

From: Jeri Dean <jmiya1006@gmail.com>
Sent: Wednesday, June 19, 2019 9:33 AM
To: county.clerk@mauicounty.us
Subject: Polanui Workforce Housing

To Whom It May Concern:

Good morning,

As I am unable to appear in person to give my testimony today 6/19/19, I would like it to be submitted via email in hopes for consideration regarding the workforce housing development in West Maui.

Born and raised on Maui in Lahaina, at 50 years of age, I am no stranger to the dire housing situation of our ever growing island. It has been disappointing and saddening to see the developments that have occurred in West Maui over the past few decades. Continued expansion to promote tourism with the lack of attention to infrastructure and housing for those who live there is a disgrace to all who serve in public office.

As an employee of the department of education for the past 26 years, I have seen first hand the detrimental impact lack of affordable housing has had in our educational system, our families and above all, our Keiki. Due to the impossible situation of affording a place to live on a teacher's salary here in Lahaina, we are designated as a "hard to hire and retain" area. As a result, Lahaina has extremely high turnover rates, short term teachers who leave after a year or two, or simply no teachers at all. As a result, our keiki are taught by unqualified, long term substitute teachers....all because they can't afford to live here!

Currently I am an administrator of Lahainaluna high school and I work two other jobs to support myself and my children as a single mom. That's ridiculous! We are in a crisis situation that goes beyond desperation. It is time for our public representatives to make the locals a priority above the tourists. It is a shame that we are required to continually fight for and justify the need for housing for our people. We need an advocate, we need to be heard; if not for us than for our future. Be brave, be our champion and approve the development of the Polanui Workforce Housing.

Mahalo,
Jeri Dean
Wahikuli, Lahaina

RECEIVED AT AH MEETING ON 6/19/19

Jinny Yap

Harmony Hallas

From: Harmony Hallas
Sent: Tuesday, June 18, 2019 5:47 PM
To: county.clerk@mauicounty.us; ah.committee@mauicounty.us
Subject: FW: Affordable Housing Testimony

Please see below testimony in consideration of
Polanui Gardens (AH1-1) and/or Makila Rural East (AH1-2).

Thank You.

Harmony Hallas

From: Rome Lee <romaaquino@gmail.com>
Sent: Tuesday, June 18, 2019 9:29 AM
To: Ali Martin
Subject: Fwd: Affordable Housing Testimony

Ali

Aloha ,

My daughter wrote this letter on my behalf because she's a graduate of business and communication. Lol. I told her what I wanted to say and she interpreted for me in a letter.

Mahalo and here's to more affordable homes for our work force families on Maui !!!!

To whom it may concern,

I was born and raised in Kailua, O'ahu previous to calling Maui my home for almost 30 years. Owning my own home in Hawai'i has always been a goal of mine, but due to the high cost of living and lack of affordable housing, that dream has been rather difficult to achieve. Thankfully, West Maui Land Co. has provided me with the amazing opportunity to be a homeowner in Hawai'i. For those who were not as lucky, being a homeowner might be out of the question and that shouldn't be the case. It's disappointing that adequate funding is not allocated towards more affordable housing developments. Like me, many full time Hawai'i residents work extremely hard just to make ends meet. **There needs to be effective strategies to resolve this issue for our hardworking, local residents. Thank you for your support of the Wai'ale 'Elua Project. This experience has meant so much to me and my family, and I look forward to the infinite memories this opportunity will provide us. I hope many others can experience this same joy that I have in owning a home of their own soon, too.**

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Sent from Gmail Mobile

Aloha,

My name is Heather Haynes and I am writing this in support of Peter Martin. While I don't have a background in housing development, I'd like to add my viewpoint as a Native Hawaiian mother, born and raised on Maui, and currently practicing medicine with the native Hawaiian health systems. Like everyone here, I want to ensure that my kids, my patients' kids, and their future generations, are able to grow up and thrive in this community. However, I fear that as the cost of living continues to rise, they will not be able to do so. One of the biggest threats to our community is the lack of adequate and affordable housing for our local residents. This shortage makes it so that our local community members can no longer afford to live here, meanwhile allowing more and more non-locals -- who are able to afford the rising prices -- to move here. Plain and simple, without affordable housing options on Maui, many of our kids will not be able to live here in the future.

