MINUTES

of the

PUBLIC HEARING HELD ON

MARCH 31, 2021

THE COUNCIL OF THE COUNTY OF MAUI, STATE OF HAWAII, CONVENED A PUBLIC HEARING ON WEDNESDAY, MARCH 31, AT 6:00 P.M., VIA BLUEJEANS, WITH CHAIR ALICE L. LEE PRESIDING, FOR THE PURPOSE OF RECEIVING TESTIMONY ON THE FOLLOWING:

ORDINANCE NO._____ BILL NO.____10___(2021) Draft 1

A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO RESIDENTIAL WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H, HAWAII REVISED STATUTES

CHAIR LEE: Will the Maui County Council public hearing on Bill 10 (2021), Draft 1, please come to order. Good evening everyone, if you look at the chat, you'll see the greeting for this evening is from Bolivia, buen dia.

Mr. Clerk, please start with roll call.

ROLL CALL

PRESENT: COUNCILMEMBERS GABRIEL JOHNSON, NATALIE A. KAMA,

KELLY T. KING, MICHAEL J. MOLINA, TAMARA A.M. PALTIN, SHANE M. SINENCI, YUKI LEI K. SUGIMURA, AND

CHAIR ALICE L. LEE.

EXCUSED: VICE-CHAIR KEANI N.W. RAWLINS-FERNANDEZ

(Vice-Chair Rawlins-Fernandez was not present when the roll was called; however, she arrived at 6:11 p.m.)

CHAIR LEE: Mr. Clerk, shall we proceed.

DEPUTY COUNTY CLERK: Yes, Chair there are eight Members present, one Member excused, a quorum is present to conduct the business of the Council.

For the record, I am Deputy County Clerk James Krueger. Also present from the Office of the County Clerk are County Clerk Kathy Kaohu and Legislative Division staff Joyce Murashige, Lauren Saldana, and Dell Yoshida.

Joining us from the Department of the Corporation Counsel, I believe will be Corporation Counsel, Moana Lutey.

This online meeting is being conducted in accordance with the Governor's most recent emergency proclamation on COVID-19. If connectivity affecting quorum is lost, the Council will be in recess. If connectivity affecting quorum cannot be restored within 30 minutes, the meeting will automatically recess to a different date and time that will be announced by the Council.

COUNCIL CHAIR LEE: I just received a text from Councilmember, Vice-Chair Rawlins-Fernandez, she'll be joining us shortly.

Members the purpose of this public hearing is to receive testimony on Bill 10 (2021), Draft 1 entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO RESIDENTIAL WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H, HAWAII REVISED STATUTES".

Before we proceed with testimony may I please request that everyone keep their microphones muted unless it is your time to speak. Decorum shall be maintained at all times.

Mr. Clerk, please proceed with testimony.

DEPUTY COUNTY CLERK: Chair, proceeding with the presentation of testimony. Members of the public may testify by connecting to the Council's online meeting by phone or video conference through the information posted on today's public hearing notice.

Individuals connected by phone are currently on mute and will be unmuted when it is their time to testify. Individuals connected by video conference should keep both their video and microphones muted and should unmute them when it is their time to testify. Testimony is limited to the bill posted on the public hearing notice. Individuals may testify for three minutes. When testifying, please state your name, and the name of any organization you represent. Please also identify to the Council if you are a paid lobbyist.

After your testimony has concluded, please disconnect from BlueJeans. By doing so will assist staff with identifying the remaining testifiers. The remainder of the public hearing can be viewed on Akaku Channel 53 or on mauicounty.legistar.com. Individuals may also be disconnected from the meeting at any time for breaking decorum.

Chair, the first individual we have signed up to testify is Michael Williams to be followed by Sherri Dodson.

COUNCIL CHAIR LEE: Hello Michael, are you there?

PRESENTATION OF TESTIMONY

MR. MICHAEL WILLIAMS, MAUI TOMORROW FOUNDATION:

I am here. Um, my video is still shut off by your staff. But Aloha and good evening to all of you. I will be brief. I am Michael Williams, President of Maui Tomorrow Foundation. I am testifying both on behalf of myself and the organization, and I'm here to urge you to hold your ground on this. I know it's become an incredibly political, symbolic vote. But I think it's important for you to send a message that you already sent with the Committee vote and with the first Council vote, that you're not going to just accept the run-of-the-mill 201H projects anymore.

You've wasted a lot of time in the last few years on 201H projects that are not acceptable, not in compliance with the community plan, make the for-sale homes of way too expensive for ordinary people, and I think this an important message bill. Remember that it only takes five of you to pass a resolution that relaxes this 75 percent requirement.

If a developer brings you a project, for example, that has longer deed restrictions, twenty years or more, maybe perpetuity, maybe donation to a land trust. Or what about if they bring you the ability for the for-sale buyers to build their own homes using the 201H project to relax all the building codes. Um, there are lots of good 201H projects that could come to you, and this bill doesn't prevent you from accepting any of them.

Now I know that some of you are concerned that this is jumping the gun on the comprehensive affordable housing plan, which as you know, I have been very involved in and still very involved in. And I will tell you, Hawaii Community Assets, and the Council itself is not going to bring forward any 201H proposals as part of its plan, you can't do it. You have to wait for a developer who owns land, to bring you a 201H project.

What should be happening is the Mayor should be actively negotiating with landowners to bring you 201H projects that are acceptable and are good. Um, there are many examples on Oahu of 201H projects that are 100 percent affordable, that are built by non-profits. The Mayor could, for example, offer infrastructure support to a good 201H project. Make sure they are in compliance with the community plan. Send a message to the developer community, that status quo is not acceptable. Hold your ground, dip in your spines, don't change your vote. Thank you very much.

COUNCIL CHAIR LEE: Thank you, Mike. Any questions, for clarification only?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: The next individual signed up to testifier is Sherri Dodson, to be followed by Donna Clayton.

MS. SHERRI DODSON, HABITAT FOR HUMANITY:

Good evening, everyone. Sherri Dodson, Habitat for Humanity Maui. I'm not going to go into detail why housing is so important, and I think everybody agrees that we need more housing of every type here on Maui. We just gotta figure out the right way to do that.

I've been doing this for 18 years with Habitat, but I also grew up in the construction industry. My dad was a contractor, so essentially, it was a family run business and I've been doing this for over 40 years.

Housing has always been expensive for as long as I can remember. In, you know, the early 1960's it was because most of the land was owned by a few families and corporations. Now, it's not much different, with almost 60 percent of the land on Maui, unavailable to build because of land designation, both agriculture and conservation.

I'm a champion of restricting overgrowth and keeping Maui beautiful and pristine, smart growth, all those types of things. But there has to be compromises. I hear all the time,

enough building already, enough. We're already grumbling about, you know the tourist coming back and stuff, we got so used to it there for a while.

But I also hear almost on a daily basis that people want a home. So, where's the compromise? Is it more inclusionary zoning, is that the answer? First of all, inclusionary zoning leads builders to build fewer homes. It happened after the first Chapter 2.96 was enacted. Second it forces builders to change more for the market, charge more for the market units they build.

(Vice-Chair Rawlins-Fernandez arrived at the public hearing at 6:11 p.m.)

MS. DODSON: This in turns leads sellers of existing homes to raise their prices, thus reducing overall housing affordability. And the second question is now, is now the time to change the rules amidst the huge decline in our economy and the uncertainty of the pandemic. Does anybody know for sure there isn't a second, third or maybe a fourth surge of the virus?

The real estate market is just so fragile right now. A realtor friend of mine told me the other day that there are only two available homes in Kihei for sale. They're seeing ridiculous prices for single family homes right now and I've seen my own prices triple over the last couple years. We're doing some pricing right now, and I can't believe how expensive things are.

In the last five years, we've actually seen homes being built by developers again. There was a time when nothing was being built. When developers . . . when developers built even market homes, then smaller affordable homes open up and affordable renters, rentals opened up. I build affordable homes, I'm just asking you to make it easier to build, not harder. Help us with permitting. Help us with infrastructure cost. Help us get development done quicker, don't add more restrictions. Please work with us, not against us.

COUNCIL CHAIR LEE: Thank you, Sherri. Any questions? If not, thank you.

Let the record show that our Vice-Chair Keani Rawlins-Fernandez has joined the meeting.

Mr. Clerk, next testifier please.

COUNCIL VICE-CHAIR KEANI RAWLINS-FERNANDEZ: Aloha everyone.

DEPUTY COUNTY CLERK: Chair the next person signed up to testify is Donna Clayton to be followed by Nat Kinney.

MS. DONNA CLAYTON:

Thank you, I'm Donna Clayton, I am, I'm here because I have worked for couple of places that did affordable housing for, for a, a living. But one of them was Colin Cameron. He, I worked for him when he was doing the housing for employees and he provided financial counseling for these folks, which I noticed in the Hawaiian Community Assets study and their viewpoint that I was reading, was stressed.

This is very important because we would have people on an employee list by the date they joined the company and every few years, the company would subdivide and put in this infrastructure and sell lots for 35,000 to 55,000 at the max I saw, and people could borrow against that and they could build a home. So, without the financial counseling, they weren't ready. We could give them five years notice, and we would train them twice a year, the whole list of people and they still weren't ready, sometimes. It's really a hard job to get people to realize they can't buy a car, and they need to not charge on their credit card, so be sure and keep that in mind.

I also liked the Hawaiian Community Assets idea of raising taxes on empty homes. I've talked to a lot of census workers and they said that they have found many, many homes that are just sitting there and they're deteriorating in neighborhoods. In Pukalani, we recently had one that turned into a drug house. I think if we could find some way, and maybe raising taxes is a way to get folks to rent those homes, it would bring on, a number, maybe a large number of rentals. It's worth thinking about.

If it's possible I'd like to see a Maui County resident list for people wanting to be affordable, on the affordable housing list. I don't know how we can do that, but it certainly worked at Maui Land and Pine. It gives people hope. They're on a list, eventually they'll get there, and it keeps the housing for local people.

The other place I worked was Pacific Rim Land. I was there is 2007, when the affordable housing requirement rose from 25 to 50 percent. At that time, Charlie Jencks was working on an affordable housing development that was required to be built before he could do his Wailea development. He was trying to do that affordable housing in advance, and when this change came in, it just stopped him dead. He could not do that affordable housing when it rose to 50 percent, and I tell you, nobody wanted to do affordable housing more than he did so he could get to that other development. He just couldn't make it happen.

So, I think sometimes we forget to learn from history. History does repeat itself and I'm afraid I see affordable housing coming up around and I'd hate it to stop. So, I just support waiting for this report to be done. I think they're on the right track. We paid 300,000, shucks that would build a home. I don't think we should do a report and put it on a shelf, let's wait. Thank you.

COUNCIL CHAIR LEE: Thank you, Miss Clayton. Any questions? If not, thank you very much.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Nat Kinney, to be followed by Everett Dowling.

MR. NATHANIEL KINNEY, HAWAII CONSTRUCTION ALLIANCE:

Good evening, Chair and Members. Nathaniel Kinney, Hawaii Construction Alliance, I'm a registered lobbyist. And, we're deeply opposed to this bill. I think some of the other testifiers have noted that we really should wait for this study to come out and be finished before moving hastily in a direction. The economy is very fragile right now, there's no, there may be a fourth or fifth surge of the virus as was mentioned, there may be a new variant.

We really, we really don't know right now, and rushing into a decision that we know is going to reduce the amount of affordable projects that are going to build in Maui. I mean, I, I don't have to say it, everybody knows that, you know, extremely low interest rates have made it a buy, like a sellers' market. So, the median price of a house is just skyrocketing, and then meanwhile, what, what the County of Maui is proposing to do with this bill is increase the amount of afford, and I understand it's well intentioned, but the net effect of that is basically putting yet another roadblock in the way of building more affordable housing.

So, what you're going to have is less developers willing to build affordable housing, and they're just going to go and build market rate housing because there's no regulation when you're building market rate housing. If its zoned and you have a buyer, you can build.

When you're a 201H developer, I know this previous testifier said like, oh why isn't the Mayor going out there, and you know, talking to landowners. I think the Mayor's pretty busy right now, dealing with the COVID outbreak. I mean, you guys are seeing cases

that are the same numbers as Oahu, and that's gotta be really scary right now cause you guys do not have the healthcare capacity.

So right now, at this very moment, I suggest that you defer the bill, get a handle on the COVID situation, and then wait for the study to come out so that we can make a reasonable efforts, and everybody can, all the stakeholders can come to the table and talk about how to build more affordable housing on Maui and specifically, specifically affordable rental housing. Affordable for sale housing doesn't mean anything unless you got the \$150,000 in cash to make a down payment. Like, I don't know anybody that has a \$150,000 in cash right now. So really, we should be sitting, all the stakeholders, like us, like the developers, like anybody interested in building more affordable housing, should be sitting down and really racking our brains trying to build affordable rental housing for the citizens of Maui. That, that's, that's our testimony. Thank you so much.

COUNCIL CHAIR LEE: Thank you Mr. Kinney. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Everett Dowling, to be followed by Roy Vandoorn.

MR. EVERETT DOWLING:

Hello, Chair Lee, Councilmembers. Thank you for the opportunity to testify.

I'm in strong opposition to this bill. It's, Maui has a severe lack of housing. There's not enough supply of housing and this is just another roadblock, another, pause to . . . when you're trying to make numbers work, when you're trying to make a project work. There's just, what we need is to make things easier.

We need, as other testifier's have mentioned, infrastructure paid for by the County and this is a step in the wrong direction. We tried it before, didn't work. We love building affordable housing, we love building housing of all types, but you can't do it if you are going to lose money.

And one testifier said, well, you can get grants, if you, you know that's really just another tax on the whole community. And its, I think this is a really, really bad idea. We need to increase the supply; not limit the supply and I hope that this bill will help.

COUNCIL CHAIR LEE: Thank you. Are there any questions? If not, thank you Everett.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Roy Vandoorn to be followed by Michael Trotto.

MR. ROY VANDOORN:

Thank you, Mr. Clerk. Thank you, Chair Lee. I appreciate the opportunity to testify. My name is Roy Vandoorn, I'm a resident of Wailuku and I'm representing myself.

First of all, I'd like to thank the Council for taking a step back from voting on Bill 10 and giving everyone a chance to take a deep breath and rethink their positions. I think there is so much that we can all agree upon. Everyone that has testified so far has said that there is a serious housing crisis on Maui. And I expect later on this evening you're going to hear some heartbreaking stories of people that want to have affordable housing but can't. Not everyone is ready to buy, as your previous testifier stated. Even though they're not ready to buy, they still need a place to live, so we need more affordable rentals.

You have heard testimony at previous meetings about affordable houses that had to be sold at market rate, at the market rate because of . . . qualified buyers. Together we need to help hard working Maui residents who want to buy a home yet prepared to do so.

And finally, not to sound like Captain Obvious, what we've been doing over the past 15 years just isn't working. And so, if we can agree on these fundamental, the situation, why is there so much disagreement around this bill. And I found it extremely interesting and have actually really enjoyed listening to all the testimony and the Council's discussion over the past few weeks.

And its my personal conclusion the reason that there's so much disagreement around Bill 10, is we don't have a shared set of facts. There are lots of opinions out there. You've heard developers have a set of opinions based upon their experiences. You have advocates for affordable housing, but there's no specific study that tries to answer the question whether Bill 10 will create more affordable housing or less affordable housing.

Now I'm sure all of you hate it when people tell you how to do your jobs, so sorry, I'm going to do it. Here it goes. If I had the responsibility to sit in your chair, I would want to know, if we did absolutely nothing, how many affordable housing projects would be built? And then I'd want to know, if we make the changes that are proposed in Bill 10, how does this change the projection? And at this point, I don't think we have answers to those questions. And until we have answers to those questions, I don't see how we can vote, to vote in favor of making the changes.

Let me use the analogy of a doctor. We all know that doctors are trained to do no harm. I really hope that Council follows . . . testimony.

COUNCIL CHAIR LEE: Mr. Vandoorn, you can finish, you know, you have a minute to conclude your testimony.

MR. VANDOORN: Oh. Thank you. Okay. I know the Members of the Council want to do something bold and I applaud you for wanting to be bold. We need boldness. We've heard about situations where houses have been sold at market level because people can't qualify. Here's an opportunity for us to help people with programs like the IDA program. We've heard about that Maui has a huge infrastructure problem.

President Biden today did us a huge favor. I know his timing is terrible for the Council since you're in the middle of the budget process, but if we could do some project warp speed and get some infrastructure projects ready to go, there might be an opportunity for the Feds to help us.

In conclusion, let's all work together on items we know that result in affordable housing, both rentals and purchases, both infrastructure and actual buildings. There are some great low hanging fruit in the plan that you saw last week. Now is not the time to pass the bill that could hurt us.

COUNCIL CHAIR LEE: Okay, thank you.

MR. VANDOORN: Thank you so much.

COUNCIL CHAIR LEE: Thank you for your testimony. Any questions? If not, Mr. Clerk, please call the next testifier, please. You're muted.

DEPUTY COUNTY CLERK: Oh, apologies Chair. The next individual signed up to testify is Michael Trotto to be followed by Diane Preza.

MR. MICHAEL TROTTO:

Hello, Councilmembers. My name is Michael Trotto, I live in Kihei. I'm speaking on behalf of myself. I'm coming out against this bill and I would just ask you to defer it until at least after the Hawaii Community Assets report comes out and have a good look at that and have the discussions based on that. I know there's a lot of groups that have come out against this. They're not coming out to be fear mongurals or any of that kind of stuff.

I don't believe in that, but I do believe that this is an impediment, this 75 percent, is an impediment. You've heard words like roadblocks, I use impediments. Anytime you put anything in the way of getting this housing developed works against us.

These groups that have come out against it, Maui Chamber of Commerce, they have their hands on the heartbeat and the pulse of Maui's business. They know what's going on in Maui County. They should be used as a resource. Habitat for Humanity has been doing this for our local, for a long, long time, as is the Hale O Maui. We have the Grassroots Institute and land resource foundation, they know because they've been here and they've seen when impediments like this are put forth, what happens.

So, I'm asking you to defer this, wait for the report from the Hawaii Community Assets and not put anymore roadblocks. I know we can do this. You know, the person that drafted this and this committee, if they had or you had written commitments and contracts in hand from developers who said they could work with this, I may be a little more convinced. So, unless you have written commitments and contracts from developers who say yeah, we can do this, it's doable, then I think you should defer it.

And I have a problem with you changing things that are a State, State of Hawaii initiative, the 201H, that's State. I just have a problem with you going in there and just changing the numbers, I don't think that's fair. Anyway, thank you for your time, listening to me tonight. Thank you.

COUNCIL CHAIR LEE: Thank you, Mr. Trotto. Any questions? If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Diane Preza, to be followed by Rick Nava.

MS. DIANE PREZA:

Aloha, Chair Lee and Councilmember. My name is Diane Preza and I appreciate the opportunity to testify. I am a Lanai resident. First of all, please let me say, mahalo to

all of you for your commitment to addressing affordable housing challenges in Maui County.

I am opposed to Bill 10, as I feel that it will have the unintended consequence of limiting, rather than increasing the amount of affordable homes. The final report from HCA will be available in June. I feel, rather than rush to pass Bill 10, we should wait to hear the final recommendations that are based on community input. Taxpayer dollars were spent on this study, and taxpayers have the right to read the final report.

On Lanai, many residents feel frustrated on the lack of housing options. There are residents who can afford to rent, and some even purchase a home, but the lack of inventory prohibits them from doing so. The effects vary. Some live in crowded homes leading to stressful situations. Others, especially the younger generation, would like to lay down roots here on Lanai by purchasing a home. We can turn Lanai's housing challenges into opportunities.

My hope is for the County to make good on its promise to provide affordable homes for purchase on Lanai. I'm also hoping that Lanai's Hoku'au Affordable Rental project will come to fruition. These potential projects will help to alleviate the housing crisis here. Please don't forget about Lanai. Mahalo for your time.

COUNCIL CHAIR LEE: Thank you, Ms. Preza. Any questions? If not, thank you.

Mr. Clerk.

DEPUTY COUNTY CLERK: The next individual signed up to testify is Rick Nava to be followed by Jordan Hocker.

MR. RICK NAVA:

Aloha, Chair Lee, Members of the Maui County Council. I am Rick Nava and I am testifying on behalf of myself. I am opposed to Bill 10 to amend the 201H process and the implications it could have on building more affordable homes and rentals for our local families.

We know that we are in a crisis in providing homes for our local families, and we don't want to take any option off the table. I believe that the first place we need to start to solve this crisis is for us to work together with the home builders and the business people and organizations so that we can all work together to help solve the Maui County affordable homes and rental crisis.

This bill will cause uncertainties as it changes the current percentage of 50 percent plus one to a range of 50 percent plus one to 75 percent. Our home builders need certainty. Where did the 75 percent threshold come from. Are there data or studies that shows that this requirement will work? 201H is a Statewide program and home builders can choose to build on other neighbor islands where the requirements is still 50 percent plus one. Why put Maui home builders at a disadvantage?

