is making the dream of owning a home a difficult reality. Rental housing is important to provide a safe and quality living conditions for our members that is why we support the Wailuku Apartment Rental Housing project.

**We need to support housing developers that build all types of housing to increase the overall supply and bring down costs.**

Everyone should have access to safe, quality, affordable housing and the ability to maintain that housing. Housing constitutes one of the most basic and powerful social determinants of health. The World Health Organization states that, "The social determinants of health are the circumstances in which people are born, grow up, live, work and age, and the systems put in place to deal with illness. These circumstances are in turn shaped by a wider set of forces: economics, social policies, and politics." Housing along with educational attainment, employment, and the environment are determinants that drive how healthy our community is and will be.

In Hawaii, over the last few decades we have grown increasingly behind on 1 out of the 4 determinants - housing. We lead in the environment with clean water, 95% of our land being non-developable, innovate renewable energy efforts, and clean air quality compared to the rest of the United States. In education, we spend more than \$2B annually as a State and have one of the most affordable University systems in the Nation. As for employment, we have an unemployment rate below 3% but we still fall behind other States on the minimum living wage. Of the four determinants, housing has been largely ignored with only .07% of our State budget allocated to our housing agencies out of almost a \$14B State budget.

To add to this lack of financial resources, the State of Hawaii receives only \$3.5M in federal tax credits per year, which is based per capita. Each state in the union receives their share of federal tax credits based on population size not whether another state has a larger housing crisis. Through these federal tax credits, the State of Hawaii can produce about 150-225 housing units per year to be spread across all our counties. Maui County has about 11-12% of the population of the entire state but already receives a disproportionate share of federal tax credits for low-income housing projects. At this rate, Maui County will not meet its requirement to produce 14,726 housing units of demand by 2020 at the current rate of producing less than 400 units of housing annually. Much of what is produced on Maui are not rentals. In 2015, 306,000 apartment units were completed and entered the market in the mainland United States. In Hawaii during that same period, produced zero units. 40% of our 320,000 households in Hawaii are renters. Therefore, we support this project because it is a privately financed project that will inject 324 units of rental housing to help relieve our deficit of housing.

**We need to support projects like this because there are too many vocal minorities that pose as concerned citizens who are really NIMBYs in disguise.**

I'd like to set the record straight that the developer has worked tirelessly to meet with community associations, individuals, and other members of the community to listen and improve their project. There have been rumors by others that the requested exemptions list are long and too many exemptions are being sought. The current list shows a list of 14 exemptions. This number of exemptions is shorter than other approved 201H projects in recent past approved by the Maui County Council. It is yet another approach by NIMBYs to stoke fear in the community to stir up negative opinion in hopes to stall this project.

There are hidden costs to not providing enough housing. As a community, we have to be careful of opposing development, especially projects that provide critical workforce housing. The local political calculus that treats housing as if it is a burden on the rest of the community through excuses such as

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traffic, the environment, and creates unnecessary controversy to stall projects must stop. This is not to say projects should not ensure they will not impact the environment, or mitigate traffic, but at some point, housing needs to be priority #1. Until we perceive housing to be necessary infrastructure that benefits the community we will never build ourselves out of this crisis and the health of our community will continue to be affected. The social and economic cost of not having adequate, quality housing impacts our community's quality of life, cripples our healthcare system, creates hidden costs and pressures on our public safety system and will set back a whole generation of young people. The financial and human costs to our housing crisis is larger than the required financial subsidy to meet this need.

According to the Partnership for America's Economic Success the lack of housing affects the ability of our children to achieve educational attainment. They also note, "Children's healthy development requires a home that is sturdy, free of toxic hazards, and provide a place for them to eat well, play safely, and sleep soundly. In short, the quality of a home affects a child's ability to grow, think, learn, relax and form those critical early bonds, initiating a promising or problematic trajectory. This trajectory can translate into not only school and life success or failure for the child, but also serious economic consequences for society." Residential overcrowding is correlated with delayed cognitive development, lower reading skills and behavioral adjustment problems among school-age children. These hidden costs are a huge cost to society and the future of our kids' opportunities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kirsten Szabo', with a stylized, cursive script.

Kirsten Szabo