Speaking on Pete's generosity and contributions to our community, I trust his intentions 100%. While some of you are here because you question his motives, I can assure you he means to help. Pete is an extremely valuable member of our community. His consistent generosity supports many of Maui's nonprofit organizations and fulfills some of our community's most pressing issues, housing included.

As a member of the Pacific Cancer Foundation's board of directors for the past 12 years, I am beyond grateful for the generous donations Pete has made to the foundation each year. Being a non-profit, the Pacific Cancer Foundation depends on contributions from donors in order to continue serving all Maui County residents whose lives have been touched by cancer. I'm confident that the program's success is due to generous individuals such as Peter Martin. Additionally, Pete regularly supports the Hawaiian Canoe Club, Montessori School of Maui, Maui Preparatory Academy, the Ho'o Moana Foundation, and the Maui Economic Development Board, just to name a few.

Seeing the number of ways in which Pete has positively impacted our community, I have no doubt that he is making the right decision by developing affordable housing options for Maui residents.

Mahalo for allowing me to share my thoughts.

Sincerely,

Heather K. Haynes, M.D., M.P.H.



Colin McClintock

Change it - Cancel It - Yes/No

In FAVOR of Makila Rural East and Polanui Gardens

To: sh.committees@mauicounty.us

Dear Committee:

My wife and I have been Westside residence for over 20 years. I am in construction she does office work. We have bartended, waitresses, worked in offices over that time period. We currently rent a 1 1/2 bedrooms house with our 7 year old daughter.

We would LOVE to see the Polanui Gardens and/or the Makila Rural East have the opportunity to be developed. Almost everyone would love to live in that location, if they are telling you otherwise they are not being honest. There are several ways in and out of the area and the impact would be minimal. The location is very close to Lahaina and therefore very convenient. I believe it would reduce traffic because a home there wouldn't have to drive from Honokawai or Napili to take their kids to one of the 3 schools in the area.

I strongly urge you to please consider approving these developments. It might be the only chance for my wife, daughter and home in Lahaina!!

Thank you

Colin, Rita and Caelin McClintock

Hugh Starr
P.O. Box 33
Makawao, HI 96768

June 18, 2019

Ms. Tasha Kama, Chairwoman
And Members of the Affordable Housing Committee
Maui County Council

Re: Agenda Item AH-1(1)
Agenda Item AH-1(2)

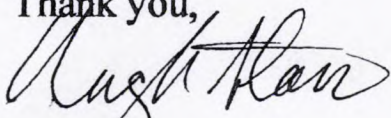
Dar Chair Kama:

I am writing in support of the above-captioned agenda items which are being deliberated at your next Affordable Housing Committee meeting on June 19, 2019.

Your Committee, as well as many, many Maui Island residents, are super enthusiastic about the new energy your leadership and commitment as Chair of Affordable Housing is bringing to this critical issue of housing for our people. We are SO rooting for you!!

HRS Section 201H is woefully under-utilized; we know it is not easy finding the perfect path through this process. However, I am confident your passion and focus and leadership will guide a sensible a path for these two rational, timely housing projects.

Thank you,

A handwritten signature in black ink, appearing to read "Hugh Starr", written over the printed name.

Hugh Starr

Harmony Hallas

From: Harmony Hallas
Sent: Tuesday, June 18, 2019 5:50 PM
To: county.clerk@mauicounty.us; ah.committee@mauicounty.us
Subject: FW: Affordable Housing West Maui

Please see below testimony in consideration of
Polanui Gardens (AH1-1) and/or Makila Rural East (AH1-2).

Thank You.