The Council contracted Hawaii Community Assets for 300,000 to create housing plan. Their plan was just presented, and the final plan will come out this June. Please wait for the final plan to be presented, that would be vetted for the community before making any decision. Thank you for hearing my testimony.

COUNCIL CHAIR LEE: Thank you, Mr. Nava. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Jordan Hocker, to be followed by Roger Alconcel.

MS. JORDAN HOCKER:

Aloha, Council, thank you. Can you hear me today?

COUNCIL CHAIR LEE: Yes.

MS. HOCKER: Thank you for hearing my testimony. My name is Jordan Hocker. I live in Kula and I'm here to testify in support of Bill 10. Like many testifiers have said, the thing we can all agree upon is affordable housing. And the reason I'm in, most in support of Bill 10 is because I don't actually trust what a lot, the place that a lot of developers are coming from. To hear that there will be a financial impact, I believe the developers are much more used to more laxed regulations that don't put them under scrutiny of how well they're supporting their community.

The reality is that if 50 percent were enough, than we would have more affordable housing built in the way that we need it. I don't think that most developers are actually looking to seek affordable housing. I think they're looking to say that they're seeking to build affordable housing to change zoning, to benefit other developments as I've seen. I just don't, I don't trust it.

And so I think that the reason that the Council is having to push this forward is because in 50 years, our population will, will have more than doubled. So right now, we are at around 167,000 people, you're looking at over 330,000 people within 50 years. And while people say, oh wait, don't rush, at the same time, something has to be done. And I don't think we can rely on developers and the free market to be making those decision. Yes, there might be more information that's needed, but really as it stands, we have to begin to make these decisions.

I also upon hearing testimony that the real estate market is struggling. As far as I hear, sales are at an all time high. All throughout the coronavirus and when we were shut down, what kept chugging along as usual, and it was actually remarkable to me, because in the months after March, I looked around Kula and I said, you know the only thing, the only industry that hasn't stopped is development. Houses were being built, sections were being plotted off, things were still being sold, and they're being sold at a rapid rate.

So, I think the perspective for me here is possibly that developers aren't going to be making as much money and they're essentially threatening to pull out of projects from the community that they claim to care about. And so, I, I just have a problem, I have a problem not supporting this bill. I really, I think that we need affordable housing and I trust, I trust that the people that we've elected are making the right decision and seeing the long picture. And so, yeah, that, that's my support. That's my testimony in support. Thanks guys.

COUNCIL CHAIR LEE: Thank you, Ms. Hocker. Any questions?

If not, may we have the next testifier.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Roger Alconcel, to be followed by Stan Franco.

MR. ROGER ALCONCEL:

Hi, Councilmembers. Thank you for taking the time and know that we do have a housing crisis. My name is Roger Alconcel from Lanai, born and raised here. Been 30 years, when I graduated that there where development here on Lanai. Just want to testify that, here on Lanai the problem is availability, it's not affordability. I want, I want to make sure that we make it easier for our developers cause if it's not going to be easier for developers, it's going to be another 30 years for us to have another development on Lanai.

Please defer the bill until there's further study. Thank you for your time and your patience and your continued effort to make it better for Maui County. Please defer this. . . . for the study. Thank you.

COUNCIL CHAIR LEE: Thank you. Any questions for the testifier? If not, may we have the next one.

Mr. Clerk.

DEPUTY COUNTY CLERK: The next individual signed up to testify is Stan Franco, to be followed by William Kamai.

MR. STAN FRANCO:

Good evening, Council Chair Lee and Members of the Council. I'm Stan Franco, housing advocate for the past 35 years, a father of four and a lifelong resident of Maui and I speak for myself.

I'm in favor of the change of 50 to 75 percent for homes built under 201H. The question is why? As Jeff Gilbreath presented the draft Comprehensive Affordable Housing plan on March 23, he said that the greatest need, 54 percent for housing are for those earning less than a 140 percent of area median income. In the community meetings that he held, and I attended ten of those meetings, I heard our people say, over and over again, that the housing that we are building and the homes that have been sold, they cannot purchase because they don't have the income to buy it.

So, why are we building, continuing to build homes that are less affordable? We keep on saying that we are building homes that are affordable, but that's not coming through. People are saying, they're not been able to buy the homes that are affordable, or claim to be affordable.

So, we need more homes to be built under the 140 percent of area median income and I think this bill addresses that. As a community we need to work together. Several Members said we need to work together, and I agree, we need to work together. But we need to build at the income levels of our people and we're not doing that.

Now a lot of developers are saying that they cannot afford to build with the restriction, the additional restriction from 50 to 75 percent. Jonathan Scheuer, the Chair of the Land Use Commission wrote in the Civil Beat, that maybe what we need to do, and

one of his suggestions is to use the non-profit affordable housing sector to build the homes for, the affordable homes that we need.

Lot of the developers are for profit developers, developments, and yes, probably cannot build at this level. So, let's find people that can build. We need more homes for our people that are under 140 percent of area median income, and again because of that, I support the change from 50 to 75 percent. Thank you for listening. Have a good evening.

COUNCIL CHAIR LEE: Thank you, Stan. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: The next individual signed up to testify, is William Kamai, to be followed by Michelei Tancayo.

MR. WILLIAM KAMAI:

Aloha, Councilmembers and Chair Lee. My name is Bill Kamai, and I'm not a paid lobbyist. Like some of the testifiers you heard from earlier, I'd like to share my concerns regarding Bill 10. On one hand, we in the construction industry are being told by these home builders who's done 201H projects in the past, that this bill would make it too difficult for them to privately fund anymore 201H projects on Maui. They're going to go elsewhere. We were told simply, how can 25 percent of the project pay for the other 75 percent of the project? I cannot answer that. I was told that the 201H projects that come in at 100 percent are heavily subsidized with funding from State, Federal and County funds. Again, I don't know the specifics or examples to give you.

When they tell us their concerns about this bill and you, the County Council says no, that it is possible for these 201H projects to pencil out. Who do we believe? The hope is that you, the County Council, did your due diligence and you crunched the numbers and that you have the statistics that say so. That you can substantiate the 75 percent that's in this Bill 10. We in the construction industry sure hope so. We have to trust that you did. We have no choice but to trust you folks that you did your homework.

Ideally, I'd want to wait till the study from Hawaii Community Assets come out in June, hell we gave the guy 300,000, that way we can get our \$300,000's worth. We, we paid the guy, pay me \$300,000 for a job that I don't need to, to finish. I take that money all day.

Now the intent of this bill, I get it, to increase affordable percentages of the 201H application, to increase more homes to be built for the lower income brackets. I get it. Hell, I got four adults living with me that would qualify for those income brackets. I, I get it. But if this Bill 10 passes and turns out to be a stumbling block for home builders that, we don't get the homes built, that this bill was intended to do. The hope is that at least you folks, have the wherewithal to make changes to the percentages or modifications to the income brackets, who knows. If it does pass, if no homes are built in a year, make it like 2.96, where you guys revisit it a year or two. If not, maybe, I tell the four adults living with me, Mike Molina's home address up Makawao. I'm kidding Mike, I'm kidding.

COUNCIL CHAIR LEE: Thank you. Thank you, Bill. Any questions? I know you were joking about giving Mike's address away.

MR. KAMAI: I'm kidding. I'm kidding.

COUNCIL CHAIR LEE: Okay, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, the next individual signed up to testify is Michelei Tancayo, to be followed by Pamela Tumpap.

MS. MICHELEI TANCAYO:

Hello.

COUNCIL CHAIR LEE: Hello.

MS. TANCAYO: Oh. Can you hear me?

COUNCIL CHAIR LEE: Yes.

MS. TANCAYO: Okay. Aloha, my name is Michelei Tancayo. When I think about Bill 10, which I support, the increase to 75 percent affordable housing, two words come to mind, hope and faith. I urge the Maui County Council to support Bill 10 with the 25 percent increase from 50 to 75 because you're giving hope to an additional 25 percent of families. How wonderful to be able to bless these additional 25 percent of families with hope that one day they will be able to own a home. Especially because of the demand for affordable housing from many, many families.

The second word, faith, I have faith the developers, when going through the 201H process will be able to meet the 75 percent affordable housing requirements. That these developers when tasked, will figure out how to build 75 affordable housing because they are resourceful and smart. And I truly believe that these developers would not just throw their hands up and call it quits.

Therefore, I ask you Maui County Council, to have faith in these developers that they can do it. They will figure it out. They will be able to build 75 affordable housing when going through the 201H process. Every year after year, we hear the need for affordable housing, and here we are today still needing affordable housing. So, please be bold. With faith and hope, I support Bill 10. Mahalo.

COUNCIL CHAIR LEE: Thank you, Ms. Tancayo. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Pamela Tumpap to be followed by Roberto Andrion Jr.

MS. PAMELA TUMPAP, MAUI CHAMBER OF COMMERCE:

Aloha, Chair Lee and Councilmembers. I'm Pamela Tumpap, President of the Maui Chamber of Commerce and advocacy is one of my duties. I would like to thank all here tonight who are saying we want more affordable housing and rentals for our residents and our workforces. Your voices are elevating the urgency with elected officials. And we can hear it in the solutions that people are looking at. Attainable housing and rentals is in a crisis state. We must address it now, and in a way that maximizes the amount of new inventory, or we will fail the current generation looking to raise a family here and create devastation for generations to come.

As the cost of housing is not going down, it's going up. Therefore, our collective goal should be to create as many partnerships as possible, County, State, Federal government, home builders, nonprofits, and others as have been mentioned, to address this urgent human need. No one should be left outside. No stone unturned, no important players benched.

The good news is that we all want the same thing, but many of us are not experts. If we were, this problem would be solved.

So, how do we get it done urgently? Success involves planning and a coordinated effort, not an approach here and there. Thankfully, the Council has invested in just

such a plan with Hawaii Community Assets who presented their draft last week with a final due in June. Some are saying it's imperative we act now, before hearing the final plan. So why invest in this effort if we're not going to use it to inform decisions? What projects will be held up or give us less units between now and June if we wait?

In talking with individuals and businesses, all want more affordable housing and restaurants, oh excuse me, housing and rentals for their workers, their families, their children, and grandchildren. Which is what takes us back to how do we get more. The County and State recognize that partnering with home builders is key, otherwise they would do it themselves. Yet, government often feels people and businesses can just pay more.

If you're paying rent of 2,500 a month and your landlord suddenly asks you to pay 3,125 a month, a 25 percent increase so they can get more, would that work for you? Would you stay or would you move on? Some good builders already have. But just thinking about people or businesses can do more doesn't make it true. We're not sure where the 75 percent came from or if it was just a PFA. However, if your landlord incentivized it and offered to pay your water, electricity, and cable, would that make a difference? . . . achieve more and we need more home building partners to prevent catastrophe.

We must conquer this challenge. In football the goal is to always get as many touchdowns as possible. But to win the game, you can't gamble on only going for touchdowns. It's a numbers game, much like our affordable housing and rentals crisis. The goal is to score as many points, or in this case, homes, and rentals as possible. The game plan requires the team to punt at times to ultimately win the game. Additionally, when you're down . . . If I may just have a couple of more seconds to wrap up?

COUNCIL CHAIR LEE: Sure.

MS. TUMPAP: Thank you so much, Chair. Additionally, when you're down, you don't bench your key players. We want to maximize, not reduce affordable housing and rentals for residents and the working class now. Let's not wait for this crisis to escalate or take a gamble as we've done in the past. We need to wait and hear the plan from Hawaii Community Assets, who is already coming up with strong solutions and work with a partnership where all community players come together to solve this crisis. Mahalo for the opportunity to provide testimony.

COUNCIL CHAIR LEE: Thank you. Are there any questions for Pam? If not, thank you and Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Roberto Andrion Jr. to be followed by Howie Kihune Jr.

MR. ROBERTO ANDRION, JR, ILWU, LOCAL 142.:

Good evening, Chair, Chair Lee, the rest of the Councilmember, good evening to you as well. My name Roberto Andrion, I'm not a paid lobbyist, however I do want to say a statement pertaining to ILWU Local 142 on the Bill 10.

The ILWU Local 142 has concerns with the proposed language for Bill 10. At first glance, the language of the bill looks well-intended to help address the housing crisis that exists on the County of Maui and the rest of the state. But unfortunately, the bill will do the exact opposite of what it is trying to accomplish and result in fewer affordable home options. In fact, the unintended consequences of this bill will mean that developments of more expensive single-family homes that a few, if any, working families can afford.

I think we got it all. You know, we understand it. We all want more affordable housing, and we want to have the insurance that our children and their children can continue to call Hawaii home. But we need to make sure that the policies we put in place, implement today do not hurt the families we are helping tomorrow. We really appreciate the Council looking at ways to expand affordable housing for the County of Maui, but this bill will do the exact opposite as I've stated above.

We should allow Hawaii Community Assets to finalize their plan, give them the opportunity to develop affordable housings that are, that they're tasked to do. This is a plan that can work, actually help accomplish the goals of more affordable homes on the County of Maui.

Let's not take two steps back as this bill will unfortunately do. It will deter and dissuade affordable homes and actually make housing more expensive in the County of Maui. This is the last thing that every one of us wants. For those reasons, we would recommend Bill 10 to be deferred for the time. Councilmembers, Chair Lee, thank you for the opportunity to testify tonight.

COUNCIL CHAIR LEE: Thank you, Mr. Andrion. Any questions? If not, thank you for coming.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Howie Kihune, Jr. to be followed by Nelinia Cabiles.

MR. HOWIE KIHUNE, JR.:

Aloha and good evening, Council Chair Lee, and Councilmembers.

COUNCIL CHAIR LEE: Hi.

MR. KIHUNE: My name is Howie Kihune, Jr. principal of Ainalani Pacific, a small workforce housing and home developer/builder. As all of you know, we support workforce and affordable housing and are basically in the trenches helping to create new opportunities for our local families within our Maui community.

We recommend that this body vote no on Bill 10, and the reason, the amendment, the 2.96 will ultimately reduce the development and construction of future workforce housing for our current and next generation of local Maui families hoping to purchase a new home. You have heard and will hear much about 100 percent affordable rental projects being developed under 201H utilizing low-income housing tax credits, Federal grants, County grants, etc., but they are rentals. Those are and will be great projects for those that are not able to purchase or renting until they can purchase.

What is missing is, is how this proposed amendment will affect many of our local families that want to purchase their own home. With this proposed amendment, the dreams of those families owning their own home, in a place they were born and raised, may now become a thing of the past should this go forward. To take a chance or gamble on a change like this will have a negative effect on our local families that will last a generation or more.

We have an ordinance that works well and has created numerous units for both purchase and rental, and has a proven track record. I believe you all remember, or recall that prior to the current ordinance, it was at 50 percent. Do you recall how many units were produced during that period? A little embarrassing to say, but I won't mention it. Moving the needle to 75 percent on 201H projects is not the right direction.

Workforce housing providers continue to face numerous challenges on a daily basis, from the cost of construction to possible tax increases, to fees increasing everywhere you turn. The cost of construction is what it is, and to put the burden on 25 percent of a project will take away from the 75 percent. Our local families that are ready right now to purchase may not be able to purchase in three to five years, and with this bill and its proposed amendment, it will push projects further out, thus, push our local families out or elsewhere. Is that what we really want? We hope not.

201H was put in place to help move housing development along quicker, to help take a bite out of the huge demand we have as a community and a State. The bottom line is do we want housing now, and I believe the answer is yes, we want it now. By amending 2.96 we will be creating more obstacles and hurdles to get housing to our local families faster. I, please, I beg you all to vote no on this bill, I think we need to revisit it at some point in the future. Mahalo.

COUNCIL CHAIR LEE: Thank you, Mr. Kihune. Any questions? If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Nelinia Cabiles, to be followed by Linda Schatz.

MS. NELINIA CABILES:

Aloha, Chair Lee and Councilmembers. May I request that I leave my video off? My internet connection in my office is shaky.

CHAIR LEE: No problem.

MS. CABILES: My name is Nelinia Cabiles. I live on Lanai and I am testifying on my behalf, on my own behalf. I would like to thank Councilmembers for this forum, which gives residents, Lanai residents, Maui County residents an opportunity to give voice to such an important topic as housing and the scarcity of housing on this island.

I do not support Bill 10. I support the idea of waiting until the HCA report comes in. I am one of about 150 residents on Lanai who signed a letter to Chair Alice Lee for affordable housing. I'm sure you've heard this time and time again, but there are many instances of multiple families living in one home on this island. This kind of overcrowding is ironic, given that Lanai has the lowest unemployment and poverty rates in Maui County. The reason for overcrowding is not necessarily because folks can't afford to get their own place, but because of the low inventory of homes for rent here.

I've been attending public meetings on the issue of affordable housing and it feels as though there is a disconnect. Are we being heard? The 150 people who signed the letter for affordable housing on Lanai, were we heard? I know you all work hard and I truly appreciate the time and the care you are putting into addressing this difficult challenge. Having said that though, I feel that Lanai is too often lumped with Maui County in a homogenous grouping.

Our island is different. We have unique needs, and right now, as it has been the case for many years, the need on this island is for more affordable housing. The need is to increase the inventory of affordable homes. The stated purpose of Bill 10 is to increase a percentage of affordable and workforce housing units to 75 percent. May I ask why 75 percent? How did the Council arrive at this figure? As with other testifiers, I would like to know how moving to 75 percent increases the number of housing units. Thank you so much for your time and for listening.

COUNCIL CHAIR LEE: Thank you, Ms. Cabiles. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Linda Schatz, to be followed Kathy Carroll.

MS. LINDA SCHATZ:

Hi, Council Chair and Members. My name is Linda Schatz. I strongly oppose Bill 10. I hear people talk about being bold today, this is not being bold. You guys have done this before on Maui and it did not work. In 2006, Maui County Council increased affordable requirements from 25 percent to 50 percent. And this ordinance went into effect from 2007 to 2014. During that eight-year period only 13 housing units were produced. In 2014, the Council changed its requirements back down from 50 to 25 and the following year 56 units were built and permitted, or permitted, and since then, only an average of 220 affordable workforce units have been permitted from 2015 to 2020. So, 220 units per year is not enough to meet the increasing demand for our housing in Maui. It is also clear that reducing restrictions and requirements increases production based on the two previous facts.

Now if this bill is enacted, many housing developers, like myself, will have to look elsewhere on other islands where restrictions are not so stringent. The proponents of this bill act like there are developers lined up to build housing on Maui, There is not, you just don't have enough developers wanting to build on Maui. So, what will effectively happen in, if Bill 10 is passed, is that you lose good developers, you'll lose their skill, their money, their investors to other islands that do not have this high requirement. Hawaii island doesn't have it, Oahu doesn't have it, Kauai doesn't have it, and they will overlook Maui.

I do want to address this question about non-profit developers who do 100 percent affordable with 201H. All of these project's typically need subsidy. They rely on tax credits and trust fund money from the State out of taxpayer funded. And they require

So, being bold is creating . . . zoning, and not having to come to Council and politicize every housing project and delay the production of housing. Being bold is when the County takes on infrastructure to unveil feasible housing projects, rather than force developers to pay for it and thereby increasing the cost of housing. This bill is not bold, it's just more of the same, and it's insane to think that with a stroke of a pen by changing a number, 50 percent plus one to 75, that it would make a difference. You did this before, so don't do it again. Thank you.

COUNCIL CHAIR LEE: Thank you, Ms. Schatz. Mr. Molina, clarification.

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair. And I appreciate your testimony, Ms. Schatz. You're saying the bill is not bold. Now the bill basically asks for more affordable housing. I just have one simple question for you, do you feel it is wrong for an elected body, or people to ask for more affordable housing? Yes or no?

MS. SCHATZ: I can't just answer yes or no, answer to that question--

COUNCILMEMBER MOLINA: Alright, thank you. It sounds like you can't answer my question. Thank you very much, Madam Chair.

COUNCIL CHAIR LEE: Okay. Don't forget, we're asking clarification questions. Any more questions? If not, Mr. Clerk. Thank you, Ms. Schatz.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Kathy Carroll, to be followed by Cara Flores.

MS. KATHY CARROLL:

Aloha. Thank you. Thank you for this opportunity. My husband and I have lived on Lanai for 20 years and had our own small business here. We since, since day one, we've heard about the scarcity and witnessed it of affordable housing on Lanai. We do, though, urge you to defer this bill as it stands. The very expensive HCA study still has not been released, and my understanding is that there is no data from Lanai in that study which I find just very surprising.

As the previous testifier from Lanai said, it's really availability here, not as much affordability. Many of our workforce here are paid a decent wage and can afford a, you know, a reasonably priced rental, and the Hoku'au development that is in the planning stages for affordable workhouse rental housing is, would be a god send for this community. And we urge you not to pass a bill that could potentially just throw more roadblocks into the system.

I also urge the County to give more urgency and attention to the long overdue commitment for affordable housing, that on land that was given for free, that was made available almost 30 years ago. And that in our thinking would be a wonderful complement to the rental workhouse, I'm sorry, workforce housing that is planned. Often, we hear that the County affordable housing can't be developed because it's too expensive and that access to infrastructure is a problem. And the Hoku'au development project that's planned would provide infrastructure right up to, my understanding is, that it would abut very closely, and it would bring the cost down substantially.

