Mori, Ashley

From: [redacted]
Sent: Thursday, October 31, 2019 9:29 PM
To: General Plan
Subject: County of Hawai'i General Plan 2040
Attachments: GP2040 Comment Letter-Greg Brown.pdf

Dear Mr. Yee:

Please find my comments on the *County of Hawai'i General Plan 2040 August 2019 Draft (Draft General Plan 2040)* attached for your review. Mahalo for your time.

Sincerely,

[redacted]

[redacted]

128972

[redacted]

[redacted]

October 31, 2019

Mr. Michael Yee
Planning Director
County of Hawaiʻi Planning Department
101 Pauahi Street, Suite 3
Hilo, Hawaiʻi 96720

SUBJECT: COMMENTS ON THE GENERAL PLAN 2040 AUGUST 2019 DRAFT

Dear, Mr. Yee,

With this letter I provide my comments on the *County of Hawaiʻi General Plan 2040 August 2019 Draft* (*Draft General Plan 2040*). Thank you for the opportunity to comment.

I am the owner and manager of Work Force Developers LLC and owner of Brown Development. I have been building homes in the State of Hawaiʻi since 2003, including on Maui and more recently on Hawaiʻi. Over the years, the focus of Brown Development has been on building high-quality luxury homes, first on Maui and more recently on the on Hawaiʻi.

Within the past five years I have learned of the great need for quality workforce housing and thus started Work Force Developers with the mission to build quality affordable workforce housing that meets the same high standards I have implemented with my luxury homes. On Maui the County Council recently approved my Makila Farms Workforce Housing project, which I am now in the process of developing.

On Hawaiʻi I have proposed Nakahili, a workforce family agricultural community in Waikoloa, on five TMK parcels[1] totaling over 1,500 acres near the intersection of Māmalahoa Highway and Waikoloa Road). As proposed, Nakahili will: include farm dwellings on agricultural lots; allow for agricultural operations; and provide a small neighborhood commercial "village" area with apartments, limited retail and light industrial uses. If approved as planned, when fully built out Nakahili will include approximately 1,158 farm dwellings and apartments with more than 50% of the homes affordable to households with incomes at or below 140% of the area median income. Much more information is available in the Nakahili Draft Environmental Assessment (Draft EA), which can be viewed at http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2019-02-23-HA-DEA-Nakahili.pdf.

My comments on *Draft General Plan 2040* are focused on: 1) helping the County to achieve key findings regarding its goal of providing equitable and safe housing options for all (under Section 3: Economic & Opportunity Planning); and 2) the Future Land Use Map, particularly the "Productive Agricultural Lands" designation proposed for the Nakahili TMK parcels.

[1] TMK parcels (3) 6-8-002:005, 006, 028, 029, and 030

Key Findings Regarding Housing

The summary of key findings in the *Draft General Plan 2040* reinforces my understanding of the need for, and my decision to build, quality affordable workforce housing. Specifically, some the key findings that resonate with me are:

- *In 2040, the County resident population is forecast to be approximately 296,322, which is a 53% increase since 2013.*
- *Roughly half the households find housing unaffordable, and many are struggling to make ends meet, often living in overcrowded conditions;*
- *Crowding is considered to be a negative indicator of the health of a local housing market, a sign that the market is unable to supply the number and types of housing units needed.*
- *Hawai'i has one of the highest overcrowding rates in the country, and at 5.6 percent of owner-occupied units, the level of overcrowding in Hawai'i County's owner-occupied units is the highest among all of Hawai'i's counties;*
- *Much of Hawai'i County's affordable housing is not located in or near job centers, so commutes are getting longer.*

Nakahili can help address these key housing issues by providing 1,158 farm dwellings and apartments with more than 50% affordable to households with incomes at or below 140% of the area median income. The Nakahili site is conveniently located near existing residential and commercial uses at Waikoloa Village. It is also located only a short drive away from major job centers in Waimea, South Kohala resorts, and myriad public and private sector opportunities in the adjacent North Kona District.

With farm dwellings on agricultural lots, Nakahili will provide workforce home buyers with a unique choice of workforce homes on large agricultural lots. As the *Draft General Plan 2040* notes, approximately 80 percent of Hawai'i County's housing units are single-family dwellings, with the remainder being multifamily units. This indicates that there is a strong preference for single-family dwellings. However, Nakahili's village area will include approximately 300 apartments, with a majority being affordable rentals specifically envisioned for those who may not want to own a home, but still need an affordable place to live within a short drive from their place of work.

Section 3: Economic & Opportunity Planning

Goal: Nakahili will help the County to implement the following goal of *Draft General Plan 2040* Section 3: Economic & Opportunity Planning:

> *Residents have physical and economic access to adequate and affordable housing in various types, sizes and price ranges to meet that meets the needs of the population and provides equitable opportunities for household flexibility and mobility.*

Comment: As explained above, Nakahili offers workforce home buyers a unique choice of workforce homes on large agricultural lots and Nakahili and also provide affordable rental apartments, thus providing workforce housing of various types, sizes, and price ranges. This will provide equitable opportunities for household flexibility and mobility. It is envisioned that with its multi-year phasing and mix of single-family farm dwellings and apartments, Nakahili will provide flexibility for residents to rent an apartment and then later move up to home ownership when they are ready, and conversely, it will provide flexibility for residents (such as "empty-nesters" or older residents) to downsize from a home to an apartment and stay in the same community where they may have family or built relationships.