Harmony Hallas

From: Dutch Akana <drywallerdutch1@yahoo.com>
Sent: Tuesday, June 18, 2019 9:46 AM
To: Harmony Hallas <Harmony@westmauland.com>
Cc: Peter Martin <Peter@westmauland.com>
Subject: Affordable Housing West Maui

Ok, here's something you can work with sorry I can't be there good luck!!!

My name is Dutch H. Akana and I am here on behalf of myself to speak on the Polanui Gardens and Makila Rural East projects. The island of Maui is in dire need of affordable workforce housing for are local's who live and work on the west side Hope Builders has been providing opportunities for families that are born & raised on this island to be able to afford to work & LIVE on this island. His various other projects such as Kahoma & Pauwela has provided houses for the necessary workforce that we need to sustain our growing island. As a small business owner, I am dependent not only on these types of jobs for my workers and there families, but also so that my workers have affordable housing. Two of my 3 children are able to afford to live on Maui as a result of these types of projects. I humbly ask you to consider these projects for the betterment and continued livelihood of hardworking local families that need both work and affordable homes to live and raise there families.

Dutch H. Akana

Dutch H. Akana
Direct 808-870-6292
Jacob's Ladder LLC (C-33246)
Bus: 808-244-7890
Email: drywallerdutch1@yahoo.com
P. O. Box 2278 Wailuku, HI 96793

From: Annie McNeil <puamananani@gmail.com>

Sent: Monday, June 17, 2019 8:52 PM

To: county.clerk@mauicounty.us

Cc: Ali Martin

Subject: Polanui Gardens (AH1-1) and Makila Rural East (AH1-2).

Dear Maui County Council,

West Maui Land wants to keep the existing rural and urban boundaries in the Olowalu and Makila areas so that they can provide more homes for people in those regions. We wholeheartedly support their efforts.

We are a family invested in Maui, having had a home here since 1997. We have embraced Maui as an island of racial and economic diversity, an island where middle class residents can (hopefully) afford to have a stable and secure existence. We know that this island certainly has no problem attracting the high roller class of homeowners who use the island for a posh retreat part of the year. Allowed to run rampant, the trend will drive inflation of living costs beyond the reach of the rest of us and leave no room for the majority of families to live and work here. With fewer here who can afford the cost of living (average Maui home costs upward of \$800K!), there'll be a resultant labor shortage, which leads to a myriad of other problems.

As a commitment to, and investment in, this island life, the fabric of which we've become a part of, we want our two sons to have the ability to stay on the island and, someday, raise families of their own. I should say, we want them to have the ability to AFFORD to stay on the island and own their own homes. It's because of Peter Martin, and other responsible developers, and their well thought-out plans for affordable housing construction, that this proposal makes so much sense. Our oldest son has directly benefitted from their efforts, and recently purchased a home in a beautiful workforce housing neighborhood called Pauwela Homes in Haiku. The moment our son stepped foot in his new home, he was right side up, the house already being worth more appraisal-wise than his home loan.

We need to see a lot more Pauwela Workforce Housing neighborhoods all over Maui, especially in Lahaina and Olowalu where there are many beautiful, large estates but very little middle class neighborhoods to live in for local residents that live, have families and

work there. Those who WORK (hard) here year round should be able to afford to LIVE here year round. Neighborhoods that are economically diverse should always be the goal.

Thank You,
Annie and Chris McNeil

From: millerpi@hotmail.com

Date: June 18, 2019 at 2:16:04 PM HST

To: ah.committee@mauicounty.us

Subject: Makila development projects.

Thank you council members for accepting my written email testimony. I will keep it short and concise.

I support these projects.

Let me first start off by offering my opinion not as to the project scope, but the involved developer. In this case the developer is Mr. Peter Martin.

For reasons unknown to me, when people hear the word "developer" they get anxious, and their blood pressure spikes. But realistically, where would all of us be without them?

A developer is not an evil person, in bed with the devil. They are businessmen and women. As such, they are not in business to lose money. They must, as all of us, earn income sufficient to provide for their families and livelihood. A developer's goal is to make a profit, or they would be out of business. It's impossible to provide housing to people below market costs and remain in business.