And just, as aside, I've often wondered, how much taxpayer money has gone, flowed from Lanai to the County and then how much flows back. And so, I think that some of that money could certainly be going to the County, looking at its commitment to affordable housing as well. Thank you for this opportunity.

DEPUTY COUNTY CLERK: Chair, the next person to testify is Cara Flores, to be followed by Chris Delaunay.

MS. CARA FLORES:

Aloha, I'm Cara Flores and I am testifying as an individual. I just wanted to let you guys know that I support raising the requirement to 75 percent for affordable housing. I do know our supply is historically low. I have heard people mention the time period of 2007 to 2012, which was for the entire U.S., a time when almost no one was building, because we had our housing crisis. After 2014, the market started picking up, so it would make sense that more housing was coming available at that time here, as in everywhere else. To draw a correlation between that and policy, I think is a little jumping the gun.

We need to address the method that developers are using already, to currently game the system and get around the rules. We need to make sure that it is not more profitable for developers to sell to non-local buyers as it is sometimes right now. We need to make sure that we do incentivize developers who are building affordable

housing. Because they do need to make a profit. So that is something that needs to be considered when doing these kind of plans and embrace some kind of policy dealing with rentals since we have some of the lowest homeownership in the U.S.

The rental market here is very one-sided, it favors the landlord. I've seen more discrimination against tenants here than I ever could imagine could happen. It's really frustrating. So, I think that's something else that needs to be addressed separately, to balance that.

Infrastructure for individual owners and developers is a huge problem and that is something the County should put more money into, developing sewage infrastructure, water infrastructure, our water list is ridiculous. Better underground electrical lines, those kinds of things that would help get more housing and make it easier for developers to hit that 75 percent requirement.

We also have the lowest property taxes in the U.S. for non-residents, and a lot of empty housing. So, we can find out if someone is a resident, just by finding out if they filed taxes in the State of Hawaii and we should be charging a lot more in property tax to help subsidize these kind of things to build infrastructure to make more housing for the residents who live here.

Also, consider relaxing restrictions on things like ohanas where people individually put their own sweat equity into building housing maybe on their own lot. And find out why other developers are not here and why they're not lining up to come here. If it's something as simple as infrastructure, maybe reprioritizing creating more infrastructure so it is easier and more affordable. Thank you.

COUNCIL CHAIR LEE: Do you want to conclude? Do you want another minute to conclude?

MS. FLORES: Sure. I brought my first house when I was 18, and I have been a licensed realtor since 2007. And I do deeply believe in affordable housing and think it's necessary. So, I do support this and thank you guys for putting it forward.

COUNCIL CHAIR LEE: Any questions for Ms. Flores?

Yes, Member Paltin. You're muted.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Flores for your testimony.

I just was wondering, that, when you said that we had some of the lowest non-resident tax in the country, was that like, did you have a source to cite that?

- MS. FLORES: I could send you some sources. Its widely published. But I can tell you for like, Austin, Texas for example, most people are paying close to three percent property tax of what the total value of their house is every year. And I think here, people are paying around a quarter of a percent, so I mean, we're talking like times, and times higher. And of course, a lot of places pay for their schools through property tax and that would be why, but we do have, I can send you sources, but we have some of the lowest property tax in the country and even in the State in Maui County so, yeah.
- COUNCILMEMBER PALTIN: That would be great, tamara.paltin@mauicounty.us. Thank you.
- COUNCIL CHAIR LEE: Anybody else? If not, thank you, Ms. Flores.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Chris Delaunay, to be followed by George Burnette.

MR. CHRIS DELAUNAY, PACIFIC RESOURCE PARTNERSHIP:

Aloha, Councilmembers. Chris Delaunay with Pacific Resource Partnership. I am a registered lobbyist. Thank you for this opportunity, and thanks for having this public hearing. I'm glad that the County, the Council has the wisdom to pause on this and really give the community a chance to weigh in, so thank you for that.

Again, we are strongly opposed to this bill. You know, just by saying 75 percent isn't going to create 75 percent affordable housing. We believe this is a deterrent in creating more affordable housing and it will also, more importantly, it removes an important tool in the toolbox for home builders who choose not to use government funds to build affordable housing units. Housing projects on Maui that are 100 percent affordable have relied on government subsidies to make it work.

And historically, we've seen the Council go down this road, you know, back in 2007, 2014. We've seen how bad policies have produced very little units, you know, and I think I don't have to explain what happened, previous testifiers have with the 50 percent requirement for workforce housing. And then once they reduced it, back to 25 percent, then you had more homes built. So, let's learn from our mistakes of the past and not take Maui down this road again. It's a painful road to go on.

So, I mean, when you're not building affordable housing, you know, this means that there's going to be less work, and less housing for our workforce, you know. I know the intent is good to want to build more affordable housing, but again, just by saying 75 percent isn't going to create 75 percent affordable housing. And also, you know, developers, even though you have the discretion to bring it back down to 50 plus one, developers won't need predictability, they're not going to want to develop if they don't know what the Council is going to do, you know.

So, it's not going to bring more housing to Maui, you know. We've heard it from experts, they can provide the numbers, you know, I'm sure, but I want, I'm curious, what are the, how did the Councilmembers who supported this come up with the 75 percent. Where is the data, where is the, you know, where is it? Let's see it, you know.

And also, we have a study coming out in June, you know, and it makes sense to wait. But you know, if you guys decide just to move this forward, push it through regardless what the experts are saying, then at the very least, at the very least, we should have, maybe have an amendment that will only implement it for like a year, and that's, you know, that's . . . reevaluate it. I can guarantee you; it's not going to produce more housing; it's just going to hurt Maui. But why go down that road, why go down that road, when we already know it's not going to do the job it intends to do.

So, you know, now's the opportunity and I think it takes a bold Councilmember to change their vote, you know, and especially in this case, from a yes to a no. So, I'm hoping that the Councilmembers that are supporting this bill will reconsider and be bold and take the, take the right action. Let's build more affordable housing. You know, let's look at the numbers, let's provide the 75 percent, right, show us what the numbers are and let's look at the facts and the data to make reasonable decisions. Thank you.

COUNCIL CHAIR LEE: Thank you, Mr. Delaunay. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is George Burnette, to be followed by Elton Kinoshita.

MR. GEORGE BURNETTE:

Good evening. Council can you hear me?

COUNCIL CHAIR LEE: Yes, good evening.

MR. BURNETTE: My name's George Burnette, I'm testifying in favor of Bill 10 as an individual.

Although there's still much to be done in providing affordable housing in Maui County, I'd like to recognize the good work of the previous Council in addressing this problem, as well as the current Council's efforts to continue to make progress.

My testimony tonight, I'd like to talk about what I think is really affordable versus what is called affordable, and I think there's a big difference. In researching for this testimony, I came across a March 2021 article in the Maui News, describing affordable housing projects in Haliimaile and also Kihei. And what caught my eye in this article is the discussion on the various AMI ranges. For example, both of these projects, the "below moderate-income category which ranges from 81 to 100 percent of AMI are priced from 566,000 - 618,000". From there I went to the mauicounty gov website and found the following information, for the year 2020 the median family income in Maui County was \$97,500 and I'd like to put an . . . on that. The median income in Lanai and Molokai is much lower than that and also in Hana, but that's the overall median for Maui County.

And in these buckets of these AMI numbers was based on the assumptions of a 30-year term mortgage with 30 percent of the annual income available for housing expense, five percent down payment which seems to be a problem in itself, and also a four percent interest rate. And also, I went to check the numbers on the median housing income for Maui County from the U.S. Census Bureau website. According to them, in 2019, the median income, housing, household income in Maui County was \$80,948 and so I think that reflects the lower ranges in Lanai and Molokai.

From there, I used a mortgage calculator to calculate a house payment of a person, that a person could afford, assuming a \$97,500 household income, 30 percent of that income used for housing and a 30-year loan at four percent with a five percent down payment. And these are the parameters that were used by the mauicounty.gov website. The result was such that a person could afford a yearly housing expense of about \$30,000 which results in a monthly payment of about \$25,000 [sic], and based upon a four percent mortgage, this would allow a person to afford a home costing \$450,000.

So, my point is given the AMI range of 566,000 to 618,000 for a "below moderate-income category", it appears that a household with Maui's median household income of 97,500 could not afford a home in that category. They could only afford a home costing only \$450,000. Almost done. I'm almost done.

COUNCIL CHAIR LEE: Mr. Burnette, could you conclude, please?

- MR. BURNETTE: Yes. What this suggests to me is that building homes costing greater than 80 percent of AMI would likely not address effectively our affordable housing crisis. What I think is most needed is housing more around the 60 percent or below the AMI range. So, I support requiring future 201H projects to require 75 percent or greater affordable housing. To me, even that is not sufficient compared to what is needed. Mahalo.
- COUNCIL CHAIR LEE: Thank you. Any questions for the testifier? If not, may we have the next person, Mr. Clerk.
 - Mr. Clerk, before you call that person up, how many more do we have?
- DEPUTY COUNTY CLERK: Chair, I think we have approximately 19 people remaining.
- COUNCIL CHAIR LEE: Okay, at, we're going to take a short recess in about five to six minutes, okay.
 - Mr. Kinoshita, you can start. Thank you.

MR. ELTON KINOSHITA:

Thank you very much. Aloha, everyone. Thank you, Chair Lee, and Councilmembers. My name is Elton Kinoshita, I am the Principal at Lanai High and Elementary School. I've been here for eight years now. I'd like to, I realize this is a Maui County law that we're looking at, but I want to speak specifically for Lanai.

My eight years here, the most difficult thing has been recruiting teachers. This past school year, I had five more vacancies to fill but there were no more housing units, so I had to stop recruiting and we ended up using substitutes that live on Lanai to cover the whole course, the whole grade for the entire year.

I will also say this, I am, I do have a family home in Kaimuki, but I rent here from Pulama Lanai, the management group for Larry Ellison and I feel that the market rate that they charge is already pretty affordable. They're not, in my opinion, they are not gouging the people that need the housing here. We compete with the other entities on the island that also need housing. So, I do not want to see anything deter us getting affordable rentals and so, I do oppose this bill.

I'd like to say for two other things: 1) The USDA has a food, national food program, it's called Title I. Parents apply for free and reduced lunch. In my eight years here, next

year will be the first year that we qualify as a Title I school, meaning that 47 percent of our families meet the income criteria to make that. My point is this, the only reason we probably hit that this coming year, most of my parents applied during the layoffs here on the island so their income dropped. The people here are very industrious. Many of my parents work two jobs. So, they are above the qualification for receiving free and reduced lunch for their kids. So, I do question if there would be that much, that many people would qualify for this. I don't know.

The second point I want to bring that might defer or impend this project is, before coming to the Department of Education, I served as a corporate loan officer at Liberty Bank in Honolulu. I also served, helped develop the commercial loan review process at American Savings Bank. As a loan officer who reviewed commercial real estate projects, if my borrower came to me and there was a question that his ability to pay, repay my loan was being cut as in this case, 25 percent of the market rate reduction, which would, could hinder him from repaying my loan, I might not make that loan to that developer. So, in this case that 25 percent, I realize Pulama Lanai on this rental project would probably finance this internally, but any other developer might not have gone through with this project and then I would still face the prospect of not being able to fulfill teachers at my school. Thank you very much for this time to testify.

COUNCIL CHAIR LEE: Thank you, Mr. Kinoshita. Nice meeting you.

Yes, Ms. Paltin.

COUNCILMEMBER PALTIN: Can you hear me?

COUNCIL CHAIR LEE: Yes.

COUNCILMEMBER PALTIN: Okay. Thank you, Chair. Thank you, Mr. Kinoshita for your testimony. I just wanted to clarify; you're saying that Pulama Lanai project would be open for teachers to rent? Because, I had thought that it was only their employees, but they own a school as well?

MR. KINOSHITA: No. The, our school is a Department of Education, public school. I realize that many of my teachers would probably not qualify on income to go into the affordable rental income units. However, we're competing in their other rental pool. I'm thinking that those that could qualify would move to the affordable housing project, and it would free up the other projects that my faculty and myself are currently renting from. So just the availability would help me. Again, I don't think my teachers would qualify based on income, but it would open up other units.

COUNCILMEMBER PALTIN: Thank you. And if I could just clarify one other thing. We heard from an earlier testifier that on Lanai folks are four to five families per home--

MR. KINOSHITA: Yes.

COUNCILMEMBER PALTIN: --do you think that the whole four families are going to move, or are they just going to try and each family to a home?

MR. KINOSHITA: Yeah, I don't know what that process is. I'm not very familiar with that. I will say this, during COVID when we had to shut down our schools, there are families in my school with eight, ten people living in a two-bedroom home. For all those kids to be online with their different teachers, it was a struggle. The noise background, trying to find room for each of those children. The other thing too, is it created a very--

COUNCIL CHAIR LEE: Thank you, thank you, Mr. Kinoshita.

MR. KINOSHITA: --huge. Okay.

COUNCIL CHAIR LEE: Thank you. Thank you. Appreciate your answer.

COUNCILMEMBER PALTIN: Thank you. Yeah.

COUNCIL CHAIR LEE: Ms. Paltin, you slipped one in.

COUNCILMEMBER PALTIN: Sorry. He's telling me, I have four kids one time--

COUNCIL CHAIR LEE: That question was for the other testifier. The other testifier.

COUNCILMEMBER PALTIN: --oh, okay.

COUNCIL CHAIR LEE: Okay. Alright, Mr. Clerk. Where are you?

We'll take the next one and then take a ten-minute break, okay.

DEPUTY COUNTY CLERK: The next testifier is Amy Chang, and then the testifier to follow after the break is James Engle.

Amy Chang, it is your time to testify. Chair, shall I proceed to the next testifier?

COUNCIL CHAIR LEE: Yes.

DEPUTY COUNTY CLERK: Then the next testifier is James Engle and the testifier that will follow, after the break is Robin Knox.

MR. JAMES ENGLE:

Hello.

COUNCIL CHAIR LEE: Hello.

MR. ENGLE: Hi. Can you hear me?

COUNCIL CHAIR LEE: Yes.

MR. ENGLE: Hi, my name's James, I lived in Haiku, Maui since I was six years old and, you know, I'm very familiar with the housing shortage and problems. You know, growing up in Haiku, at least 50 percent of my classmates have moved off island after graduating and find it easier to stay on the mainland because of the price of housing and, and income levels here in Hawaii.

And I would like to oppose this bill because, even though I see the shortage and I see the, the issues at hand, I feel like laws can either fulfill one of two things, they can either feel good or they can really do good. And I feel like this law is one that it feels good, it feels like the right thing to do, but I'm also a contractor on the island. We do structural seal and, you know, right now material prices are erratic, the prices are rising rapidly and, you know, it's easy to say that we should be building houses at a certain price range, but the truth is, is that anywhere between 30 and 50 percent of the cost of a home is just materials. And when you look at income levels in construction, and construction is our second biggest industry next to, next to the tourism.

In affordable projects a lot of times the income levels for those workers in those situations is lower than what you find in the higher priced homes. And so by, by passing this law, it makes it more difficult for developers and contractors that work for the developers to pay their employees well when there is this kind of burden to keep the prices that low. By having that, the previous 51 percent plus one, you know, allows contractors to make, make more and be able to pay their employees better.

So, it's easy to say that we have a shortage of housing and we all see that. But income levels are a big issue as well, and if we try and address only one side of the coin then we miss other opportunities that, that are vital for our community. And things have already been brought up as far as, you know, other methods of generating income that

can help with these funds that, that can fund affordable housing, you know, one of those being re-looking at zoning laws and the housing taxing on people that are--

COUNCIL CHAIR LEE: Mr. Engle, Mr. Engle--

MR. ENGLE: --living out of state.

COUNCIL CHAIR LEE: Mr. Engle. Mr. Engle, can you please conclude?

MR. ENGLE: Yep. I'm finished.

COUNCIL CHAIR LEE: You're done?

MR. ENGLE: I'm finished.

COUNCIL CHAIR LEE: Oh, okay. Thank you. We have a question for you.

Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Engle.

I just wanted to clarify your statement about the wages. Are you saying, I mean, it's my understanding that 201H projects are already bound by Federal Bacon-Davis [sic] Act, so they have to be paid prevailing wage. So, I don't understand, if you can clarify that people are going to be paid less by passing this bill, they're already, they have to be. If they're in violation of paying less, then they're in violation of the Bacon-Davis [sic] wages, so, just, if you can clarify that, please.

MR. ENGLE: Maybe I'm not aware of that, I don't know. I--

COUNCILMEMBER PALTIN: Okay, thank you. Thank you, Chair.

COUNCIL CHAIR LEE: Okay. Any more questions? If not, I'm going to call a short recess till 7:45. Okay, everybody come back now. 7:45, meeting in recess.

(THE PUBLIC HEARING WAS RECESSED BY THE CHAIR AT 7:31 P.M., AND WAS RECONVENED AT 7:46 P.M., WITH ALL MEMBERS PRESENT.)

COUNCIL CHAIR LEE: Will the Maui County Council public hearing on Bill 10 (2021), Draft 1 on March 31, please come back to order.

Shall we resume our testimony, Mr. Clerk.

DEPUTY COUNTY CLERK: Yes, Chair. The next individual signed up to testify is Robin Knox, to be followed by David Dorn.

MS. ROBIN KNOX:

Hello, Councilmembers and Chair.

COUNCIL CHAIR LEE: Hi.

MS. KNOX: Hi. Thank you for the opportunity to testify. I am in support of Bill 10. I fail to see any reason that we should be waiving fees or expediting permitting for any number of market price houses. So in business, you know they say time is money, and I can gather from the developer's testimony that this expedited permitting, and waiver of fees is very important to them, and I really don't think that we should be giving them even 25 percent of market priced houses. So I do support going to the 75 percent, I think we need to realize our island has a caring capacity and a lot of those market priced homes will never go to Maui families, they're mainly going to people from off island. So building more market priced houses only brings more people to the island, whereas affordable housing would be for the people of the island. So, I support Bill 10. Thank you.

COUNCIL CHAIR KING: Thank you, Ms. Knox. Any questions? If not, may we have the next testifier.

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is David Dorn, to be followed by Amy Chang.

MR. DAVID DORN:

Hello, can you hear me?

COUNCIL CHAIR LEE: Could you speak a little bit louder, please?

MR. DORN: Okay. Can you hear me? Hopefully.

COUNCIL CHAIR LEE: Little louder.

MR. DORN: Okay, alright. I'm going to yell, so you can hear me.

COUNCIL CHAIR LEE: Okay. Good.

MR. DORN: Okay, my name is David Dorn. I'm not a lobbyist and I support Bill 10. Affordable housing must be truly affordable. Okay, it's a very nice sentiment, but I believe there should be a waiting list for local residents to make sure the right people are getting the affordable housing. I think that it should remain affordable in perpetuity or close to it. So, I agree the total level of 50 percent requirements should go up to 75 percent or more.

If builders are going to build affordable housing, that's exactly what they should be doing. If they want to choose to build market price housing, they have that option. And I don't think we'll have a problem finding people who want to build these. We have 70 percent of affordable housing projects; 70 percent of the affordable housing projects were a 100 percent affordable. So, it can be done.

Affordable must mean attainable. Attainable means that it is achievable for Maui families to be able to afford and get into these homes. We know we've had a COVID downturn, it's affected pretty much everybody except for perhaps the construction industry who are essential workers and they've been working along filling the needs.

When you talk about AMI, AMI for a household is five people's incomes. If you look at the HUD requirements, that's what it is, because households can have anywhere from one to eight people, so five people have to chip in their wages to afford the \$97,000 AMI or a portion of that.

So, what we should look at really is better access to finance for low-income people, the ones that have bad credit, the ones who are affected and most need these affordable homes. We're building these affordable homes so local families can get out of that treadmill of paying high rent and can actually get ahead in life and build up a little bit of wealth and not just spend it constantly.

The County could sponsor the mortgages. The County sponsored mortgage program makes sense because they can offer a low interest mortgage and if someone defaulted on that mortgage, the property goes back to the County, to the pool of affordable homes. It's a win-win situation, or it's not a great win situation for the person who defaulted, but the County cannot lose.

Affordable housing as it is now has a lot of loopholes, and it, there's room for it to be abused or misused or in many cases misplaced. Normal neighborhoods are being infilled with high density, low-cost housing at the expense of the enjoyment and safety of the neighborhood.

Okay, we need infrastructure, we should not build in flood zones, in areas with no drainage or in bad safety areas. For instance, right now there is a project that is affordable housing approved right in the Kaono'ulu Stream. They're being located in wetlands and flood zones. So, let's take a look at it so the right people are getting the right homes and the right homes are being built in the right places. That's it. Thank you.

COUNCIL CHAIR LEE: Thank you, Mr. Dorn. Any questions? If not, thank you very much.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Amy Chang, to be followed by Ivan Lay.

MS. AMY CHANG:

Aloha. Sorry, I, I, I'm one of those teachers. It's my first week, I'm in the Kula Kaiopuni subbing and I couldn't find the microphone.

