

PUBLIC HEARING

FEBRUARY 19, 2020

A public hearing of the Council of the County of Kaua'i was called to order by KipuKai Kualii, Chair, Housing & Intergovernmental Relations Committee, on Wednesday, February 19, 2020, at 1:57 p.m., at the Council Chambers, 4396 Rice Street, Suite 201, Historic County Building, Lihu'e, and the presence of the following was noted:

Honorable Arthur Brun
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin
Honorable Ross Kagawa
Honorable KipuKai Kualii
Honorable Arryl Kaneshiro

The Clerk read the notice of the public hearing on the following:

"Bill No. 2774 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 7A, KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO THE HOUSING POLICY FOR THE COUNTY OF KAUA'I,"

which was ordered to print by the Council of the County of Kaua'i on January 29, 2020, and published in The Garden Island newspaper on February 5, 2020.

The following communications were received for the record:

1. Miranda, Michael, dated February 18, 2020
2. Shigemoto, Tom, dated February 18, 2020

The hearing proceeded as follows:

SCOTT K. SATO, Deputy County Clerk: We received two (2) written testimony and have no registered speakers.

JOANN A. YUKIMURA: Good afternoon, Committee Chair Kualii, Council Chair Kaneshiro, and members of the Council. Thank you for this opportunity to testify. *Mahalo* to Council Chair Kaneshiro and Councilmember Kualii for introducing Bill No. 2774, designed I believe to update and improve the County Housing Law, which is Ordinance No. 860. The Law is a very important tool to address affordable housing in this County. It is very important that it is updated. In fact, the policy in our recently adopted General Plan says that it is one of the keys... "A fair and effective ordinance...the policy is one of the keys to addressing our affordable housing crisis." The past history of affordable housing on Kaua'i shows that of the two thousand six hundred (2,600) plus units that were built between 1975 and 2019, forty percent (40%) were required by zoning condition. Thank you for doing

that. I have written testimony which I will pass out after I talk so that I can get your full attention now. I want to focus on four (4) main areas. I agree with many of the things proposed in the Bill. These are the areas I want to focus on: (1) permanent affordability, (2) the opportunity of the land and infrastructure in lieu instead of just land in lieu, (3) the guard against loopholes which can come up in the alternatives that a developer will have if they are not carefully defined, and (4) the exemptions for the town cores in Līhu'e, Kalāheo, and Kōloa, which is exempting a lot of potential housing units. Regarding permanent affordability, it is great that the Bill proposes to go from twenty (20) to fifty (50) years, but it is not enough. Fifty (50) years is three (3) generations. This means that a developer now getting a permit and an obligation to build, those houses will be going into the market when the grandchildren of millennials are looking for housing. That is how short the time is. We thought thirty (30) years was long. If Koa'e had been thirty (30) years, we would not feel as good about it as it is now perpetually affordable. Land and infrastructure as an option is really, really important as long as it is the proper land. The ordinance should spell that out. The exemption of in lieu land and in lieu fees, we have seen it. In Kiahuna, they gave us two million dollars (\$2,000,000), we never saw housing units from it. Please beware.

Committee Chair Kualii: That is your time so you will have three (3) more minutes later.

Ms. Yukimura: Thank you.

Mr. Sato: The next speaker is Kurt Bosshard.

KURT BOSSHARD: Briefly, as I have expressed previously my support for the amendment and particularly, I have addressed and sent an E-mail that asks that Section 7A-1.4.2(b) be amended to allow for some discretion to the Housing Director to determine whether or where an on-site reserve of an area for required infrastructure may limit attaining such maximum density and where the developer has made a good faith effort to attain such maximum density, a determination as to whether a project has met this requirement, that being of building to maximum density has met the requirement. The Housing Director would have a small amount of discretion to determine what maximum density was and whether the need for on-site infrastructure might prevent in the case of the housing that we are looking at building, say there were thirty (30) units that was the maximum density if you had to do the sewer and the drainage and it took up the space on the property and you could not feasibly meet the thirty (30) so you ended up with twenty eight (28) that that would be considered maximum density if the Housing Director so determined. If you do not have this kind of discretion with the Housing Director, which I think we do not have now, the person who wants to build this housing has to go back through the Council and there is a variance process. Who knows how long that takes. I think there is a general sense about these kinds of smaller projects, that they need to be built in short order, because the money is borrowed. People who want to build thirty (30) units like we do, this is in the opportunity zone in Kōloa, they would have to move because there is a requirement that the money be expended within a certain period of time. You have run through this before with other developments. If you put in that kind of variance process, it

eliminates the security that the developer has that he is going to meet those deadlines and he will pull out of that. I am not going to burden you with anymore of my presence. I am done. I do have what I wrote though and I do not know if you all received it. I will give it to your staff.

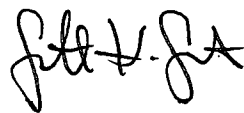
Committee Chair Kualii: Is there anyone in the audience wishing to testify? Anyone else? So for a second time?

Ms. Yukimura: Thank you. On the issue of permanent affordability, in fifty (50) years, if we are faced with several Courtyards at Waipouli, that is the situation that you have to think about. The world really like Kaua'i and there is a lot of people who like housing. People are coming to Hawai'i for all kinds of reasons. Even to establish citizenship for their newborn. If you do not have some restrictions, we will have the same situation or worse than we have today. It is like kicking the can down into the next generation. As far as the opportunity for land and infrastructure...as you know the default position or requirement is turnkey housing, thirty percent (30%) of the market units. If we could say that instead a developer gives land and offsite infrastructure, that pretty much cuts his bill in half and it gives us the land in fee so that we do not have the problem, we have automatic permanent affordability. Then we take on as we have done at Koa'e, the responsibility of building units. The same thing at Pa'anau Village, in the last phase. Kukui'ula donated the land with the infrastructure. Even the first phase. We built the units. You have permanent affordability and their burden is not as great. I would like to see that be the default position. You have to make sure that the land you receive meets our Planning policies. It is infill, it is close to the market housing and industry and jobs. You have to make sure there are no hazardous wastes...that it can be feasibly built on. You have to do all the things that our Housing Agency did in approving the donation of land and offsite infrastructure at Koa'e. That should be in the Bill itself. The law. There is a fee in lieu that is an option for a developer. In Section 15 you have the land in lieu. I would urge you to...just having land, you could spend years before you see any housing. Land and offsite infrastructure. Lastly, on the exemptions, I would like someone to tell me how many built-out units are at build-out we are exempting. We should know that. If in fact they can make affordable housing, then it should be easier for them to abide by and meet the percentage required. Otherwise, gentrification in town cores is a real problem. We need to anticipate that.

Committee Chair Kualii: Thank you very much. Seeing no further testifiers, this public hearing is now adjourned.

There being no further testimony, the public hearing adjourned at 2:10 p.m.

Respectfully submitted,



SCOTT K. SATO
Deputy County Clerk