Having said that, I know factually Mr. Martin is exceptionally capable of developing and providing the desperately needed low income housing projects being discussed here today.

Take a moment and do a little due diligence and you'll learn and see about other successful projects completed under the leadership and direction of Mr. Martin. **An important point worth mentioning is**

1

Mr. Martin's sincere passion for hiring local people. Mr. Martin has told me many times, no one works harder than Hawaiian's.

I am acutely aware of issues which currently exist at and near the proposed development site. Issues include infrastructure concerns, water availability and more. **I'm confident none of these issues are insurmountable. Mr. Martin can mitigate these issues and concerns utilizing his vast development skills, knowledge, and numerous resources.**

Warmest regards,

Greg Miller

Testimony of Paul H. Brewbaker, Ph.D., CBE
Principal and Economist, TZ Economics
606 Ululani St.
Kailua, Hawaii 96734-4430

before the
Affordable Housing Committee
Council of the County of Maui
Wednesday, June 19, 2019

regarding development of the
Polanui Gardens Workforce Housing Project (Lahaina) (AH-1(1))
and
Makila Rural-East Workforce Housing Project (Lahaina) (AH-1(2))
Pursuant to Section 201H-38, Hawaii Revised Statutes

Aloha and good afternoon, members of the Maui County Council Affordable Housing Committee. My name is Paul Brewbaker and I submit this testimony in support of resolutions to approve independent development of the aforementioned workforce housing projects, with modifications if pertinent, and in rejection of resolutions for disapproval. My testimony was requested by the developers who, familiar with my occasional presentations of economic research on Maui housing markets, asked if I could provide insights relevant to their 201H housing development. I am not acting as a consultant in this regard although the developers had indicated a desire to engage me professionally. Instead, reflecting the developers' concerns about Maui's housing shortages, I describe the relevant context.

Long-range population projections for Maui County published by the Research and Economic Analysis Division (READ) of the Hawaii Department of Economic Development and Tourism (DBEDT)¹ reported 1.07 percent annual average resident population growth, 2010-2016 following the Great Recession of 2008-2009. For Maui's future, DBEDT projected 1.03 percent annual average population growth, 2016-2025 and 0.86 percent annual average population growth, 2025-2035. (Actual Maui County population growth 2010-2018 was 0.95 percent per annum.²) The deceleration of Maui resident population growth is largely a legacy of a prior demographic transition towards decreasing fertility, and because of slower net in-migration (which, in turn, also is a secondary consequence of the demographic transition). (This testimony does not concern itself with *de facto* Maui population growth including that of the average visitor daily census, except to note that all housing unit need estimates reported below would be higher if tourism needs were to be taken into account.)

¹ Hawaii DBEDT READ (June 2018), *Population and Economic Projections for the State of Hawaii to 2045* (http://files.hawaii.gov/dbedt/economic/data_reports/2045-long-range-forecast/2045-long-range-forecast.pdf).

² Hawaii DBEDT (April 18, 2019) (http://files.hawaii.gov/dbedt/census/popestimate/2018-county-population-hawaii/PEP_2018_PEPANNRES.xls)

The increase in Maui households implied by the population increase of 16,126 persons projected to occur between 2016 and 2025 would, at an average three persons per household, require *at least* an additional 5,275 new housing units in Maui County, or 597 units per annum. This is higher than the 478 annual average new housing units authorized by building permit in Maui County during the 10 years 2009-2018, inclusive, enumerated in DBEDT's May 31, 2018 *Quarterly Economic and Statistical Report*,³ comprising new housing units authorized by building permit. (The post-recession, 9-year housing production average 2010-2018, inclusive, was 488 new units.) By this *underestimate*, Maui homebuilding during the 2010s fell short of identified social need by about 120 units annually for about a decade, or roughly 1,200 units. This estimate ignores any historical cumulative shortfall between organic housing demand growth and new house supply from recent decades prior to the 2010s. Construction of housing has been constrained by regulatory impediments and by the Politics of NIMBY. Maui County's residential development constraints are not unlike those of Honolulu County, well-documented as the most restrictive major urban jurisdiction in America.⁴