So, I'm one of the teachers that wouldn't be able to afford because we're so passionate about the next generation, and passionate about this island, and passionate about moving forward the culture that it's okay with me, that I didn't, you know, become a real estate agent, and own a home. Although maybe I should've, right.

But what I see this as a possibility is for those of us who love and live here, and sweat here and give our life to the culture to have the possibility of some kind of stability, some kind of possible housing security. So that principal can bring over teachers to Lanai so that, I only got hired the first week and I'm getting called every single day. You know, there isn't a shortage of, of the people who love Maui and take low wages versus the rich and famous people who have no shortage of housing.

And so the other thing was, I think a real clarification point, whether it's now or its after in June, is this, this sentence, 70 percent of recent 201H projects, nine out of thirteen were 100 percent affordable, it can be done. Bill 10 will only stop the projects that seek to take advantage of the 201H process, getting all the benefits, which is expedited, you know, time is money, right. While only making 50 percent of the units actually affordable. Perhaps that sentence needs to be flushed out like what are those projects that were 100 percent and were successful. Like, they're integrated into the community, who gets to live there. These are things that would help clarify, and I think the other thing that people get confused at is that it's not stopping any developer from

building another rich home. They can build as many rich homes as they want and there's no shortage of rich people.

So, I obviously am in favor. I don't know enough to know if it should be passed now, or if it should be passed in June. But I just want to congratulate everyone on the Council because it is so long overdue. We are in a crisis. C-R-I-S-I-S, we are in a crisis! You know, sorry, I'm a music teacher, I'm tired. But that's the truth, so it's like how long are we going to wait? Which generation are you trying to wait for? That's what I would have to say, and I think the other thing about, is like, possibility. Like do you want me to tell the kids that I teach . . .

I'm just going to stress the possibility, you give the kids the possibility of their potential, you give the island it's possibility, its potential which is the next generations, people who love and live and sweat and want to die, and their children are born here that they can afford a home.

So, I just want to say, thank you. And the last thing is that this is a bold Council. You guys are smart. I've been following you guys for 30-40 years, Mike Molina, I helped you get on the first time. This is different Council than any other County. You guys are so smart, akamai, you can pick through all those government grants and you're going to look through all those things, you're going, you're going to write some weird proposal to Oprah, I mean, possibility okay, so. Mahalo no.

COUNCIL CHAIR LEE: Thank you. Thank you, Ms. Chang. You're right, we are the smartest Council.

Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, the next individual signed up to testify is Ivan Lay to be followed by Alena Ornellas.

COUNCIL CHAIR LEE: Hi, Ivan.

MR. IVAN LAY:

Hi. Hi, everyone. Aloha County Council and I thank you for this opportunity to testify tonight, and I also thank you for giving an opportunity to other people that are working during the daytime, that they have a chance to give their say on this bill.

There are many roads to get to where you want to get to on affordable housing, but I feel that this is the wrong road that we're on right now. There are many roadblocks

that can hinder us from getting there, and Bill 10 is one of them. Developers here on Maui are few and limited and this could scare them away. We have to get our developers to stay here, and we have to have them have opportunities to work to get, to get our jobs here, to get our houses here, to get affordable housing here. As a County Council, I know each and every one of you want affordable housing here and want to help to supply affordable housing, but getting it done the right way is the only way to do it.

In June, you're going to have a, you're going to have information that's going to help you to make affordable housing more available. It's going to tell you what to do. We the taxpayers paid for this. We gave you, we're giving you this tool in June and we want you to use it. We're getting it for you to use, and it's important that you read through it to see what's the best possible vote, possible way for getting affordable housing here on Maui.

There are many challenges here on Maui. We've got COVID going on right now, it's a challenge in itself, pricing are rising, homes are getting more expensive and they are fewer. Yes, we have to move forward, but if we put something in place that's going to stop housing, affordable housing from happening then we have to make sure that that doesn't happen.

I'm hoping that you're going to defer this bill, I'm asking you to defer this bill. If it doesn't get deferred, I'm asking you in six months to make an analysis to see if this is actually working. If it's not working, we have to do something. In one year, get back together and say what are we going to do. This didn't work, let's change it. Right now, you are asking for 75 percent. That's, we don't even know if that works. There's no road maps on how to do it. We don't have any contractors or developers out there saying that this is going to work. So why are we doing it? Why are we changing what's actually working right now during these slow times?

So, I'm asking you to defer this and in the worst-case scenarios, let's analyze it to see what's going, the changes that you want to make or are going to make are working. Thank you very much for your time and again County Council, I appreciate the time that you've given us.

COUNCIL CHAIR LEE: Thank you, Ivan. Any questions? If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Alena Ornellas, to be followed by Patrick Borge.

CHAIR LEE: Again, Mr. Clerk.

MS. ALENA ORNELLAS:

Okay, there we go. Can you hear me, can you hear me?

COUNCIL CHAIR LEE: Yes, and we can see you.

MS. ORNELLAS: Okay, maika'i. Aloha, 'O Alena Waipuilani Ornellas.

(Spoke in Hawaiian.)

And I am testifying in, strongly supporting Bill 10. And I'm just going to read off a couple things here. I am a direct lineal descendant of lao Valley, a kanaka maoli. I've been here for a thousand years and I'll be here for a thousand more. Gentrification has occurred over 125 years already and I hear everybody talk about the jump from 50 percent affordable housing in 2000 . . . had a negative effect and a slow impact on development when they all fail to realize that that was like the recession of 2008 that was going on in all of USA, so of course there was a slow-down. So, I don't know why they're trying to correlate those two things together. And furthermore, it just sounded like it was a very scripted thing, a lot of people that was saying they were opposing it was saying that same thing over and over again.

So, anyways I don't believe developers want, doesn't want to be here. They're here, they're coming, I know everybody sees all the different cars that are on the roads, those are people that are moving here from around the world and around the nation. People are coming here; it's going to get developed so let's the developer responsibly. Because these are the keiki, these are the next generation that I'm here testifying for, and they're going to testify for themselves also.

Furthermore, you know, I cannot really speak on the issues regarding Lanai. I feel like they have specific issues on their own regarding, you know, development and housing. And I can't really speak on that, and I think that's why we have to change policies within our, you know, even in our County, we are three different islands that has three huge different issues and, and demographics on each of our islands. Especially Lanai, it's so small so they have that specific issues on their own, so I could see why in certain ways they have to oppose it.

But us here on Maui, our spaces are very limited, our open spaces are dwindling away, and we see it right now before our eyes. I don't think we can wait six months. I think we need to do this now; we need to support this bill. We need some type of regulation on development. And, you know, honestly, somebody like me, I'm a kalo farmer and my, my spouse is, you know, a regular handyman, we cannot afford the market median

value of \$900,000, that's just not in our, our near future. So, it's really bogus and ridiculous to think that changing the number from 50 to 70 percent, 75 percent isn't going to give us more affordable housing. Obviously, the numbers, 25 percent increase is going to give us more affordable housing and it's gonna do, you know, weed out the bad developers that's not going to take advantage of our land and our people.

So, we strongly support Bill 10 and I don't think we need more development, honestly. I think we need to go backwards and look at what's already developed, what is empty and where can we put people? Let's raise taxes on outside residents and you know, we don't even have water for more development.

So really quick, my keiki wanted to, to, to make a quick kako'o, it's only going to take them a minute, if they can do that for us. Is that okay, Council?

COUNCIL CHAIR LEE: Yes.

MS. ORNELLAS: Thank you.

COUNCIL CHAIR LEE: You have one minute.

MS. ORNELLAS: Okay. Aloha, say your name.

MOLIOLA: Aloha, I'm Moliola, I strongly support your--

MS. ORNELLAS: Bill 10.

MOLIOLA: Bill 10 and I think that this organization will help our future become--

MS. ORNELLAS: The Council.

MOLIOLA: --the Council, will help our future become more better and unified.

COUNCIL CHAIR LEE: Okay.

MS. ORNELLAS: Kakoʻo.

COUNCIL CHAIR LEE: Okay, how many kids you have?

MS. ORNELLAS: One, two, three, four, five, six--

COUNCIL CHAIR LEE: Okay, you going to have to, okay all together now, everybody.

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MS. ORNELLAS: Okay, all together kako'o Bill 10, okay? Hiki no.

(Spoke in Hawaiian.)

COUNCIL CHAIR LEE: Okay, very good. Thank you.

MS. ORNELLAS: Mahalo for that Council. Mahalo. Appreciate that.

COUNCIL CHAIR LEE: Okay, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is Patrick Borge to be followed by Tom Cook.

COUNCIL CHAIR LEE: Patrick. Hello?

MR. PATRICK BORGE:

Hello.

COUNCIL CHAIR LEE: Okay, we see you, or we hear you.

MR. BORGE: Can you hear me? Okay. I'm, my name is Pat Borge, and you know, born and raised, local guy. I'm support of Bill 10 and I'm not a lobbyist and I'm not a developer, I going tell you right now. You know, I watch this island growing up, work construction and I watch developers rape this island for every dollar, you know. So, to me, developers you gotta watch cause what happens to those developers that when promise us workforce housing, till today we don't get 'em but they got their development, you know. So how can we trust these people? You know, they climb far because all it is the bottom line is how much money they can make. That's why they don't want that 50 percent, but yet we have several developers that's going to do it anyway, or they're in the process of going to do it, the 75 percent. So to me it's just a common-sense approach.

This is for the local people. You Council people, you represent all people, all people. Not just developers and not just realtors. I see this all the time when you guys make decisions. Some of you, and you know you guys think we locals, we dunno what's going on? But we know what's going on, you know. And then some of you guys, some developer comes in there, oh we going do this, we going promise, oh, I approved it, you know. And I look at, even the Planning Department, some of those people shouldn't be on the Planning Department, but they don't represent the ideas of the local people. It's all about politics and I know about politics.

And for the people on Lanai, I know you guys have your own issues, but you got Larry Ellison, one of the richest guys in the world. You guys want housing, go see him. No wait for the County, he the one got the money, you know. So, that's a whole different issue, but I support Bill 10 and I hope you guys don't defer it. Don't, you know, support this bill, don't go defer it. Come on, have some guts, and say yes to this bill, we got nothing to lose, it's just a common-sense approach. It's to help out the local people. Thank you very much. Have a good evening.

COUNCIL CHAIR LEE: Okay, thank you Mr. Borge. Any questions? If not, thank you.

Mr. Clerk, next.

DEPUTY COUNTY CLERK: Next person signed up to testify is Tom Cook, to be followed by Noelani Ahia.

MR. TOM COOK:

Aloha, Councilmembers, Council Chair, and Councilmembers, I hope that you can hear me today.

COUNCIL CHAIR LEE: Yes.

MR. COOK: And my, brah I am stoked. I get the hybrid. I get the phone and the computer. I get 'um. Okay.

Thank you for the opportunity, thank you for all taking the time this evening to meet at night to give more of the public the opportunity to participate. Commend you for that. I'm requesting that you defer Bill 10 and wait for the Hawaii Community Asset report and then, that the Council work diligently with the results from that report to accomplish the goals and objectives that you're striving for, which is to provide attainable, affordable rentals and sales for local people.

I want to share with you an idea, that the accumulation of rules and conditions are similar to the old saying of the straw that broke the camel's back. So ten tons of good intentions equal ten tons, and we only get one ton truck, so we have to sort it out. And rules and regulations can be very well intended and well placed, but I'm a builder and I'll clarify to everybody on the island, I am not a developer. I'm a carpenter by trade and I build stuff.

I believe the primary driver of the high prices of home prices is speculation. Developers are not the problem, it is real estate, real estate promotion of our island community world-wide. I have these things here: knock, knock, who's there; Maui is experiencing the strongest sellers-market I have ever seen. I have closed \$22 million in sales the first three months in 2021, plus seven million in pending transactions. We have so many buyers, but not enough sellers. Kihei, small island, big results. Let us bring you the luxury Kihei market right to your door.

I lived here 50 years, Kihei was one pasture that I used to come down with my Uncle Amaral and, and you know, herd pipi. And now it is a beachfront community, very dynamic, I'm very happy to be part of the community. I think it's a very dynamic, healthy community but this kind of stuff, this is the problem. It isn't the developers. It's that supply and demand will never work here.

And so, I am a strong, going off on my tangent, forgive me I'm going get back on target. So, I propose that the Council consider implementing a very high tax, high conveyance tax on homes that are sold, purchased, and sold within a five-year or less period. So, I am an advocate of the County using its power and taxation, to, to mitigate speculation, okay.

I'm hopeful that you can recognize that the cost of construction is highly volatile and that it is not something that is within our power. One of the things that you as the Council can do, and we as community members can do is to encourage and enable our youth to become trades people so that they make a good living, they're highly paid, and they can build these affordable homes. I want to stop monopolies. I want to take Maui off the monopoly board. Enable local builders to build local homes--

COUNTY CHAIR LEE: Tom, Tom can you please, can you conclude? Can you conclude, please?

MR. COOK: --for local people. Yeah. I want local builders to build local houses for local people.

Mahalo, Aloha,

COUNCIL CHAIR LEE: Thank you. Are there any questions? If not, thank you very much.

Oh, we have one question from Ms. Paltin.

MR. COOK: Thank you.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Cook.

I just was wanted to clarify; the conveyance tax is under the purview of the County of Maui?

MR. COOK: I, I'm not, actually I don't know. I believe that our--

COUNCILMEMBER PALTIN: Okay, thank you. You answered my question.

COUNCIL CHAIR LEE: Okay, any more questions?

If not, thank you and may we have the next testifier.

DEPUTY COUNTY CLERK: Next person signed up to testify is Noelani Ahia to be followed by Cassandra Abdul.

MS. NOELANI AHIA:

Aloha, Chair and Council. Thank you for being here in these late evening hours. I am in strong support of Bill 10. I am not a fan of the 201H process in general. I think developers use it to skip over a lot of normal processes that they would have to go through in order to fast track. And if they're going to be able to do that, I think it should be in order, it should be to build houses for our local people that are affordable. I don't think that requiring 75 percent affordable housing is too much to ask when we're in the situation, a dire crisis of a housing shortage.

As my tita Alena said earlier, you know we have, there's already too much development, we're already losing too much of our open space. It's not sustainable, the growth that we're at right now, is not sustainable. Our island cannot handle it. We don't have the water, we don't have the infrastructure. We shouldn't put that kind of, that level of infrastructure in because it's too damaging to our aina and to our cultural properties and our historic properties and our burials. So, I think it's very important that we're very, very careful about the kind of development that is going to happen going forward and I think that development going forward should be focused on making sure that our local families can get in secure, stable housing for their futures and for the next generation.

I heard a lot of people say that, that we should just focus on affordable rentals and yes, we need to do that too. But this is not and/or, this is a yes and yes. We need to do both of those things; we need to get people in stable housing that is affordable. I really

am not concerned about developers' bottom lines. If you look at the kind of cars they drive and then you look at the kind of cars that the rest of us drive, they're not hurting, they're not suffering.

But there are, there are legitimate real regular people who are suffering. Who are houseless, who are close to houseless, who are one paycheck away from houseless and we have to address our people who are struggling the most first and put that as a priority and not the capitalist idea that developers need to make a higher margin of profit? So maybe they make a few less million dollars, I'm really not concerned about that, I'm worried about the people who make 30, 40, 50, 60, 70 thousand dollars a year who can't even fit into the affordable range of the \$500,000.

I could never afford that. Even \$500,000 would totally not be doable for me and for a lot of people here in Hawaii, especially kanaka maoli, because of the cultural dissonance and because of all the impacts of settler colonialism which make just living and surviving very, very difficult in Hawaii. So, I do support this bill, if we're going to do 201H projects, they should be affordable to the highest extent that they possibly can by. Mahalo nui.

DEPUTY COUNTY CLERK: Chair, the next person signed up to testify is Cassandra Abdul to be followed by Jeremy Delos Reyes.

MS CASSANDRA ABDUL, NA HALE O MAUI:

Good evening. Thank you, for holding this public hearing so that working people can participant in our process. Cassandra Abdul with Na Hale O Maui. We provide alternatives to housing for low to moderate income households in Maui County. We've been working with the County of Maui for many years, more than 12 years and we have provided homes, 46 homes with 53 families who have lived in them and have benefitted from that. And they have been truly affordable, we've not had any house that has sold for more than \$460,000, regardless of what the value of the house is.

We have some concerns that I'd like to share with you and that's primarily the 201H is a State streamline process for affordable housing. If Maui County, is the only County that decides to add layers and requirements onto a State process, then all other things being equal, I think we are going to be looking at the unintended consequence of developers being able to develop on other islands and not on Maui County. And we've seen this happen in the past. I know that people have tried to attribute that to the economy, and it was part of that, excuse me, but that didn't happen on the other islands, it was Maui that had the downturn, and everybody else faced the same economy.

COUNCIL CHAIR LEE: Thank you, Ms. Abdul. Any questions? If not, thank you and may we have the next testifier, please.

DEPUTY COUNTY CLERK: Next person signed up to testify is Jeremy Delos Reyes to be followed by Jay Franey.

MR. JEREMY DELOS REYES:

Howzit, Council, you guys can hear me?

COUNCIL CHAIR LEE: Yes.

MR. DELOS REYES: Good evening. Thank you for having this, appreciate the time. I'm going to get right to it.

I'm in strong favor of Bill 10, no matter what is being said, every avenue we can have to have affordable housing is needed. Everybody is looking to the Council to come up with ideas to battle this crisis and this is one of the ideas that came up, so I'm in strong favor of it.

Other people are saying in their testimony that Maui has a carrying capacity and we have far exceeded that. I'm a multi-generational resident of Lahaina. In my whole life, I never, ever experienced one water restriction for West Maui. We are arguably the third, the top three wettest spot on Earth, how do we have a water restriction in West Maui? It's just because there's too much development.

I don't really support development, but I do realize that we do need homes for our future generations. To me, all of these guys that are saying that we need this development, and it's not the developers, it comes down to the profit margin. We can have development, as we've suggested in other meetings, we can have development to where you build only a one-bedroom or two-bedroom home on the lot, or just develop the lot and sell the lot to make it affordable for residents who are capable of building their own homes or building onto an existing structure, that way the cost doesn't go that high.

With that said, that is why these developers want to build fully turnkey homes because their profits will be bigger. The other line, when these companies and developers say we going support union working jobs, I can tell you for a matter of fact, right now, that the jobs in West Maui, by these big companies are not employing the carpenters, the Maui carpenters. They bringing in workers from other islands, or even sometimes out of State. So, when you telling me that it's going to support jobs, it's not really happening.

I'm in strong favor of the County Council coming up with some plan, to tax out of state residents, that own second, third, or fourth homes on Maui, or even luxury homes. That's going to cover a lot for you guys to plan or maybe work with developers to cut the cost for their developments. Again, I'm not really in favor of it, I despise the 201H process as you guys have been through it, and previous Council's that there are developers in West Maui that has used this and has been shut down numerous times, but is trying to use these 201H process to get away with a lot of things.

Anyway, in closing, I want you guys, I want the Council to take that step and show the local residents that you guys support that you guys in favor of affordable housing. Again, I support the Bill 10. Thank you, guys, for your time and have a great night. Aloha.

COUNCIL CHAIR LEE: Aloha, thank you. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next individual signed up to testify is Jay Franey, to be followed by Junya Nakoa.

MR. JAY FRANEY:

Good evening, Council. Can you hear me?

COUNCIL CHAIR LEE: Yes.

MR. FRANEY: Thank you for giving us the opportunity to testify in support of affordable housing on Maui. Like many parents, I'm watching my daughter this evening. She's a fourth-generation resident of Maui, and my wife is out working so that we can afford amongst our four jobs to be able to at least rent something here, to be able to survive.

Unfortunately, I've watched the market change Maui over the last 26 years that I've lived here. And I see a constant redoing of the same old, same old. So, like some of the previous folks who testified, I'd like to thank you for looking forward to an idea that will actually support working people on Maui.

I'm an educator by profession. I've worked at some of the best schools on Maui and currently I pay over half of my income just to rent. My family is constantly struggling to make sure we can meet all our ends meet, meet all of our ends, and I constantly bank on the idea that the people in this Council, that I actually voted for will start to speak up to the need for affordable housing.

If you are going to provide the opportunity for developers to fast track, and to be able to meet needs faster, the needs should be that of Maui County, not of the developers and of the people with the big pockets, but the people that stand up for our community.

In my experience as an educator for 26 years on Maui, I found that one out of five of my students return. The average of one out of five is pretty low considering the fact that we live on one of the most beautiful islands in the world. But the reality is that many of them can't see a future here. Even my co-workers, many teachers retire and move on to the mainland.

The grandparent of this child actually grew up here, as a camp child and was literally an employee of the County his entire life. He served in the Army and did a number of things for our community and he now lives on the mainland along with her aunties and uncles because they cannot afford to live here in the current housing market.

So, I ask you to please support anything to do with affordable housing. I support this bill and any other ideas that you might have. I've heard a lot of people speak towards the idea that these are jobs we're talking about. Well you're also talking about the jobs of people who put out fires, who stand up to support our laws, the people who actually educate and stand up for our children. And if we don't have those people, who will serve our community.

