

AH Committee

From: Richy Mather <richym82@googlemail.com>
Sent: Sunday, September 20, 2020 6:16 PM
To: AH Committee
Cc: Tamara A. Paltin
Subject: Testimony opposing the proposed Lihau'ula development on Olowalu

I would like to submit testimony in opposition to the proposed Lihau'ula development in Olowalu.

My objection is based around four factors.

The developer is asking for an exemption from the Community Plan. While I understand and support the need for exemptions in certain situations, this exemption would have a significant impact on the surrounding area, irreparably damaging its character and harming the current residents. Allowing a small development to expand a significant conurbation, such as Wailuku, is not the same as effectively doubling the population of Olowalu (2010 census puts the population of Olowalu at 80). This is simply the wrong use of this land and of the 201H process. This isn't urban infill, this is a massive expansion and densification of a small rural village.

As we have seen in recent developments, the affordable housing process is being abused to circumvent protections for our community and ultimately sell houses at market rates. At an earlier community meeting for this development, the developer's daughter, in perhaps a Freudian slip, mentioned this development was for "first time residents' ". While this was obviously an innocent mistake and I presume she meant first time buyers, she hit the nail on the head. The houses are simply too expensive for working locals. Just because they fall within a block on a spreadsheet does not actually make them affordable. A family of four, earning \$100k would take home approximately \$77k. A home costing \$607k would result in a \$120k downpayment and result in a \$2500 mortgage (assuming 20% downpayment to avoid insurance) which is pretty backbreaking (40% of take home pay in one of the most expensive places to live). More realistically, they may only be able to afford a 3% down payment (still a substantial \$18,000, especially after covid has drained savings) which would result in a \$3800 a month mortgage payment which would be at least 60% of their take home pay (assuming no 401k contributions etc). In nobody's world is this affordable or sustainable. This is why the homes will go unsold or be quickly sold on as locals go bankrupt. Based on these figures and previous developments these homes will not allow the people who form the backbone of the community to have their kids remain here. An \$800k affordable home must be a joke? This will just result in the homes being purchased by foreign investors to be used as STVR's. Allowing developments like this is failing your community. If these were intended to be affordable homes they would be affordable in perpetuity and if they failed to sell their price would be decreased rather than placing them on the open market. Previous failures to sell should automatically trigger a lowering of the price for future builds. With unemployment so high at the moment virtually all of these homes will end up being sold at market rate to foreign speculators.

The few people in the area farming have to contend with frequent, prolonged water outages. Having worked with a landowner in the vicinity who was attempting to establish a genuine farm producing food for local consumption, I can say that there is either insufficient water in the vicinity to support any additional use or water is being diverted from agriculture to support the overpopulation of the area. The most recent hydrological survey painted a grim picture of the water situation and further depleting those water stocks for an inappropriate development. If the water company can find water for these homes, why could it not find water for the farmers they serve? While the potable and non potable water systems use separate pipes, there is no reason the potable water could not have been diverted prior to filtration. The limitation on the agricultural water supply is absolutely manufactured. We cannot reward landowners for indirectly withholding water to the detriment of those using the area for its intended purpose because they unduly benefit from a backhanded conversion to urban use. Caveat emptor, if you bought agricultural land, and paid the rate agricultural land was worth, you cannot cry, manipulate and pay your way into building an urban development on it. Ask the county or

state to do a land swap for land between Lahainaluna and Kaanapali where building homes would be more appropriate. I would absolutely support that assuming the homes were actually affordable.

It was notable during the open house \ community meeting for this project and my trips to the area that traffic is a huge concern. Pre (and post) Covid, that road was extremely busy, with the junction of Luawai St and Honoapiilani Hwy, being the site of many near misses. Upon discussing this with the developers representatives, and asking if they would consider extending the feeder lanes, their response was to shrug and say that would be up to the county and state. You would hope they would have had more interest in reducing the impact of their proposed development but that obviously isn't the case. Adding an additional 40-80 vehicles to the commute traffic is reckless and short sighted. On returning home from work they would be turning across a flow of traffic from a minute turning lane and accidents would be inevitable.

In summary, this development does not fit the intention of the 201H process. It is in the wrong place, at the detriment of those who have lived in that area for generations. The pricing is ironically unaffordable and the houses will end up as illegal STVR's rather than homes. If there is water for it, that water should go to the farmers in the area. All this before we even begin to consider the developers track record and relationship with the community.

Mahalo
Richard