Using more sophisticated methodology suggested by the Harvard Center for Housing Studies⁵ an even larger new housing shortfall can be estimated for Maui. The methodology takes into account vacant units, vacation and other (e.g. seasonal) short-term rentals, and second-home investment, as well as new household formation. The methodology recognizes historically recorded vacancy rates ranging from 1.20-1.55 percent for owner-occupied housing units in Maui County, and vacancy rates ranging from 7.20-26.05 percent for renter-occupied housing units, arising from various frictions in the housing market,⁶ and combines their implications with

³ Hawaii DBEDT READ (May 31, 2018), *Quarterly Economic and Statistical Report* (<http://dbedt.hawaii.gov/economic/qser/selected-county-tables/>).

⁴ Honolulu's notoriety is well-established in the housing economics literature. See Carl Bonham, Kimberly Burnett, and Andrew Kato, "Inclusionary Zoning, Implications for Oahu's Housing Market," *UHERO Project Report* (February 12, 2010) (<http://www.uhero.hawaii.edu/assets/UHEROProjectReport2010-1.pdf>); Richard K. Green, Stephen Malpezzi, and Stephen K. Mayotte, "Metropolitan-Specific Estimates of the Price Elasticity of Supply of Housing, and Their Sources," *American Economic Review*, vol. 95, no. 2 (May 2005) pp. 334-339; Edward L. Glaeser and Joseph Gyourko (2008), *Rethinking Federal Housing Policy: How to Make Housing Plentiful and Affordable*, Washington, D.C., AEI Press (https://www.aei.org/wp-content/uploads/2014/03/rethinking-federal-housing-policy_101542221914.pdf); Patrick Clark (June 26, 2017) "These Are the U.S. Cities Where It Costs Too Much to Build: Regulations and sky-high land prices are scaring off apartment developers," *Bloomberg* (<https://www.bloomberg.com/news/articles/2017-06-26/these-are-the-u-s-cities-where-it-costs-too-much-to-build>); and the City & County of Honolulu's own consultant study, Strategic Economics (June 2016) *Affordable Housing Requirement Financial Analysis: Final Report prepared for the City and County of Honolulu* (https://www.honolulu.gov/rep/site/dpptod/officehousing_docs/ahr_docs/AHR-Financial-Analysis_SE_2016.pdf), in which hypothetical *pro formas* clearly establish that the *lowest* unit construction and development cost on Oahu is associated with the *tallest* high-rise residential structures because of economies of scale and economies of scope, including only having to run the housing regulatory gauntlet once per building. The Kahului-Wailuku-Lahaina Metropolitan Statistical Area (MSA) does not comprise a major conurbation in this empirical literature.

⁵ Hawaii DBEDT READ (April 2015), *Measuring Housing Demand in Hawaii, 2015-2025* (<http://files.hawaii.gov/dbedt/economic/reports/2015-05-housing-demand.pdf>).

⁶ This is the equivalent to excess capacity in industrial manufacturing, for which 85 percent capacity utilization is considered high, to peak Maui hotel occupancy around 80 percent (seasonally-adjusted), and to airline load factors ranging from 90-95 percent. Excess capacity is customary to handle ordinary fluctuations in capacity utilization.

those of demand for seasonal and other second homes, and with new household formation. DBEDT applies this methodology to estimate 14,164 new housing units needed in Maui County between 2015-2025, within a range of 13,949 – 15,008 under alternative scenarios.⁷ Taking into account the 2,178 new housing units authorized by building permit in Maui County, 2016-2018, the residual 11,986 new housing units needed in Maui County, 2019-2025, would represent an annual production flow (1,712 new units) that is *twice* the Maui average of the last two years (851 new units), the best years in more than a decade.