I think we have enough vacation homes. I think we have enough mansions. And people can still build those, as many people have pointed out. Maybe it's time to think of a new paradigm, think outside the box, like I teach my students. Maybe raising the bar for affordable housing will allow people to begin more and more to understand that there are new possibilities.

I've lived in as small of a home as 250 square feet with four people to be able to afford, to save to try and buy a home here. I've had to go through many moves, 15 moves in 20 years, and I lived in one home for nine years. So, it shows you how our market is

so volatile . . . not focalized on supporting housing that we can afford as a community. I thank you for your time and consideration and I ask you to think outside the box. Mahalo.

COUNCIL CHAIR LEE: Thank you. Any questions?

Alright, Mr. Clerk.

DEPUTY COUNTY CLERK: Next person signed up to testify is Junya Nakoa, to be followed by Rod Antone.

MR. JUNYA NAKOA:

Eh, howzit? Good night.

COUNCIL CHAIR LEE: Hi.

MR. NAKOA: Oh, good night. Nah, nah, nah, nah. I was going say, good morning. But, yeah, okay, howzit. This is Bill 10, is preparing, is pertaining to 201H. And 201H as far as I've been working with the developers, either as support or against. 201H is where they get choke breaks from the County and the State, so that's why these developers they like the 201H, and they already getting all these breaks. So, of course make them build more affordable houses, cause they getting all this, all these breaks, you know.

And then another thing is these developers is, what I deal with is when a first time homebuyer like make a loan, like a FHA loan, FHA loan, they no let em use that. They tell em they gotta go to someplace else, so then these guys get hard time to qualify for the houses and then when they no qualify, then they end up selling em at market.

So, its plenty fingers is pointing to the developers and according to all the testifiers I when listen to tonight that was either supporting the developers or was a developer. They all was reading from one, one mass letter, you know, that they all got, cause they all when talk about, they all when talk about the same things ova and ova.

And, um, like the Uncle Pat Borge, when talk, you know, he's been here, and you know, do something for da locals. And I heard him talk before and testify at another meeting is that, you know, supporting the construction. Of course you like support the construction guys, but a lot of the construction workers no more houses. You know what I mean, I heard him say that and you know, like the Ornellas girl, oh yeah, you know, we over, we is already overbuilt here on Maui, so if you going build any type of

ome, it should be affordable. Neva mind the market, you know what I mean and just make it all affordable, you know, you guys giving em break, you guys told em 75 percent.

So, these developers using the 201H are getting the breaks already, they getting em, so they going use em, they going use the 201H. In my experiences in dealing with the two types of em, of the developers, they going use em. So um, no get fooled by all this numbers and lies that these developers and supporting of the developers are telling you guys.

Cause like I told you guys before, yea, you guys all smart buggahs. Okay, I going finish up, I going finish up to one minute. You guys all smart buggahs, you guys know what we talking about and we talking about 201H and we not talking about 2.96. And that's when we got the houses neva being built. We talk about 201H, so like I told you guys grow some, grow some you know cojones and support the local people. Mahalos, guys. Yessah.

COUNCIL CHAIR LEE: Any questions? If not, thank you Junya.

MR. NAKOA: Yessah.

CHAIR LEE: Mr. Clerk.

DEPUTY COUNTY CLERK: Next person signed up to testify is Rod Antone, to be followed by the individual connected to the meeting under the name Wello.

COUNTY CHAIR LEE: Hi, Rod. Wait, we can't hear you. You're muted, you're muted.

MR. ROD ANTONE:

Okay, let's try that again.

CHAIR LEE: Okay, we got you.

MR. ANTONE: Aloha, Councilmembers.

CHAIR LEE: Hi.

MR. ANTONE: I was asking if everybody has their coffee? But it looks like I'm the one that needs it. If I say anything funny, it's cause I had my first shot of Moderna today, so I'll keep it quick. I am a paid, registered lobbyist with the Maui Hotel Lodging Association,

however tonight, I think I'm going to testify just as a Maui resident and somebody that used to work for the County. But if you guys want to take it as from my lobbyist position, that's fine too.

You know when we were there, first of all I'd like you guys to defer this. When we were there, there was a really good project called Kulamalu. Councilmember Molina, you know all about it. It was a great project, 56-units, people that were making less than 30,000 a year could afford a home there and that was in partnership with I believe, Dowling. They built the homes and Hale Mahaolu ran it, I think. Mike, you can correct me if I'm wrong.

But to me the key is working with the non-profits who are, who don't care if they take a loss on building, building homes. They'll go for 100 percent housing and lose money, no problem, that's what they do. Catholic Charities, that housing development by the library in Kahului, you know, these are all great examples of affordable housing.

In fact, Kulamalu was affordable rentals and I think what the County did is, we brought the land and the developers came in and because they didn't have to pay for the land, they were able to build homes, and, and, I mean rental units and make it affordable for everybody. That's how it was so affordable. I got, I got some relatives living there, I think everybody knew somebody that was. Anyway, I hope you guys wait for the study and thank you for all your hard work and having these night meetings. Mahalo.

COUNCIL CHAIR LEE: Thank you, Rod. Any questions? If not, thanks for coming.

Mr. Clerk, and how many more do we have?

DEPUTY COUNTY CLERK: Chair, including the next testifier looks like we have six testifiers remaining. But, if there is anybody in the meeting who hasn't testified but wishes to do so, please let us know in the meeting chat and we can add you to the list.

The next individual signed up to testify is the individual connected to the meeting under the name Wello, to be followed by Scott Shapiro.

MS. CONSUELO APOLO-GONSALVES:

Hi, can you hear me?

COUNCIL CHAIR LEE: Yes.

MS. APOLO-GONSALVES: Hi. My name is Consuelo Apolo-Gonsalves, I support Bill 10. We really need that affordable housing and if we can do 25 percent more, I think that would be great, you know, affordable homes for us, people who actually live here. But I support Bill 10 and I have three kids here that, kakoʻo, kakoʻo Bill 10. And hold on, I have a niece.

KAENA VALENTIN: Aloha, my name Kaena Valentin and I support Bill 10 because one day when I'm of age and when I have enough money, I would like to afford a home, affordable housing. I need that for my future, my family needs that for our future, my cousins, my friend. Everyone that grew up here, born and raised in Hawaii, we need that.

COUNCIL CHAIR LEE: Thank you.

MS. APOLO-GONSALVES: Mahalo guys.

COUNCIL CHAIR LEE: Mahalo. Any questions? If not, Mr. Clerk.

DEPUTY COUNTY CLERK: The next person we have signed up to testify is Scott Shapiro, to be followed by Bruce U'u.

MR. SCOTT SHAPIRO:

Good evening, Councilmembers. It's great to say, good evening, Councilmembers. Can you all hear me?

COUNCIL CHAIR LEE: Yes. Hi, Scott.

MR. SHAPIRO: Okay, cool. Thanks. These night meetings are wonderful. Thank you again for holding it. I don't know if the development, building construction industry is misreading this bill or misinterpreting it or just trying to steer us in a different course. Bill 10 will only affect 201H projects, it doesn't affect 2.96 with any developments that are greater than 10-units. Those will still have the 25 percent affordable workforce development component, that won't change to 75 percent, only the projects that are granted exemptions, and these exemptions can be wide ranging.

So, we have Chapter 2.97, which grants 100 percent workforce housing with all these exemptions anyway, right. So, if you want to come in and do a project with these exemptions, you have to have affordable housing, 100 percent affordable housing. This brings it, this actually makes it easier for people to do only 75 percent workforce

housing if they want to have the same exemptions, so it's actually a better thing for these developers than what they're portraying.

They want to use Section 2.96 then they're down to 25 percent. There's many different numbers it seems confusing but it's really not, this just affects 201H. I feel, I support this project, this proposal 100 percent. Anybody getting exemptions should have to pay a price for that, and it shouldn't be the citizens of Maui who need affordable housing. Thank you.

COUNCIL CHAIR LEE: Thank you, Scott. Any questions? If not, all those, Mr. Clerk, next testifier.

DEPUTY COUNTY CLERK: Next person signed up to testify is Bruce U'u, to be followed by Faith Chase.

MR. BRUCE U'U:

Aloha.

COUNTY CHAIR LEE: Aloha.

MR. U'U: Good, good evening. My name is Bruce U'u, lifelong Maui resident and again an owner of a one-time low-income housing. Thank you for allowing me to testify. And I just wanted for share my mana'o is that, that one thing we, everybody get in common tonight that we all support affordable housing, hundred percent of everybody testifying. So, that's the one thing we all get in common, so I'd like to mahalo to everybody.

Again, but there's different avenues on how to attain it or maybe different directions on how to attain it. But I hear the verbiage developer/resident, you know, you can side with the developer or you side with the resident, you know. A lot of these guys, the developers, they residents. That's the part that get me. Kihune, Stanford Carr, Maui High. Kihune's Lahainaluna. This is our local boys, yeah, doing really well, that feel obligated for us to afford affordable housing. These the guys now. Maui High grad, yeah. Lahainaluna, Imua Lunas. I'm so proud of them, because they willing to give back. And when they, when they mention about the, some of the restrictions being proposed, I will lend an ear because they are both, you going see them Costco, you going see them Longs. They not the developers people get in mind, the outside developers coming here. They in-house, they our own. So, I think we shouldn't, and you know, to each their own, my say is we cannot divide. They not the guys testifying or holding signs on the side of the road saying I promise you affordable homes. They not the politicians saying we promise we'll attain affordable homes. But these are the

guys they delivering to one certain point. So, let's aid the guys, the right people I say for the development.

There isn't a long line of people lining up to build affordables. People think there is a line and a lot of money to make. If there was a lot of money, there'd be a long line, there isn't. The last downturn, Spencer turn up and left. They gone. They said, you know what, nuff of this, we out.

And the difference between the developers and the residents, the developers, they can go market, they can go high-end, they building Oprah's house guys, for years. They have that option to be flexible and develop wherever they need to be to sustain.

The difference with our residents, the only option we get is Vegas, for the most part. Again, like Lanai, five generations in the house. You pick one. Will this bill create more housing? I think not. I'd like to defer this bill. Aloha everybody. Mahalo for staying up late. I congratulate you guys for doing an incredible job. Goodnight.

COUNCIL CHAIR LEE: Thank you, Bruce. Any questions? If not, thanks and may we have the next testifier, please?

DEPUTY COUNTY CLERK: Next person signed up to testify is Faith Chase, to be followed by Karen Comcowich.

MS FAITH CHASE:

Good evening, Chair. Good evening, Councilmember. I support this bill. I wouldn't, I wouldn't fear the rhetoric you're hearing from wealthy developers, real estate agents and investors whose lifestyles will apparently be affected by this. This will level the playing field. Even if kinks need to be worked out, you must do something. At a time when we are suffering so horribly with this issue, you must consider the fact that doing nothing will reflect poorly on your time on the Council. It's okay to be creative, and if you need to make adjustments later it should be considered, it shouldn't be considered a mistake, it's just, you know, re-calibrating, no big deal.

With respect to the business side of the housing and the money-making side of housing, in my lifetime on Maui, I've witnessed terrible practices by developers, landowners, and land use planning. Very few of the professionals in these fields have ever come forward with creative or generous ideas that truly serve the people. Don't even get me started about the multi-million-dollar debts from failed deferral agreements or the shotty Planning Department, water theft, quiet title, kudish. If developers no like build here, good! Scoot, scoot, because guess what, there's going to be a lot of, there's

going to be plenty of Hawaiian homes on Hawaiian Home Lands needing to be built. And if a developer doesn't want, doesn't have the heart to meet this County in the middle in that way, then it will make room for conscientious companies. Or maybe even a County construction company, who knows. This will not stop affordable housing from being created, it will inspire creativity. We don't need to wait for a report to show us what we already can see.

There's this line that is really belabored, something about taking advantage of low hanging fruit. I'm so tired of that line. For this Council, I would suggest otherwise and explain that sometimes you have to go out on a limb to get the good fruit. Protect your constituents. Pass this bill.

COUNCIL CHAIR LEE: Thank you. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: The next person we have to testify is Karen Comcowich, to be followed by Mahina Martin.

MS. KAREN COMCOWICH:

Aloha, Maui County Councilmembers. My name is Karen Comcowich. I'm speaking as an individual. Thank you for being such a forward-thinking Council and recognizing the need for bold action.

I support Bill No. 10. I know it is late, so I will keep it short. We are in a housing crisis, not a house crisis. There are plenty of houses sitting empty most of the year because residents cannot afford them. We need housing that residents can afford. If developers don't want to build houses for Maui residents, we don't need them developing.

We need to protect our limited resources, including land and water. Not allow it to be depleted by over building. At some point, we will have to stop building. If you must give Lanai a waiver, maybe they need more luxury housing to balance out their residents.

Developments using the 201H process should provide at least 75 percent affordable units. Please support Bill 10 and continue to develop progressive policies because we cannot build our way out of a housing crisis. Mahalo for your time.

COUNCIL CHAIR LEE: Thank you, Ms. Comcowich. Any questions? If not, thanks for coming.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next person signed up to testify is Mahina Martin, to be followed by Jim Buika.

MS. MAHINA MARTIN:

Eh, Aloha. Can you hear me? Okay, great. Thanks. I thought I was the last one, but Jim will be it. You know, with this bill, I'm not, I'll be upfront, I'm not super familiar with it nor the study that's coming up. I just wanted to share with you, that one, I agree with Rod Antone, you know, we always have to ask, is this the best we can do? Can we partner up with those with a lesser expectation for profit. Can we be a little more innovative and creative, cause I do think we are at a crisis point. And I also appreciate what Bruce U'u said, because if we can identify the local developers, or those willing to put out their money and their necks, then let's find them and make it all work.

But I want to tell you that I remember growing up here, driving past, what we expected to be Maui Lani and I remember distinctly telling myself as we went underneath the bridge at Wailuku, when I move back home on Maui, I'm going to have to remember to go buy at Maui Lani. Then I came home, and I thought, oh, it's not built yet, oh, now I can't afford it, okay never mind then. So, we just move on from that.

But you know, and then five, six years ago, I had a chance to sit down with some high school leaders and it was so sad to hear them talk about how they have no expectation of remaining on Maui because really, they saw no hope. They were living in multigenerational homes. Their reality was that they were going to come back to Maui, or stay on Maui and live with grandparents, or aunties, uncles, or their parents for a very long time.

So, I think we've gone away from giving our younger generation hope for having a home here. It's really sad when you think that about 3,000 and on the low side, graduating seniors come through our, you know, our County each year. If you multiply that by four years, 12,000 kids in the last four years, a freshman four years ago who graduated recently or this year will not have a home, or are not hoping to have a home, or will move on to live with their parents or other generations. And that's the reality.

So, I do ask you to look and find a way to bring affordable houses, homes to our people. I think that our residents are at our wits end and we should do the best we can to find those solutions quickly. No more studies, no more long-term thinking. Let's just get things done the way we need. And as a former Hawaiian Homes Commissioner, in the time that I had in the commission I understand and totally appreciate the trade-offs. In that time that we tried to move homes on Maui, we brought on Villages of Leiali'i, we brought on Keokea, we brought on Waiohuli, we brought on Waiehu Kou II, III, IV. We pushed to get Maui housing. There were some trade-offs, you know, they were going to be prefab homes. There were going to be less amenities. There were going to be common area costs. But we needed to get people into homes, and I ask you to do that as well for whatever we can for this next generation. So, mahalo.

COUNCIL CHAIR LEE: I'm sorry, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, I think Councilmember Sinenci may have a question.

COUNCIL CHAIR LEE: I'm sorry, Member Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Chair and mahalo Mahina for your testimony. I too have been listening to all the testimony so far. Does this, do you, I just wanted to get your mana'o real quick, does this, this change the way our developers now need to address this by, by, by proposing Bill 10, does it change the way we do things?

MS. MARTIN: I think so. Because as an earlier testifier, sorry forgot his name said, you know, it refers to 201H fast track projects, right, so these are the ones that get most of our attention. And I just feel that the slower we move each year, thousands of people, you can see the desperation, people are losing their leases, and they are middle class working people. We cannot go on like this, we seriously cannot. And I say this fully knowing, you know, legislative needs, the County Administration, our residents, being in the private sector, myself. All of that, we, I, I, I'm telling you guys, Maui cannot continue this way. We really cannot.

So, this bill, in its intention will be a risk I think to, to, in many ways, but we need to be aggressive. We need to be bold in that way, and we've tried many things and we keep falling further and further behind.

COUNCILMEMBER SINENCI: Mahalo, Mahina. Yeah, I was hoping to hear from the developers and what they really need and what can we help as the Council, to pencil out some of these things. And I know they're against, but we're, like we said, with the intent also comes our desire to work with them and to see how we can make it work. So thank you for your testimony tonight.

COUNCIL CHAIR LEE: Anymore questions? If not, thank you Mahina.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next person we have signed up to testify is Jim Buika, to be followed by Marianne Fisher. Marianne Fisher is currently the last person we have signed up to testify.

COUNCIL CHAIR LEE: Hi, Jim.

MR. JIM BUIKA:

Aloha, Chair and Councilmembers. My name is Jim Buika, I'm a resident of Maui, of Wailuku and I'm also a Planner in the Planning Department. Thank you for holding this session.

Of course, I'm for affordable housing and I think I have a breakthrough idea because I think we're, we're barking up the wrong tree. We're fighting a battle that can't be won. And I've been watching the show on Akaku about housing affordability and there are five barriers. They are time, the planning process, less time equals more affordable; infrastructure, . . . the large cost; home size and amenity, the more, larger the home the more amenities, the cost goes up; lot size, of course, land costs are high; and location. All of these are barriers and my idea cuts through all five of these instantaneously and will create—

COUNCIL CHAIR LEE: Okay, Jim, Jim, I going to have to . . . Jim, Jim--

MR. BUIKA: Yes.

COUNCIL CHAIR LEE: --at some point, you have to come back to the subject of tonight which is Bill 10.

MR. BUIKA: Yes, I support Bill 10. And my idea is to create more affordable housing is to, is to change the zoning code to allow second kitchens in homes. What it does is it, these multi-generational homes, what it does is it creates a separation and it creates a dignity in homes. It allows a family to have renters to help, so you get into an affordable home. You have a \$3,000 rent; you have no money left. So, if you have a second kitchen in the home, what it does is it allows the mortgage holder to have a rent subsidy. So, the mortgage is lower, and the rent is lower. And it can be widespread throughout the islands, create many, many jobs for 20, 30, 40 grand in a house.

You can create a second kitchen, basically you're creating what's, you know, two separate homes in a house. You're creating a duplex and that I think is a solution that I think should be considered.

Also, I have an idea that can be, that can help through County employees, that you can have an influence over. Screen escrow account, I know it's not a good time to do it, but where each County employee gets \$5,000 a year, put into an escrow account towards an affordable home. It's an attraction--

COUNCIL CHAIR LEE: Jim, I mean James. Jim, you really have to stay with the subject of Bill 10.

MR. BUIKA: Okay. Thank you.

COUNCIL CHAIR LEE: I know you're talking about ideas to perhaps supplement the passage of Bill 10, but we really are on the topic of Bill 10 and we really are constrained to that particular subject.

MR. BUIKA: Okay. Thank you very much. I'll conclude my comments.

COUNCIL CHAIR LEE: Okay.

MR. BUIKA: Thank you.

COUNCIL CHAIR LEE: What happened? Oh, bill, I mean James, Jim. Okay, sorry, I thought you were going to conclude with a few sentences or something.

MR. BUIKA: No, that's it. Thank you. I support Bill 10. Thank you.

COUNCIL CHAIR LEE: Okay, thanks Jim. Alright, any questions for Jim Buika?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Next person we have signed up to testify is Marianne Fisher, to be followed by Dwight Burns.

MS. MARIANNE FISHER:

My name is Marianne Fisher. I am a resident of Kihei, I'm a senior, I work full-time . . . a non-profit in social services, so I'm working for the community.

I'm just going to keep it short. I support . . . what everybody else already stated. I'm personally in a housing crisis in which I have been in the last year and so it's kind of personal for me.

But yeah, I really appreciate County being here and up so late in taking our opinions. And here's hoping that you'll move this along and not wait any longer because like I said, my own personal experiences, a year and a half displaced because of an out-of-state buyer buying a house and practically doubling my rent. So, thank you very much. I appreciate it. Have a great evening and mahalo.

COUNCIL CHAIR LEE: Thank you, Ms. Fisher. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: The last person we have signed up to testify is Dwight Burns. If there is anyone else in the meeting who hasn't testified yet but wishes to do so, please notify us in the meeting chat now.

MR. DWIGHT BURNS:

We good to go.

CHAIR LEE: Yes.

MR. BURNS: Good evening, Madam Chair and good evening, Councilmembers. Thank you, guys for holding this meeting after hours. I, we really appreciate it, like just echoing what all the other testifiers said, thank you guys very much. We truly appreciate you guys time, time and effort and hard work. Excuse me.

I testifying as an individual tonight and I oppose Bill 10. And I going start off with this, I mean, we all know we all need homes, especially affordable homes. And as my son and I, my son stay over with his family, and as we was watching tonight's meeting, the hearing, he was actually on the sofa looking at homes to purchase because he's looking at purchasing his own, his first home right now. And the market is just horrible, like everybody had said. I not going keep you guys on top here long, cause I the last one and I no like be the cause of you guys staying on long. But anyways, the market is just crazy, right and he said the houses, like what he looking for is just not there. It's either, it's not there or it's just too high, you know.

So, yes, we do need affordable homes, I agree with you. And yes there are some developers that, you know, might be a little shady. Like one of the testifiers said earlier, some of our developers are local boys, born and bred right here in these islands, you know. And then there are some that is not.

So, there's another way to get these shady developers, and that is 201H-38 and that holds them accountable. You guys, you guys already get the power for hold them accountable cause you guys can put conditions on the projects that they trying to propose and push through. When you guys set those conditions, they gotta follow through with those conditions. So that's another avenue that you guys can take; another route you guys can take.

Yeah, like I said, I'm not against having affordable homes. I myself renting one home, and thank god, I rent my home, I renting my home from my friend, you know. Cause before my friend gave me the opportunity for rent his home cause he moved away to the Big Island after he retired, the rent that my wife and I was paying was ridiculous, you know, I may as well brought one house. But I'm in the construction industry. Buying one house, and it's like rolling the dice in Vegas, you taking a chance, you dunno if you going work tomorrow or not in the construction industry, we all know it's up and down, right. It's kind of scary you know, trying to purchase one house and then trying to pay your mortgage and keep up with the mortgage. So, that's why I'm grateful that my friend let us rent his place. I pay \$1,600 right here where I stay, three-bedroom, two-bath in Pukalani. That is fricken rare today, very rare. You not going find that, so.

Wrapping up my testimony, I'd just like to say, thank you guys again and appreciate you guys time and mahalo to all of you. Thank you so much.

COUNCIL CHAIR LEE: Thank you, Dwight. Any questions? If not, aloha.

MR. BURNS: Aloha.

CHAIR LEE: Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, we do not have any other testifiers noted. If an individual connected to the meeting has not testified but would like to do so please unmute and identify yourself now.

Oh, there, there, I do see that another person has been added to the list. The next person to testify is Kai Nishiki.

MS. KAI NISHIKI:

Good evening, Chair, Councilmembers.

COUNCIL CHAIR LEE: Hi.

MS. NISHIKI: Kai Nishiki, testifying on my own behalf. Thank you very much to Councilmember Mike Molina for introducing this bill. You are always looking for innovative ways to get our residents affordable housing and our community really appreciates that. I remember back in, I think 2010, you started the first-time homebuyers fund and that really helped get a lot of families a down payment so they could actually get into a home.

I think with Bill 10, it's yet another way to provide a way to get homes into the hands of our local families and I thank you for listening to the pleas of the housing insecure. To all the developers and real estate types, please understand, 201H is voluntary. This is a fast-track process and grants exemptions from rules and fees and the bar should be set high when the County is subsidizing affordable housing to help the most challenged.

And I really, and I hear people talking about the housing plan. I don't even think that the housing plan addresses or proposes changing anything to the 201H process. So, I don't see any harm in what Councilmember Molina is proposing and I fully support it. Thank you very much.

COUNCIL CHAIR LEE: Thank you, Kai. Any questions?

If not, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, if there's anyone else in the meeting who has not testified but wishes to do so, please identify yourself now or you can also inform us via the meeting chat. This is our last call for testifiers. Please identify yourself now if you wish to testify.

Chair, no one else has indicated that they wish to testify, and we have received written testimony.

COUNCIL CHAIR LEE: Okay. Alright, thank you everybody for testifying, for watching, and to my dear colleagues for attending this meeting. Don't forget, this item will be coming up at our Council meeting, so, by then we will be experts on this bill.

Yes, Mr. Clerk.

DEPUTY COUNTY CLERK: Chair, I just wanted to verify, did you want to formally close public testimony and accept written testimony into the record.

COUNCIL CHAIR LEE: That's a very good idea, Mr. Clerk.

Any objections to closing public testimony and accepting written testimony into the record?

MEMBERS VOICED NO OBJECTION.

THERE BEING NO OBJECTION, WRITTEN TESTIMONY RECEIVED FROM THE FOLLOWING WERE MADE A PART OF THE RECORD OF THIS PUBLIC HEARING:

- 1. Nathaniel Kinney, Hawaii Construction Alliance;
- 2. Rick Nava;
- 3. Pamela Tumpap, Maui Chamber of Commerce;
- 4. Roberto Andrion Jr., ILWU Local 142;
- 5. Chris Delaunay, Pacific Resource Partnership;
- 6. Cassandra Abdul, Na Hale O Maui;
- 7. Karen Comcowich:
- 8. Marianne Fisher;
- 9. Mary Albitz; Island Art Party;
- 10. Susan R. Armstrong:
- 11. Laura Berthold:
- 12. Kevin R. Carney, EAH Inc.;
- 13. Sylvia Cabral;
- 14. Stanford S. Carr:
- 15. Victoria Cheromcka;
- 16. John Comcowich:
- 17. Brandi Corpuz;
- 18. David DeLeon:
- 19. Lindsey Drayer;
- 20. Mary Drayer:
- 21. Jason A. Economou, Realtors Association of Maui, Inc;
- 22. Chad Fukunaga, Kaanapali Land Management Corp.;
- 23. Tara Grace:
- 24. William Greenleaf;
- 25. Bob Hansen;
- 26. Sandi loakimi;

Public Hearing of the Council of the County of Maui March 31, 2021 Page 65

- 27. Jennifer McGurn;
- 28. Earle and Mavis Medeiros;
- 29. Debra Merle:
- 30. Kay Okamoto;
- 31. Garren Oura;
- 32. Sunny Page;
- 33. Scott Shapiro;
- 34. Iris Soliven;
- 35. Julie Strong;
- 36. Kelly Swanson; and
- 37. Sharon Willeford.

COUNCIL CHAIR LEE: So, if I may continue? So, you may, we will bring up this matter again on Tuesday at the Council Meeting. Please don't come to the meeting on Friday because nobody will be there, yeah. We're expecting everybody to, from now until the foreseeable future just delving into your budget books and having lots of fun with that and answering the multitude of questions that the Budget Chair has asked us to provide answers to.

So, anyway thank you everybody for coming tonight, appreciate your attendance and we'll see you next time. This meeting is adjourned.

ADJOURNMENT

The public hearing of MARCH 31, 2021, was adjourned by the Chair at 9:00 p.m.

KATHY KAOHU, COUNTY CLERK COUNTY OF MAUI, STATE OF HAWAII

Kathy L. Kewhu

RECEIVED

2021 MAR 30 AM 11: 14

Hawaiʻi Construction Alliance

OFFICE OF THE COUNTY CLERK

P.O. Box 179441 Hanalulu, HI 96817 (808) 220-8892

March 31, 2021

The Honorable Alice L. Lee, Chair
The Honorable Keani Rawlins-Fernandez, Vice Chair
and Members
Maui County Council

RE: OPPOSITION to BILL NO. 10 (2021), DRAFT 1, entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO RESIDENTIAL WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H, HAWAII REVISED STATUTES".

Dear Chair Lee, Vice Chair Rawlins-Ferandez, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We have been closely monitoring the progress of Bill 10 and are staunchly opposed to this measure.

While well intentioned the bill in its current form will result in less affordable housing for the county of Maui and will lead to a severe drop in construction jobs.

Hawaii has been disproportionally affected by the pandemic, when compared to the rest of the nation, and Maui has unfortunately born the brunt of this economic devastation.

Huge job losses in the tourism and hospitality sector, combined with low interest mortgage interest rates have created a "perfect storm" for the affordable housing crisis in Maui.

State and county governments are struggling to make payroll and do not have the financial capacity to deploy tax credits, or other incentives, to subsidize the development of for-sale housing, and especially affordable rental housing.

The current requirement that a little over half of a development be sold (or rented) at affordable rates, means that a developer can make up the costs of building those affordable units with the sale of other units priced at market rates.

Increasing the ratio of affordable units in the 201H process from 50% to 75% means the developer would have less market rate units to cover the construction costs of the project, while at the same time *increasing* the number of units that need to be subsidized.

We therefor ask for a deferral of this bill as it would hamstring development during a time where Maui is heavily dependent on construction jobs.

Mahalo,

Nathaniel Kinney Executive Director

Hawai'i Construction Alliance

Natil 5

execdir@hawaiiconstructionalliance.org

Rick Nava 851 Kaakepa Street Lahaina, HI 96761 rick@msimaui.com 808-298-3953 RECEIVED

2021 MAR 31 PM 5: 52

OFFICE OF THE COUNTY CLERK

March 31, 2021

SUBJECT: BILL 10 to Amend the 201H PROCESS

Dear Chair Johnson, Vice-Chair Molina and Members of the Affordable Housing Committee

I am concerned about BILL 10 to amend the 201H process and the implications this could have on building more affordable homes and rentals for our local families.

We are in a crisis to provide homes and rentals for our families, and we don't want to take any options off the table. However, if we leave the process as is, more can participate and those who can build at higher affordable levels will continue to do so, and it won't hamper those who cannot build more than 50% + 1.

This bill will cause uncertainties as it changes the current certain percentage of 50% + 1 to a range of 50% + 1 to 75%. Our home builders need certainty. Where did the 75% threshold come from? Are there data or studies that shows this requirement will work?

Listen and work with our home builders and our businesspeople. These leaders are experts, and they know how to finance and build homes that will work for our local families. We need to all work together to help solve this crisis that's affecting the lives of our local families.

201H is a Statewide program and home builders can choose to build on other neighbor islands where the requirement is still 50% + 1.

This Council contracted Hawaiian Community Assets for \$300,000 to a create a housing plan. The draft plan was just presented, and the final plan will come out in June. Please wait for the final plan to be presented that will be vetted by the community before making any decision.

Sincerely,

Rick Nava



2021 MAR 31 PM 5: 59

OFFICE OF THE COUNTY CLERK



Testimony on Bill No. 10—Public Hearing
Relating to Residential Workforce Housing Projects
Developed Under Chapter 201H, Hawaii Revised Statutes
Wednesday, March 31, 2021

Dear Chair Lee, Vice-Chair Rawlins-Fernandez and Members of the Maui County Council,

I would like to thank all here tonight who are saying we want more affordable housing and rentals for our residents and workforce. Your voices are elevating the urgency with elected officials. Our attainable housing and rentals inventory is in a crisis state. We must address it now, in a way that maximizes the amount of new inventory, or we will fail the current generation looking to raise a family here and create devastation for generations to come.

The cost of housing is not going down, it's going up. Therefore, our collective goal should be to create as many partnerships as possible (County, State, Federal Government, home builders, nonprofit and community organizations) to swiftly increase inventory and address this urgent human need. No stone should be left unturned and no important players should be benched.

The good news is that we all want the same thing – however, not all of us are experts to best get it done. If we were, the problem would be solved.

So, how do we get it done urgently? Success involves planning and a coordinated effort, not an approach here and there. Thankfully, the County Council has invested in a plan through Hawaiian Community Assets who presented their draft plan last week and will have a final plan in June. Some are saying it's imperative we act now, before this plan is ready, to change an existing program before we hear the final plan we've already invested in. So why invest in this effort if you don't use it to inform your decisions? What projects will be held up or give us less units between now and June if wait to further consider Bill 10?

In talking with individuals and businesses – all want more affordable housing and retentals for their workers, families, children or grandchildren. Which takes us back to how do we get more. The County and State recognize partnering with home builders is the more effective way, otherwise they would build the units themselves. Yet, government often feels people and businesses can just pay more.



Testimony on Bill No. 10 Wednesday, March 31, 2021 Page 2.

If you are paying rent of \$2,500/month and your landlord suddenly asks you to pay \$3,125/month (25% increase) so they can get more, would that work for you? Would you stay or would you move on? Some good home builders already have. Just thinking people or businesses can do or pay more doesn't make it true. Was Bill 10's 75% PFA? However, your if your landlord incentivized it and offered to pay your water, electricity and cable, would that work for you? Incentives achieve more and we need our home building partners to prevent a catastrophe.

This is a challenge we must beat. In sports, football the goal is always to get as many touchdowns as possible. But, to win the game you can't make the gamble of only going for touchdowns. It's a numbers game, much like our affordable housing and rentals crisis, and the goal is to score as many points/homes and rentals possible, which means the strategy requires the team to punt at times to ultimately win the game. Additionally, when you're down, you don't bench your key players.

We want to maximize, not reduce housing and rentals for residents and the working class now. Let's wait for the plan from Hawaii Community Assets who is already coming up with strong solutions.

Sincerely,

Pamela Tumpap

Panela Jumpap

President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique

community characteristics.



INTERNATIONAL LONGSHORE & WAREHOUSE UNION

LOCAL OFFICE • 451 ATKINSON DRIVE • HONOLULU, HAWAII 96814 • PHONE 949-416

HAWAII DIVISION: 100 West Lazakaulo Street, Hilo, Howaii 96720 • OAHU DIVISION: 451 Atkinson Drive, Honolulu, Hawaii 96814

MAUI COUNTY DIVISION: 896 Lower Main Street, Wailuku, Howaii 96793 • KAUAI DIVISION: 4154 Hardy Street, Lihue, Hawaii 96766

HAWAII LONGSHORE DIVISION: 451 Atkinson Drive, Honolulu, Hawaii 96814

LOCAL 142

Maui County Council Kalana O Maui Building, 8th Floor Councilmember Alice Lee, Chair Councilmember Keani Rawlins-Fernandez, Vice Chair Wednesday, March 31, 2021; 6:00 p.m. OFFICE OF THE

STATEMENT OF THE ILWU LOCAL 142 ON BILL 10 DRAFT 1

The ILWU Local 142 has concerns with the proposed language for Bill 10 Draft 1. At first glance, the language of the bill looks well-intentioned to help address the housing crisis that exists on the County of Maui and the rest of the state. But unfortunately, the bill will do the exact opposite of what it is trying to accomplish and result in fewer affordable housing options. In fact, the unintended consequence of this bill will mean the development of more expensive single-family homes that very few, if any working families can afford.

And we get it. We all want more affordable housing, and we want to ensure our children and their children can continue to call Hawaii home. But we need to make sure that the policies we implement do not hurt the families we are trying to help. We appreciate the Council for looking at ways to expand affordable housing for the County of Maui – but this bill will do the exact opposite as stated above.

We should allow Hawaiian Community Assets to finalize their plan and give them the opportunity to develop affordable housing that they are tasked to do. This is a plan that can work and actually help accomplish the goal of more affordable housing on the County of Maui.

Let's not take two steps back as this bill will unfortunately do. It will deter and dissuade affordable housing and actually make housing more expensive on the County of Maui and this is the last thing any of us want.

For those reasons, we recommend Bill 10 Draft 1 be deferred.

Thank you for the opportunity to testify.

RECEIVED

Testimony of Pacific Resource Partnership

2021 MAR 30 AM 11: 31

City Council

Council of the County of Maui

Councilmember Alice L. Lee, Chair

Councilmember Keani Rawlins-Fernandez, Vice Chair

OFFICE OF THE COUNTY CLERK

Bill 10—Relating to Workforce Housing and 201H Projects

Wednesday, March 31, 2021 6:00 P.M.

Aloha Chair Lee, Vice Chair Rawlins-Fernandez, and Members of the Council.

Pacific Resource Partnership (PRP) is a non-profit market recovery trust fund which represents approximately 7,000 men and women union carpenters and 240 large and small contractors. With our expertise in research, compliance, marketing, and project advocacy, we are committed to building a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs, and enhances the quality of life for all residents of Hawaii.

PRP writes in **strong opposition** to Bill 10, which increases the 201H affordability requirements to 75% of the total dwelling units.

Contrary to its intended purpose, an increase in the 201H affordability requirement threatens to halt the construction of new affordable housing projects in the County of Maui. Its impact on the creation of new housing would be significant, and cripple the county's potential for economic growth, especially as it works to overcome the effects of the pandemic.

Bill 10 will likely remove an important tool in the toolbox from developers who choose not to use government (state/county) funds to build affordable housing units. If this important tool is removed, projects may need to depend on public funds in order to pencil out. Housing projects on Maui that are 100% affordable have relied on government subsidies in order to make them work.

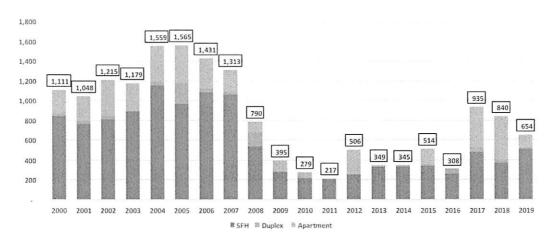
Historically, the implementation of ill-advised policies has resulted in sharp losses in construction jobs. In late 2006, the County of Maui enacted an ordinance requiring 50% of the units in residential development projects be workforce housing. A law enacted in 2007 required developers to provide proof projects had sufficient long-term sources of water, adding further burden and cost to the developer. These policies, along with the Great Recession, triggered a construction industry slow-down which wasn't reversed until the 50% requirement was lowered to 25% in 2014. Between December 2006 and January 2011, construction employment in the County of Maui construction employment fell by 53%, a direct loss of over 3,000 construction jobs. These are not jobs that the industry or Maui can afford to lose.



(Continued From Page 1)

We also know that the imposition of a 50% workforce housing requirement failed to produce significant growth in housing construction, especially of affordable housing units. Maui sacrificed the needs of residents for an ill-considered policy that ignored market realties. We should learn from the mistakes of the past and not take Maui residents down the same road again.

Maui County- new private residential unit authorizations 2000-2019



Sources, DBEDT (Data Book Table 21 07), PRP

Moreover, Maui's economy has been the hardest hit by the pandemic. Efforts to limit the one sector (construction industry) that has held up during the downturn are illogical and unwise. The proposed bill before this Council will not benefit housing supply, local families, or the local economy. Instead, it will limit housing and job opportunities for those who need them the most during these difficult economic times—the residents of Maui.

Given the above, we respectfully request that you defer Bill 10. However, if the Council decides to move this bill forward, we recommend adding a 1-year sunset clause to this policy.





RECEIVED
2021 MAR 31 PM 4: 30

March 31, 2021

OFFICE OF THE COUNTY CLERK

Alice Lee, Chair Maui County Council 200 High Street Wailuku, Hawaii

Subject: Public Hearing for proposed revisions to Bill 10.

Aloha Chair Lee and Council Members,

Mahalo for holding this public hearing to give our community an opportunity to share their mana'o.

Maui County is a very diverse community scattered across multiple islands. Our families cover the gamut of household incomes. It takes every levels of our community to achieve our goals, from those who most need assistance to professions that work with our 'ohana. We all agree on one very important point: we need more truly affordable housing.

Leadership comes with weighty responsibilities. A community relies on its leaders to be mindful of the common interest and goals while acknowledging and implementing the best, most efficient strategies to reach those goals. Let's strive to be mindful of our common interests and goals, and not focus on differences.

Practicing the *Aloha Spirit*, acting *pono*, treating each other with civility, dignity and respect will bring positive results and help us achieve our goal of truly affordable housing for our families. We can achieve this by

- Setting aside personal agendas
- Keeping an open mind
- Actively listening for understanding (and not to rebut someone's statements)
- Accepting that each participant cares very deeply about the issue of affordable housing and is entitled to express an opinion
- Refrain from deflecting, marginalizing, devaluing and disregarding other's opinions and ideas

Na Hale O Maui supports the development of affordable and workforce housing. NHOM worked with the County of Maui to provide 53 island families the opportunity to live in 46 safe, secure and decent Community Land Trust homes. Each family has received the benefits of homeownership: tax-related and social-benefits.

Our concern:

- Changing ordinances/requirements increases uncertainty.
- 201-H is a state streamlining process to provide affordable housing
- Maui is the only County layering additional restrictions on 201H
- All things being equal, developers will build affordable housing on Oahu, Kauai & the Big Island and not Maui.
- This will have the unintended consequence of actually reducing the delivery of
 affordable housing for our community.
 David Arakawa, Executive Director of the Land Use Research Foundation of Hawaii
 (LURF) at a recent webinar, confirmed the occurrence of this phenomenon when Maui
 County previously increased the affordable requirement to 50%. Other islands
 continued to produce housing while Maui stalled until the requirement was reduced to
 25%.

Let's keep in mind that we are all in this 'canoe' together. Only by paddling in the same direction at the same time will we attain our goal of more affordable housing for our community. Let's work together to keep our 'ohana here in Maui where they belong.

We respectfully urge the Council to hold the present course to continue the development of truly affordable home for our entire Community.

Mahalo for all you do to support and provide affordable and workforce housing for Maui County.

Executive Director

From:

Karen Comcowich < kcomcowich@yahoo.com>

Sent:

Tuesday, March 30, 2021 5:49 PM

To:

County Clerk

Subject:

Support Bill NO 10 Relating to Residential Workforce Housing Projects Developed Under

Chapter 201H

Aloha Maui County Council Members,

Thank you for being such a forward-thinking council and recognizing the need for bold action.