I don't live in Maui, I'm only married to someone from Maui, but even an alien from a distant quadrant of the galaxy would conclude from afar, based on these data, that if Maui in its best two years of the last ten can't build half of what is its new housing need with a lower underlying resident population growth rate than in the past, then it is falling short. Presumably, a disproportionate share of those whose progress this failure impairs are younger individuals, families, and households, or those enjoying the miracle of divorce, circumstances which may increase the need for housing units even in the absence of population growth. Forget about increasing female labor force participation of the last half century, which enabled more individuals to live independently than ever before.⁸ Meanwhile, the average size of a new house has grown from a bungalow in 1920 with a living area under 1,000 square feet (an average 5 occupants), to 1,500 square feet at the time of Statehood—when Maui's population actually stopped *declining* for the first time in 40 years—to 2,500 square feet in the 2010s as a result of positional arms races.⁹ You don't need to build tiny houses not to build giant ones.

I have checked the Maui Island Plan Directed Growth Map, Lahaina Town W3 and the (May 2016) South Lahaina – Ukumehame Development Projects maps posted by the Long Range Planning Division of the Department of Planning of Maui County. I even wasted some time walking myself through Form 201H-001 (10/5/06) (*ugh*) to familiarize myself with the Hawaii Housing Finance and Development Corporation's application. Even my limited familiarity with what the developer proposes for the Launiupoko area, bounded as it is by residential development on its mauka reach, given its proximity to the Lahaina bypass road, and

⁷ See footnote 4. Using a slightly different methodology, DBEDT's range of estimates increase to 14,373 – 16,698, with a middling estimate of 15,237 new housing units for Maui County, 2015-2025.

⁸ In the half century from 1960 to 2010, the share of Hawaii households comprising individuals living independently nearly doubled from 12 to 23 percent, the share of Hawaii households comprising families with children shrank from 56 to 20 percent, the share of households comprising other families (relations) rose from 30 to 47 percent, and the share of other non-families rose from 2 to 10 percent. Hawaii household density probably should have been falling faster than it did from 5 persons per household in 1920 to an estimated 3 persons likely to be estimated in the 2020 census, and to a lower number. See U.S. Bureau of the Census and Hawaii DBEDT (June 2014); *Kakaako: Urban Core Living* (<http://files.hawaii.gov/dbedt/economic/reports/2014-06-kakaako-study.pdf>).

⁹ See Lewers & Cooke (1925), *Homes in Hawaii* (<https://ia800809.us.archive.org/30/items/homesinhawaii00lewe/homesinhawaii00lewe.pdf>); Robert C. Schmitt (1977) *Historical Statistics of Hawaii* UH Press; and Mark J. Perry *Carpe Diem* (blogpost) June 5, 2016 (<http://www.aei.org/publication/new-us-homes-today-are-1000-square-feet-larger-than-in-1973-and-living-space-per-person-has-nearly-doubled/>). People prefer the largest house in a neighborhood of small houses rather than the smallest house in a neighborhood of large houses even when the latter is larger than the former. See Robert H. Frank (May 2005), "Positional externalities cause large and preventable welfare losses." *American Economic Review Papers and Proceedings*, pp. 137-141 (<https://www.aeaweb.org/articles?id=10.1257/000282805774670392>).

out of harm's reach from climate change-induced sea level rise and inundation, suggest to me that these areas for some time have been intended for adaptive evolution from agricultural uses to habitation. As in, that was the plan, right? I don't know the details, and I'm a big fan of agricultural land preservation and have argued in favor of preserving agricultural land use options before the Hawaii Land Use Commission where I have believed an argument can be made. The Launiupoko area does not appear to me to be that place, or if it was, it doesn't appear to be any more. Maui needs affordable (the adjective) housing. Proceed.

I encourage Maui County to take advantage of an actual developer seeking to build workforce housing and to approve these two projects. At the rate Maui is building houses—half as fast as its identified housing need—it couldn't hurt.