I SUPPORT Bill No. 10 (2021), "A Bill for an Ordinance Amending Section 2.96.030, Maui County Code, Relating to Residential Workforce Housing Projects Developed Under Chapter 201H, Hawaii Revised Statues."

We are in a housing crisis, not a house crisis. There are plenty of houses sitting empty most of the year because residents cannot afford them. We need housing that residents can afford. If developers don't want to build houses for Maui residents, we don't need them developing. We need to protect our limited resources, including land and water, not allow it to be depleted by overbuilding.

Developments using the 201H process should provide at least 75% affordable units.

Further, the AMI balance used should reflect Maui's work force. For example, 50% of development for residents earning less than 60% AMI; 25% for residents earning 60-80% AMI and 25% for residents earning 80-120% AMI.

Please support Bill 10 and continue to develop progressive policies because we cannot build our way out of a housing crisis.

Mahalo for your time, Karen Comcowich Lahaina, HI

COFFICE OF THE

From:

Marianne < mariannefisher 128@gmail.com>

Sent:

Wednesday, March 31, 2021 6:19 PM

To: Subject: County Clerk

Support of Bill 10

RECEIVED

2021 MAR 31 PM 6: 19

OFFICE OF THE COUNTY CLERK

Aloha. I am in strong support of BILL 10.

I am a single senior, displaced for over a year already due to my 8 year home being sold to a Texas buyer that increased my rent by 45%.

I work full time. Still cannot afford the price for a simple ohana., that is if I could find one.

The new Kenolio is not set up for my population, no elevator, laundry in separate building. Good for families, I suppose.

Please Please Please do what is best for residents. Support Bill 10. Mahalo. Marianne Fisher 25 Namauu Place. Kihei

From:

mary@jiqsawjava.com

Sent:

Wednesday, March 31, 2021 1:07 PM

To:

County Clerk

Subject:

Testimony on Bill 10 to Amend 201H

Affordable housing is definitely a priority but this bill will likely have a negative effect on affordable housing with this mandate. How many companies do you know that say they can build the 75% amount without going out of business?

If we leave the process as is, more can participate and those who can build at higher affordable levels will continue to do so, but it won't hamper those who cannot build more than 50%.

Also, the Council already contracted Hawaiian Community Assets for \$300,000 to create a housing plan. The draft plan was just presented, and the final plan will come out in June. Why not wait until the final plan is presented and then pursue this kind of legislation based on this plan. Then the Council could meet with home builders and work together on finding winning solutions instead of imposing this mandate.

It sounds like this would put Maui at a disadvantage? 201H is a statewide program and home builders can choose to build on other neighbor islands instead where the requirement is still 50% +1.

And then if you pass this bill and it does not work, is the County going to be building the homes instead?

Why not make it easier to build affordable housing and rentals through incentives instead of making it more difficult?

Mahalo,

Mary Albitz Owner, Island Art Party RYLA Camp Chairperson 808-269-2445

OFFICE OF THE COUNTY CLERK

RECEIVED

From:

Sue <mauisue1@gmail.com>

Sent:

Wednesday, March 31, 2021 12:23 PM

To: Subject: County Clerk

Bill 10

RECEIVED

2021 MAR 31 PM 12: 44

OFFICE OF THE COUNTY CLERK

Aloha,

I am writing today to express my strong support for Bill 10.

Bill 10 will only stop the projects that seek to take advantage of the 201h process, getting all the benefits, while only making 50% of the units actually affordable.

Developers have not made good on their affordable requirements in the past. It is time for them to step up and create AFFORDABLE housing - if they need to be forced through legislation, so be it.

The housing crisis on Maui is real and the divide between the haves and have nots is growing. This is not the Hawaiian way and it is time for the county government to really go to bat for local citizens and require developers to make good on their promises, and to create more truly affordable housing along with their money-making, multi-million dollar homes.

Thank you for your time,

Susan R Armstrong 137 Kuono Place Makawao, Hawaii 96768 808.870.6765

From:

Laura Berthold < laurakb24@gmail.com>

Sent:

Sunday, March 28, 2021 8:51 PM

To:

County Clerk

Subject:

RE: SUPPORT BILL NO. 10 (2021), Amending Section 2.96.030, Maui County Code

I SUPPORT Bill No. 10 (2021), "A Bill for an Ordinance Amending Section 2.96.030, Maui County Code, Relating to Residential Workforce Housing Projects Developed Under Chapter 201H, Hawaii Revised Statues."

This fast track option is intended to encourage the building of affordable homes. Thus it should require at least 75% of the homes built to be affordable for Maui residents. My partner and I are two professionals that have been living on Maui for decades. We currently still cannot afford to buy a house here and have been renting from the same landlord for a decade now. It would be great to have more affordable housing on Maui.

This option speeds up the development process allowing less time for community input. It also gives developers the gift of exemptions from zoning, building code, environmental protections, and various fees. If developers wish to build for profit instead of the community's need, they can participate in the standard development process.

Sincerely, Laura Berthold 803 Olowalu Village Road Lahaina, HI 96761 808-269-9381

COUNTY CLERK

16.35 WW 66.87W 1606





March 29, 2021

2021 MAR 29 PM 4: 08

Maui County Council

Attn: Councilmember Alice Lee, Chair, Keani Rawlins-Fernandez, Vice Chair OFFICE OF THE COUNTY CLERK

Re: Public Hearing on Bill 10, Draft 1 "A bill for an ordinance amending Section 296.0 30, Maui County Code relating to residential workforce housing projects developed under Section 201H, Hawaii Revised Statues." 31 March 2021, 6pm.

Testimony in Opposition

Dear Chair Lee, Vice Chair Rawlins-Fernandez, and Members of the Maui County Council, on behalf of EAH Inc., doing business as, EAH Housing, I am hereby submitting testimony in **Opposition** to the above referenced Bill 10.

EAH is a 53-year-old 501c(3) non-profit advocate, developer and manager of low income rental housing. We have operated in the islands since 1996 and currently have a managed portfolio over 2,200 affordable rental units on 3 islands including Maui. We operate in California as well and our total portfolio consists of over 100 properties serving over 25,000 singles, seniors, and families. Our projects are 100% affordable rentals serving incomes at 60% of the AMI and below. We do not build for-sale housing. As such, Bill 10 will not directly affect our business model or those that we serve.

However, being in the housing business for so long and having experienced what can happen when the best intentions of government can lead to unintended consequences, we wanted to share our thoughts on this Bill. In Bill 10's case, we believe the unintended consequences will be a slow down or perhaps a shutdown of the production of the housing it is intended to support. The extractions placed on developers should be exceeded by incentives to get the desired results. An increase requiring a minimum of 75% affordable units for projects utilizing Chapter 201H is in our opinion counterproductive. We cannot ignore the history of what happened on Maui in the 2006-time frame when the Council increased the affordable requirement to 50%. Production of all types of housing came to halt and not of all that can be blamed on the recession. All the market studies completed over the last 20 plus years tell us that the greatest demand for housing in the islands is at the 80% AMI level and below. That income level and below translates to rental housing. To bring the price of for-sale housing down to a more affordable level we need more for-sale housing at all income levels above 80% AMI – more inventory = more choices = more affordable. This will not be achieved by tying the hands of the developers, but by giving them more freedom to serve the market they know best.

Mahalo for the opportunity to opine on this issue.

Sincerely.

keyin R. Carney, RB-16444 (PB), NAHP-E

Vice President, Hawaii

From:

Syl Cabral <sylviacabralmaui@gmail.com>

Sent:

Tuesday, March 30, 2021 9:19 PM

To: Subject: Maui_County Council_mailbox; County Clerk

Testimony: Support Affordable Housing

Try to ignore the numerous spam from folks who do not have the knowledge, experience, history or willingness to accommodate any <u>programs</u> that <u>assist</u> low-income and <u>disadvantaged</u> workers that can barely make a living working daily as teachers, military, office workers, service industries including hotel workers, those millennials looking to purchase homes.

Please consider 100% affordable projects. Let builders build for the upper middle class making \$120,000+ per year. Please add residency requirements so the affordable homes, AS ALWAYS IN THE PAST, do not go to "tourists" -visitors- who instead of remaining home owners quickly find a way to turn our affordable homes into rentals.

Please Be Very Well,

Sylvia Cabral Realty Call Me @ 808 879 9007 For Daily Properties News

Stanford Carr <scarr@stanfordcarr.com> From: Sent:

Tuesday, March 30, 2021 5:40 PM

To: County Clerk

Subject: Testimony in Opposition to Bill No. 10

OFFICE OF THE COUNTY CLERK Importance: High

The Honorable Alice L. Lee, Chair

The Honorable Keani Rawlins-Fernandez, Vice Chair

And Members of the Maui County Council

RE: Testimony In Opposition To Bill No. 10 (2021), DRAFT 1, entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO RESIDENTIAL WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H, HAWAII **REVISED STATUTES**

2021 MAR 31 AM 7: 45

Dear Chair Lee, Vice Chair Rawlins-Fernandez, and Members of the Maui County Council,

My name is Stanford S. Carr and I am the President of Stanford Carr Development, LLC. We are a local development firm that has worked to provide affordable housing opportunities for local residents in our communities, including the County of Maui. I am offering testimony in strong opposition to Bill No. 10 (2021), Draft 1 whose purpose is to amend Section 2.96.030, Maui County Code, to increase the percentage of affordable and workforce housing units required for projects developed under Chapter 201H, Hawaii Revised Statutes (HRS). The passage of this measure would contravene the intent and purpose of HRS Section 201H-38 and represent a major setback in Maui County's efforts to promote the development of more affordable housing opportunities for island residents.

HRS Section 201H-38 allows the counties to approve exemptions from certain fees, construction, and development requirements for affordable housing projects that meet the criteria of that statutory provision. The Legislature enacted HRS Section 201H-38 in order to encourage the development of badly needed affordable housing in the various counties by providing developers with important and necessary tools and incentives to help mitigate high construction and development costs in Hawaii.

While these incentives are critical to the effectiveness of any islandwide housing strategy, affordable housing developers, who have to deal with huge land acquisition, infrastructure, labor and other costs, also need the flexibility to be able to develop housing projects that incorporate a mix of residential units that address the housing needs not only of low to moderate income households, but also higher wage earners that include many of our local entrepreneurs and professionals. Allowing developers to sell or rent market rate housing units together with the affordable units enables them to generate sufficient revenue to make their projects financially viable in Hawaii's high cost housing market.

However, by increasing the percentage of affordable and workforce housing units required for Section 201H projects from fifty percent plus one, which is the current County requirement, to as high as seventy- five percent, the passage of Bill No. 10 (2021), Draft 1 would impose severe financial constraints on the development of affordable housing projects at a time when our State and Counties are facing an affordable housing crisis that has been exacerbated by the COVID-19 pandemic.

Another major problem with this bill is that it will negatively impact the development of much needed affordable for sale housing. Building a high percentage of affordable units in a project typically requires sufficient subsidies and development ordinance exemptions to be feasible. Fortunately, development of rental projects, even with all units priced at 60%AMI is readily achievable, due to the availability of funding subsidies including Low Income Housing Tax Credit programs, low interest HUD 221(d)4 senior loans and favorable long term loans and ground leases provided by housing agencies. However, for sale housing projects do not have such substantial subsidies. The one tool available is 201H-38, which can provide the developer some relief on governmental fees, and depending on the situation, permit a greater number of homes to be developed on a given site or make more land available for immediate development, which would all contribute to alleviate housing availability, and therefore improve affordability. However, increasing the affordable unit count by 50% will no doubt severely hamper the effectiveness of the current 201H-38 program, reducing the developer's ability to realize a sufficient balance of market and affordable unit revenues to generate an adequate margin to cover unforeseen development costs and schedule delays.

I am also concerned this bill will give County officials the latitude to impose a range of affordable housing requirements from greater than fifty percent of the total dwelling units to seventy-five percent of the total dwelling units. The uncertainty as to which percentage requirement will apply to any given housing project will make it extremely difficult for developers to formulate viable development proposals and plans, and to provide detailed financial and cost analysis based on the anticipated scope of a proposed project that are required by lenders. The end result could be fewer Section 201H projects being built on Maui at a time when there is such a dire need for affordable housing on the island. Another concern that I have with this measure is that it could lead to the inequitable treatment of proposed housing projects by giving County officials the discretion to impose varying affordable housing requirements on different developers.

It should also be emphasized that back in 2006 when the Maui County Council amended Section 2.96, Maui County Code, it resulted in a significant drop in new affordable housing production on Maui. I believe that history will repeat itself if the Council passes Bill No. 10 (2021), Draft 1.

Given these unintended negative consequences that will result from passage of this bill, I believe that the more prudent approach for this Council to take would be to defer this measure and to await the completion of the affordable housing plan which is being prepared and finalized by Hawaiian Community Assets (HCA) at the request of this Council.

For all of these reasons, I respectfully ask Councilmembers to hold Bill No. 10 (2021), Draft 1. Thank you for the opportunity to submit this testimony.

Stanford S. Carr?

3/30/21

Maui County Council

Testimony on proposed Bill 10

Aloha Chair and Council members.

RECEIVED

2021 MAR 31 AM 7: 46



I appreciate your intention to have more work force housing built for Maui residents. That is a goal near and dear to me and very much needed.

However, I question if making it more difficult to get workforce housing built is going to have the desired results. I believe it will ultimately result in less work force houses being built.

I suggest putting your time and energy into projects with positive goals that will make it easier for buyers and guarantee long term affordability. An IDA program to develop a pool of qualified and prepared buyers is a wonderful way to get Maui residents into their own homes. Deed restrictions either through a community land trust model (ie Na Hale o Maui) or a minimum 30 year affordability deed restriction will have massive impact on keeping what houses are built affordable for Maui residents.

Making it harder for developers to develop affordable projects seems counterproductive. Sounds good but the reality is not so good.

Affordable houses do not fall from heaven. We need developers to build them and if the numbers do not make sense, developers will take their affordable housing projects to other islands with less rigorous demands. Sadly, the changes proposed in Bill 10 are likely to decrease the total number of homes built and likely to increase the already astronomically high median price here on Maui. No one wants that.

Thank you so much for the chance to testify today.

Victoria Cheromcka 383 Kalua Rd Wailuku HI 96793

808-276-7130 MauiVictoria@gmail.com

From:

john comcowich < jscomcowich@yahoo.com>

Sent:

Tuesday, March 30, 2021 2:29 PM

To:

County Clerk

Subject:

RE: SUPPORT BILL NO. 10 (2021), Amending Section 2.96.030, Maui County Code

I, John comcowich, SUPPORT Bill No. 10 (2021), "A Bill for an Ordinance Amending Section 2.96.030, Maui County Code, Relating to Residential Workforce Housing Projects Developed Under Chapter 201H, Hawaii Revised Statues."

This fast track option is intended to encourage the building of affordable homes. Thus it should require at least 75% of the homes built to be affordable for Maui residents.

This option speeds up the development process allowing less time for community input. It also gives developers the gift of exemptions from zoning, building code, environmental protections, and various fees. If developers wish to build for profit instead of the community's need, they can participate in the standard development process.

Sent from Yahoo Mail on Android

COUNTY CLERK

From:

brandi corpuz <brandicorpuz@gmail.com>

Sent:

Wednesday, March 31, 2021 7:02 PM

To:

County Clerk

Subject:

Bill 10

Aloha Council Members,

I am in strong support of bill 10 because we need affordable homes now! My children can not afford to buy a home in Maui and they all have really good jobs? We only need affordable housing not more million dollar homes.

Ive heard scare tactics talking about a second or 3rd pandemic and it just makes me very upset because if we are talking about the future of our community, who will buy these homes if we have more pandemics? Outsiders are the only ones who will be able to afford these homes and we will still need housing for our people!

We need to focus on our people not developers! If they cant build 75% affordable houses then we dont need them to build in Hawaii!

We are being outsourced as community members. Soon to have less locals because they have no place to live. There is a gold rush happening in Maui county at the moment and you each need to do whatever you can to stop the over selling and outside buying at this time.

I believe that the right developers will stay and continue to build for our people. We cant allow these developers to rule our future!

Thank you, Brandi Corpuz Kihei resident

RECEIVED

2021 MAR 30 PH 3 50

TESTIMONY ON BILL 10

ON BILL 10 MARCH 31, 2021 OFFICE OF THE COUNTY CLERK

BY: DAVID DELEON 335 Waiama Way, Haiku dpdeleon@hawaiiantel.net, 575-9711

Thank you for this opportunity to testify in opposition to Bill 10's imposition of a 75 percent affordable housing requirement on 201-H projects. I offer this testimony as someone who has studied our housing market, but does not have any direct financial connection to it.

Because I was a witness to Maui County's 2006 affordable housing train wreck, I feel obligated to speak truth to power: You folks have demonstrated that you have to power to pass this measure, just as the 2006 Council had the power to pass a requirement that all affordable housing projects under MCC 2.96 be 50 percent affordable. And just like that Council, the current Council is ignoring the mana'o of those who know the market. You folks think you know what you are doing. The 2006 Council also did, as evidenced their unanimous vote.

While the 2006 Council believed it knew their measure would result in more affordable housing, they arrogantly ignored the learned, earnest warnings of the state's leading economists and bankers, which in the end accurately predicted what in fact happened. Next to nothing got built. How do you know you have this right, despite the warning signs from the specialists?

In 2015 State DBEDT issued a housing report that said Maui County needed to produce approximately 13,000 unit by 2030. How are we going to do that? You just received a report that put the price tag on 5,000 units at \$1.8 billion, just for the necessary infrastructure. For perspective, Dream City Kahului is about 3,500 units, or about a third of what DBEDT said we need. And it took 40 years to build that out. Do you really think that county-funded non-profits are going to have the firepower to dig us out of our critical housing shortage without the active engagement of commercial, for-profit builders?

The state's 201-H housing incentive process has proven to be the single most powerful housing tool we have. Trying to squeeze more out of it may well have the end effect to making some builders shy away from Maui again, as they did in 2006.

The basic principle of 201-H is that 50 percent of the units in a project subsidize the 50 percent affordable units. If now 25 percent of the units have to subsidize 75 percent, that means those "market" units will have to be very high-end. That can have two negative impacts. (1) The market units will no longer be affordable to our working class (doctors, nurses, teachers, police, fire, management) and will be sold off-shore. Or (2) the developer will recognize that the property they are planning to build on will not attract that type of investment by market homebuyers and abandon the project.

I studied why the Kaanapali 2020 project did not happen after a decade of study and heavy community support: in the end the developers did not believe the market prices would be enough to support the development of the proposed affordables and community services. (Beware Mahinahina).

Conclusion: if you do not want to follow the path of the 2006 Council, take 3 months to acquire an economic impact study on the 75 percent proposition from UHERO. If you don't and you are wrong, the damage to our housing program will once again be significant and self-inflicted.

Mahalo

From:

Lindsey Drayer < lindseydrayer@hotmail.com>

Sent:

Sunday, March 28, 2021 8:53 PM

To:

Subject:

County Clerk Bill 10 RECEIVED

2021 MAR 29 AM 8: 31

OFFICE OF THE COUNTY CLERK

Hello,

I am submitting written support for Bill 10.

Testimony: PASS BILL 10

Thank you,

Lindsey Drayer (808) 385-5061

From:

mary drayer <mdrayerhome@msn.com>

Sent: To: Sunday, March 28, 2021 1:25 PM

County Clerk

Subject:

Written testimony Bill 10

RECEIVED

2021 MAR 29 AM 8: 31

OFFICE OF THE COUNTY CLERK

Aloha e,

I am submitting written support for Bill 10. I am unable to attend the BlueJeans public hearing.

Testimony: PASS BILL 10

Mahalo,

Mary Drayer

557 Imi Dr

Wailuku, HI

96793

Sent from Mail for Windows 10



Jason A. Economou Government Affairs Director

441 Ala Makani Pl • Kahului, HI 96732 phone 808-243-8585 • fax 808-873-8585 Jason@RAMaui.com • www.ramaui.com

March 30, 2021

Council Chair Alice Lee Council of the County of Maui 200 South High Street, 8th Floor Wailuku, Hawaii 96793

RE: Bill 10 (2021), Draft 1

Aloha Council Chair Lee, Vice-Chair Rawlins-Fernandez, and Councilmembers,

OFFICE OF THE

2021 MAR 31 AM 7: 45

I am submitting this testimony on behalf of the REALTORS Association of Maui (RAM), and its 1,700+ members, in **opposition** to Bill 10 (2021), Draft 1. To put our position simply, Bill 10 isn't necessary and it isn't helpful.

One Councilmember characterized the debate over the passage of Bill 10 as, "a question of whether this Council should have the discretion of requiring the project to have 75% [affordable housing], or the statutory 50%." The Maui County Council already has this discretion, and will continue to have this discretion regardless of whether Bill 10 passes. This Council can already choose to approve only 201H projects that are 75% affordable, and they already have the discretion to review projects that are between 50 and 75% affordable. Bill 10 is not required to provide that discretionary authority. Bill 10 is unnecessary in that regard.

Another proponent of Bill 10 has been arguing that the bill "does not demand more affordable housing, it requests more affordable housing. What is wrong with asking for more affordable housing?" In truth, absolutely nothing is wrong with asking for more affordable housing, and the Council already has the authority and ability to ask for more affordable housing. For example, when Mayor Victorino took office, he asked to see more 201H projects with higher than 50% affordability rates. As a result, 70% of recent 201H projects have been 100% affordable. This occurred without any amendments to 2.96, or any changes to 201H eligibility in Maui County. The County Council has the ability to publicise their desires for future housing projects without changing the Maui County Code, and I encourage them to do so. Clearly it was an effective method for Mayor Victorino, and it didn't require hours of debate, public testimony, and the vilification of various industries. Therefore, Bill 10 is unnecessary in this regard as well.

Bill 10 does not provide any additional power to the Council, nor does it punish developers for any past, present, or future transgressions. No developer will be forced to build housing they can't afford to build, and the Council will still have the same authority to approve or disapprove projects as they have in the past. In reality, Bill 10 just makes the 201H process less flexible for use in Maui County. When the cost of building materials, land, and labor are high (like they are now), and 75%+ affordability is hard to meet, developers can still choose whether or not to attempt a 201H project in Maui County. There are other ways for them to make money, and Bill 10 won't require or incentivize them to build affordable housing here, so they may choose not to. Not a "scare tactics," just the truth.

RAM opposes Bill 10 because we genuinely want more affordable houses. I'll even explain why we want more affordable houses from a "greedy," capitalist perspective: There are approximately 1,700 REALTORS trying to make a living on Maui right now, and we are seeing historically low levels of housing inventory. REALTORS do not pool commissions, so a limited number of extremely high-end property sales does not economically benefit my association as a whole. It only benefits a very small number of members who are directly involved in those transactions. What would benefit my members as a whole is a large influx of affordable and reasonably priced housing inventory. This would benefit my members for a few reasons: First, homeownership begets homeownership at a multi-generational level. By getting families in affordable houses now, my members are building relationships that will likely result in more future home sales to those households and their children's households. Second, the housing market desperately needs the inventory to stabilize prices overall and sustain the high number of REALTORS on the island. Third, more affordable houses means more opportunities for our friends and family that are here, as well as a healthier local economy overall. Most RAM members are not working in high-end sales, and we want our friends and children to be able to afford to live here. I don't receive commissions, and I honestly don't know how this legislation could possibly impact commissions, but I do have family who are desperate for affordable housing. I care more about my family on the workforce housing waitlist than for any RAM member making a commission, and for my family's sake, I still oppose Bill 10.

Though we recognize the good intentions behind this legislation, and we also appreciate the recent amendments to Bill 10, we are still deeply concerned that this legislation will only serve to reduce housing opportunities for our residents. Moreover, we are concerned with the lack of due diligence put into this legislation, and the odd vilification and attacks on anyone who expresses good-faith concerns over the unintended consequences of Bill 10. We cannot, in good conscience, get behind this legislation.

Moving forward, RAM encourages this Council to take a more evidence-based and collaborative approach to housing policy. The rough draft of the County's affordable housing plan laid out a lot of policy changes that have been successful elsewhere and are backed by research and consultation with people who actually provide housing. You should look to some of those policies for meaningful actions that may provide meaningful results. The County doesn't have time to take a trial and error approach using policies that are untested, unsupported by any research or evidence, and aren't recommended by anyone with a background in housing or development. For the foregoing reasons we hope you will abandon Bill 10 and focus on policies laid out in the comprehensive housing plan.

Mahalo,

Jason A. Economou

Government Affairs Director

REALTORS Association of Maui

¹ E.g.: Individual development accounts, County managed qualified buyer and qualified renter lists, various forms of capacity building programs, community land trusts for long-term affordability, County-led infrastructure development, adaptive reuse of unused commercial properties, increased access to pre-approved building plans, increased assistance for accessory dwelling construction, increased density, more diversity of approved housing types, etc....



Kaanapali Land Management Corp.

275 Lahainaluna Road • Lahaina, Maui, HI 96761 • t: (808) 661-9652 • f: (808) 667-9658 • www.KaanapaliLand.com

Honoring our roots. Preserving our spirit.

March 30, 2021

Maui County Council Members Kalana O Maui Building, 8th floor 200 S. High St. Wailuku, Hawaii 96793

RE: Bill No. 10 (2021), Draft 1, A Bill for an Ordinance Amending Section 2.96.030
Kaanapali Land Management Corp Written Testimony

Dear Council Chair Alice L. Lee and Council Members,

On behalf of Kaanapali Land Management Corp I respectfully request that the Council postpone any approval of Bill No. 10 (2021), Draft 1, until after the study by Hawaiian Community Assets is completed and thoroughly vetted.

Your time and effort to evaluate Section 2.96.030 with intent to mitigate the County's inadequate supply of affordable housing is honorable, however, doing so without the benefit of having all current and pertinent information could result in unintended consequences.

We already know the County is facing a vast shortfall in supply of affordable housing, and in fact a supply of housing for all of Maui's working classes. Covid-19 stymied home sales a year ago, and today prices are at all-time highs with record low inventory levels. None of these conditions have benefited the supply of housing to the working class and have only demonstrated vulnerability of our housing market to any influences. A real solution is necessary, any actions to adjust the housing market should be done carefully as we cannot afford to get it wrong and further increase the housing gap.

Maui does not have an adequate supply of entitled lands to support our housing needs. I do not have the data to support this statement, but whole heartedly believe it to be true. Creating entitled property on Maui is difficult (emphasis made), expensive and takes a long time. As each property is unique, it is beneficial to have various methods of entitlements available. The 201H process is one such available process, a process at risk of being removed from use if not amended correctly. The risk of postponing action on Bill No. 10 (2021), Draft 1, until the Study by Hawaiian Community Assets is completed and thoroughly vetted is minimal compared to the risk of actions that could further destabilize our housing market.

RECEIVED

MR 31 MM 7: 46

Thank you for the opportunity to present this request for consideration.

Respectfully submitted,

Chad Fukunaga Vice President

Kaanapali Land Management Corp

From:

Tara Grace <taragrace808@gmail.com>

Sent:

Wednesday, March 31, 2021 12:06 PM

To: Subject: County Clerk

Bill 10

RECEIVED

2021 MAR 31 PM 12: 44

OFFICE OF THE COUNTY CLERK

I'm in support of bill 10 and affordable housing, we are losing our youth ... leaving their home & ohana to live their dream of owning a home and/or affording rent which is out of contro9l.

From:

Sent:

Tuesday, March 30, 2021 8:16 AM

To: Subject: Alice L. Lee; County Clerk Public Meeting on Bill #10 RECEIVED

2021 MAR 30 AM 8: 40

OFFICE OF THE COUNTY CLERK

Aloha Chair Lee:

As a member of Stand Up Maui, we've met over a year with developers to learn their needs for building truly affordable housing.

Developers needs are for land and infrastructure to be paid for by Maui County.

A multi-step solution is needed to solve this long standing and rapidly growing problem. I believe Council Member Rawlins-Fernadez has some finished or nearly finished plans for a tiered tax structure that would tax non residents at a higher rate (respective of their gains by parking money in our real estate market - negatively impacting the price of housing for residents)

We certainly need a comprehensive approach to this problem that has gone unsolved for far too long. People in the 40-70% of AMI need to be the target. A target of lower than 140% of AMI is far from adequate.

Mahalo for you work. Bill Greenleaf

From:

dad@mauirealestate.net

Sent:

Wednesday, March 31, 2021 12:21 PM

To:

County Clerk

Cc: Subject: dad@mauirealestate.net

Bill 10

KECEIVED

2021 MAR 31 PM 12: 44

OFFICE OF THE COUNTY CLERK

Hi council members,

Bill 10 will have the exact opposite effect of providing more affordable housing. I have been in this business for long enough to know that this is true. This is bad legislation. We need affordable housing but this is not to way to do it.

Cheers,

Bob Hansen Principal Broker RB-17532 808-283-9456 Maui Luxury Real Estate LLC

From:

Sandi loakimi <sioakimi@gmail.com>

Sent:

Monday, March 29, 2021 4:08 PM

To:

County Clerk

Subject:

Bill 10

I'm in FULL support of Bill 10.

Mahalo!

Sandi loakimi Kihei HI 808.283.6216

RECEIVED

MINR 29 PM # 08

OFFICE OF THE COUNTY CLERK

RECEIVED

From: Sent:

Jennifer McGurn < iennifer.mcgurn@meoinc.org>

Wednesday, March 31, 2021 11:28 AM

To:

Subject:

County Clerk

Testimony in support of Bill 10

7071 NAR 31 AN II: 43

OFFICE OF THE COUNTY CLERK

Aloha,

I would like to submit testimony in full support of Bill 10 regarding affordable housing. I am speaking as an individual community member, but I also work at MEO, where I see EVERY DAY at my job, how the current housing situation is affecting this community. We are on a terrible trajectory. As I am reviewing rental assistance files, I see people paying ungodly prices for rent (often for literal dumps) and housing prices are absolutely out of control. How will our working community members ever be able to afford a home at these prices? Maui is becoming a place of the "haves" and "have nots" and we must put a stop to that. We cannot become a haven for the super rich, who can offer thousands over asking price for homes. I'm also hearing stories of people who think they have a rental secured, only to receive a phone call a few hours later saying "sorry, but we're going to rent to someone else because they offered us \$300 per month more than we were asking." These are often "remote workers" who are coming here and snatching up housing. This has to stop. Developers are not struggling. They will make their money. Maybe not the huge profits they would if they weren't forced to build affordable, but again - how much money does one need? How greedy are these developers? Everyone understands that homes can't be built for free, but we must put a stop to the rampant greed that is going on currently.

Please pass Bill 10 and help this community move forward on equitable housing for all.

Mahalo for your time and consideration,

Jennifer McGurn (808) 281-7386

MEO's mission is to strengthen the community while helping people in need restore their hope, reach their potential, and enrich their lives.

Confidentiality Note: This e-mail is intended only for the person or entity to which it is addressed and may contain information that is privileged. Distribution or copying of this e-mail or the information herein by anyone other than the intended recipient, or any employee or agent responsible for delivering the message to the intended recipient, is prohibited. If you have received this e-mail in error, please contact the sender and destroy.

From:

Mavis Oliveira-Medeiros <mavisoliveira@gmail.com>

Sent:

Wednesday, March 31, 2021 6:59 PM

To: Subject: County Clerk Bill No. 10 (2021)

Aloha County Council Members:

Mahalo for holding a meeting when more people can attend.

I am writing in favor of this bill. We need to increase the percentage of affordable & workforce housing units for projects developed under Chapter 201H, HRS. We definitely need more housing that is truly affordable. This will allow families in the lower level income bracket to own their own home.

There have been many exemptions in order for developers to build quicker so they can have a quicker turnover and start making money faster.

In Hana, Lanai (mostly hotel worker pay), and Molokai, it's no secret that we have the lowest incomes in the State, even with wealthy people living among us, making numbers appear even higher than it actually is for the generational families. These generational families also live in Lahaina, Kihei, Wailuku, Kahului & Upcountry too.

Please try it out and work with the companies who are willing to take the chance to make Housing available to more people. If you can ask for how much the Developers profit, that would tell you what really is happening.

Please make the dream of all these people a reality.

Mahalo,

Earle Medeiros, Sr.

Mavis Medeiros

From:

Debra Merle <deb@debramerle.com>

Sent:

Tuesday, March 30, 2021 7:13 PM

To:

Alice L. Lee; Keani N. Rawlins; Tasha A. Kama; Gabe Johnson; Kelly King; Mike J. Molina; Tamara

A. Paltin; Shane M. Sinenci; Yukilei Sugimura

Cc:

County Clerk

Subject:

testimony re: bill 10

I will try to make the meeting tomorrow but in case I can't be there I wanted you to know how I feel. I think this bill is well-intentioned but it is unrealistic. What developer could afford to do this with the cost of land and building materials these days? Shouldn't we be making it easier not more difficult for homes to be built? I seem to remember that when Charmaine Tavares was either mayor or on the council she wanted something similar and it completely backfired.

Please reconsider approving Bill 10 in it's current form. Thank you.

With aloha,

Debra Merle 60 Makanani Road Makawao, HI 96768 283-0049

merle@maui.net

OFFICE OF THE

RECEIVED

Testimony for Public Hearing March 31, 2021 regarding Bill #10.

My name is Linda Kay Okamoto and I am a realtor on Lanai. I am a proponent of "Affordable Housing" for our residents. First I feel that the term is loosely used. "Affordable Housing" must include workforce housing, such as teachers, police and firemen, nurses etc. When 2 family members are in those occupations, they often fall out of the Affordable House definition, and yet they can't really afford the market prices.

We have tried here on Lanai for years to get more affordable housing built. Some young people have been able to buy older houses, but that number is very small. We need to have more houses built that the young people who want to stay here, can afford to buy.

By restricting the developers, we will not see additional housing built here. I have heard that some projects on Maui have been 100% affordable, but those projects have had free land, infrastructure already in, or tax breaks. If there have been 100% projects built successfully, that is great and would seem like there is no need to put in a restriction to make that happen again. Maui County has the land on Lanai and has been working on a project for years, but can't get a company to even bid on the project. The more restrictions, you put in, the harder it will be to get a company to build.

I truly believe that this bill will simply make it harder for families to ever see affordable housing projects here on Lanai.

You have commissioned a study on Affordable Housing and must wait until you receive that report to take any action; otherwise you have wasted the \$300,000 for the study.

Please vote no to Bill #10.

Kay Okamoto

808-559-0200

P.O. Box 630038

Lanai City, HI 96763

OFFICE OF THE

RECEIVED

From:

garren oura <garrenoura@gmail.com>

Sent:

Tuesday, March 30, 2021 6:40 AM

To:

County Clerk

Subject:

Bill10

I support Bill 10. And believe there should be an immediate moratorium on non resident purchase of land and or property.

Sent from my iPhone

RECEIVED

MAR 30 AM 7: 49

From:

Sunny Page <huelosunny@gmail.com>

Sent:

Wednesday, March 31, 2021 1:31 PM

To:

County Clerk

Subject:

I support bill 10

I have nearly been on a waitlist for a year now waiting on the Kenolio apartments Kihei. In the meantime I am a Maui born and raised woman who is now in her 40s and have first hand witness of rent being such a problem. I have had to live in my minivan for the past two years. I don't believe this is right and I definitely think things need to change. I sleep out by the busy loud street outside of timeshare where the tourist get to laugh and enjoy their lives meanwhile someone born here Is basically thrown out into the street My jobs don't cover the rent unless you're interested in starving. It's all a mess we need change we need action from our leaders I am very disappointed and basically homeless because of the situation of tourist taking over which is now getting worse with the influx of mainland visitors coming to the island.

Sent from my iPhone

From:

Scott Shapiro <shapmaui@aol.com>

Sent:

Tuesday, March 30, 2021 1:23 PM

To: Subject: County Clerk
Bill 10+ support

As I have read, Bill 10 opponents say incentives, not disincentives, will help our affordable housing crises. Proponents say we need more affordable homes built.

Here's my proposal, its not strictly Bill 10, its "Bill 10+", but I generally support current Bill 10. I know that if affordable housing were absolutely the <u>only</u> housing allowed to be built on Maui, developers would find a way to do what they do best, and build housing on Maui. Yes, some developers would be upset, fold up, some would move, but other developers would accept the new reality and flourish as many houses need to be built. No disrespect, but for developers...or really anyone, it's all about keeping the status quo, knowing the process, working less and making more (mkt rate homes) vs. working more and making less (affordable homes). But it's all relative to what you know now.

Do we really need any more market rate projects to be built on Maui? The real estate industry says: We need to keep the overall inventory growing to keep supply up, and have a trickle down effect with older houses increasing the affordable house supply. That I believe is a false premise, especially with so many people moving to Maui daily, who gobble up all mkt rate homes. With increased demand from the outside population keeping up with new supply, the supply/demand curve doesn't help trickle down.

I propose a 10 year trickle up effect. Let's create a development process that is well known and understood. Let's create a 10 year moratorium on market rate home construction for any market rate development greater than 3-5 homes. Allowed to be built on Maui for 10 years, would only be affordable homes with good incentives to developers. These affordable houses could only be purchased first by Maui residents, then by other Hawaii residents. It may start off slow, but as this would be long lasting, it would gain traction soon. This would satisfy the affordability demand, the developer incentive demand, construction workers would stay busy building these affordable homes, our overall supply of market rate homes would decrease, but overall price increases would slow, because we'd have a much bigger supply of lower priced homes, and the trickle-up effect would allow everyone to prosper.

I'm prepared for the fallout. Mahalo for listening.

Scott Shapiro

OFFICE OF THE

From: Sent:

To:

Wednesday, March 31, 2021 3:33 PM

Subject:

Iris Soliven <iris.soliven@gmail.com>

County Clerk

Support for Bill 10

RECEIVED

2021 MAR 31 PM 4: 30

OFFICE OF THE COUNTY CLERK

Hello!

I am writing in support for Bill 10 so that more and more affordable housing will be getting built on Maui and that one day soon I will be able to afford to purchase a home here. I am a resident, born and raised in Hawaii for 3 generations, and am raising a 4th generation.

I'm in my early 40's and I have dreams that include earning a degree in education because I want to be a teacher. I want to help teach the keiki in my community. I also want to own my own home here on Maui.

Thank you.

Iris Soliven

RECEIVED

2021 MAR 30 AM 7: 49

OFFICE OF THE COUNTY CLERK

TESTIMONY Bill: No. 10 (2021) March 4th, 2021

Julie Strong REALTOR Hawaii Life RS-80186 808.829.8289

My experience comes from working with many 1st time home buyers who qualified for workforce housing, wanted to make that very important purchase in their lives, and fell out of the system for avoidable reasons. For them, on Maui, these opportunities come maybe once in their lives, and when they fail they often involve consequences like having to move off island from most of their family. Watching their disappointment, disillusionment, and frustration is something that will stick with me in my heart and in my mind for many years to come.

From my experience a fundamental question about this bill arises:

Why increase the percent to 75% when you can just make the process work better at the current 50%, and achieve the same thing, an increase in workforce homes.

In my experience, there is significant room for improvement in the process to ensure a higher percentage of workforce homes end up sold to workforce qualified clients, and at workforce affordable prices.

In the current system, there are conditions that result in an unnecessary thinning out of qualified workforce buyers, who fall out of the system. It exists across multiple developments on Maui. This is largely due to a need for more coordination between the county, exclusive lenders, and developers. This coordination will help qualified buyers not fall through unnecessary cracks, and end up being able to purchase their home in the end.

By simply working on the process so it is more effective, a higher number of workforce homes is achievable at the current rate of 50%, and ... developers wont' be incented to away from Maui and to other islands.

Mahalo for your time and consideration of these observations and ideas.

E malama pono ko okou mau kino.

Julie

From:

Sent:	Tuesday, March 30, 2021 4:14 PM	
То:	County Clerk	2021 MAR 30 PM 4: 24
Subject:	Testimony toward March 31 meeting	
Alabal		OFFICE OF THE COUNTY CLERK
Aloha!		
I would like to submit Testin	mony regarding:	
	1, entitled "A BILL FOR AN ORDINANCE AMENDING S WORKFORCE HOUSING PROJECTS DEVELOPED UND	
To Members of the Maui Co	ounty Council and Council Chair:	
this amendment is only in runderstand and appreciate reality is that this change w projects being proposed at with more homes they can Finance and Development (Land Use Research Foundat and produce a comprehens our community, however I	cil's ongoing efforts to provide our residents with affi reference to fast tracked projects, it is fast tracked pro- the very good intentions of requiring fast tracked pro- could deter these types of desperately needed project the 50% level, placing further restrictions on this pro- afford. I am unaware of any study which supports su Corp., Habitat for Humanity, The Maui Chamber of C tion of Hawaii, and Hawaii Community Assets, whom sive affordable housing plan, all oppose Bill 10. I than urge you to please wait until the opportunity has con- king amendments and decisions of this nature.	rojects we desperately need at this time. I rojects to have 75% be at this level of AMI, the cts from ever coming to fruition. We have so few ocess will not provide our hard working residents uch an amendment. In fact, The Hawaii Housing commerce, The Grassroot Institute of Hawaii, The n this council has hired to thoroughly research as the Council for addressing the housing needs of
Thank you for your time an	d consideration,	
Kelly Swanson		
Kelly Swanson, REALTOR (B GRI, CIPS, GREEN, ABR, RSP 808-359-3540	• 100-4-100-100-100-100-100-100-100-100-10	

Kelly Swanson <kelly.swanson@compass.com>

RECEIVED

RECEIVED

From:

sharon willeford / Live Peace Hawaii <slwsurfing@gmail@miAR 31 AN II: 45

Sent:

Wednesday, March 31, 2021 11:46 AM

To:

County Clerk

Subject:

Please pass Bill 10

OFFICE OF THE COUNTY CLERK

As a DOE teacher for 35 years ... I can't find an affordable place to live !!! Look at all the houseless! Mahalo