Providing Equitable and Safe Housing Options for All

Objective: Under the *Draft General Plan 2040* Section titled "Providing Equitable and Safe Housing Options for All" Nakahili would significantly contribute to this Sustainability Objective:

> *Increase in number of newly constructed housing units (1,300 du/year to reflect needed housing units referenced 2014 Rental Housing Study.*

Comment: I commend efforts made in the *Draft General Plan 2040* to acknowledge the major need for new housing units in the County. Note that another similar study conducted by DBEDT in 2015[2] reinforces this objective with a forecasted need of 19,600 to 20,100 additional homes by 2025. However, as noted in the Nakahili Draft EA, private residential permitting for Hawai'i County averaged only 784 units per year between 2015 and 2017. Thus, Nakahili, with its phased development approach over several years, would substantially assist the County with implementing the above objective.

Polices and Actions: Below I list several of the policies and actions under "Providing Equitable and Safe Housing Options for All" that stood out to me, along with comments and suggestions:

> *331. All affordable housing projects which receive development benefits from Hawai'i County, including but not limited to land use/ zoning approvals, special approvals, conditional uses, and density bonuses, shall be required to maintain the project (or portion thereof) as affordable for a period of 40 years pursuant to deed restrictions or other mechanisms specified in the HCC*

Comment: I suggest that this policy deleted from *Draft General Plan 2040* and instead the concept of a period of affordability be incorporated into: 1) the rules and criteria for the County's administering the State's affordable housing incentive program as per HRS 201H (see Action 3.49 below); or 2) revisions to County Code Chapter 11 to implement rules and criteria for administering the State's affordable housing incentive program as per HRS 201H (see Action 3.55 below). Any rules, criteria, or revisions to County Code Chapter 11, regarding HRS 201H should also be clarified as to whether the affordable period applies to rental units, for-sale units, or both.

I also suggest that the affordable period be less than 40 years for for-sale units and other provisions be added to allow affordable home buyers to sell their units within the affordable period and still obtain some appreciation. For example, the County could require that for-sale units must be owner-occupied for at least 10 years; resales within 10 years must be priced at or below County affordable sales prices; and after 10 years sales prices will be capped at 3% appreciation per year.

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[2] State of Hawai'i, Department of Business, Economic Development and Tourism, Research and Economic Analysis Division. (2015). Measuring Housing Demand in Hawai'i, 2015-2025.

> *333. Limit the locations of government facilitated or mandated affordably priced housing units to Urban Service Areas. [Rationale: Based on the ongoing trend to locate affordable housing developments in agricultural areas that lack basic infrastructure; thereby shifting the infrastructure development, maintenance, and service costs to populations that can least afford it. See also General Plan 9.3 (x).]*

Comment: I do not support the inclusion of this policy in *General Plan 2040*. I believe that appropriately planned affordable and workforce housing communities such as Nakahili can be appropriately integrated within areas besides those areas designated "Urban" on the Future Land Use Map.

I would like to see polices in the *General Plan 2040* that explicitly allow for appropriate workforce housing projects outside of the established Urban designation and Urban Growth Boundary areas. As an example, the *General Plan 1989* had a "floating zone" concept which allowed for industrial and resort retreat areas outside of the standard LUPAG map designations. Such a "floating zone" concept for resident workforce housing could be implemented in the *General Plan 2040* to enable workforce housing in areas outside of Urban designation and Urban Growth Boundary areas, to take advantage of changes in population, housing preferences and types, new housing concepts and trends, economic influences, and other situations.

> *3.49 Develop rules and criteria for the County's administering the State's affordable housing incentive program as per HRS 201H.*
>
> *3.55 Revise County Code Chapter 11 to implement rules and criteria for administering the State's affordable housing incentive program as per HRS 201H.*

Comment: It is commendable the *Draft General Plan 2040* acknowledges the legitimacy of HRS 201H, which was enacted by the State Legislature to encourage the development of affordable housing. Section 201H-38, HRS (titled "Housing development; exemption from statutes, ordinances, charter provisions, and rules") grants County Councils with the authority to approve the development of housing projects that "shall be exempt from all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon" as long as: the project meets minimum requirements of health and safety; the project does not contravene any safety standards, tariffs, or rates and fees approved by the Public Utilities Commission for public utilities or of the Board of Water Supply; and the County Council approves the project by resolution.

I would like to see Hawai'i County develop its own rules and criteria for administering HRS 201H affordable housing projects, and I welcome the opportunity to provide more input as the County works to develop rules, forms, and procedures. I would be glad to provide suggestions and comments based on my development experience, as the County drafts its rules and criteria and proposed revisions to County Code Chapter 11.

> *3.56 Perform a feasibility study to explore mechanisms to ensure affordable housing development is progressive and to ensure adequate affordable housing stock remains in a tiered approach.*

Comment: Nakahili, with its phased development approach over several years, would substantially assist the County with implementing the above objective.

> *338. Require residential and mixed-use developments to incorporate a variety of housing types within a single development project.*
> *[Rationale: Based on General Plan Goal 9.2 (c) and Policy 9.3 (l).]*

Comment: Nakahili will implement this policy with its farm dwellings on agricultural lots and small neighborhood commercial "village" area with apartments, limited retail and light industrial uses. In addition, Nakahili's mix of signal family homes and apartments will provide equitable opportunities for household flexibility and mobility as explained above.

> *339. Support the development of a variety of housing types, uses and models, including experimental housing and compact housing communities. (Ex: modular/pre-fab; work/live arrangements; co-housing, limited equity cooperatives, etc.)*

Comment: I generally support this policy as Nakahili will include variety of housing types and could include modular homes to enable quality homes to be provided quickly and at affordable prices.

Future Land Use Map

My primary concern regarding the *Draft General Plan 2040* Future Land Use Map is that I believe that significant portions of the lands designated as "Productive Agricultural Lands" are not, in fact, productive agricultural lands. The same is true of many of the lands designated on the *General Plan 2005* LUPAG Map as "Important Agricultural Lands."

The criteria used in the *Draft General Plan 2040* to designate "Productive Agricultural Lands" is the same as that used in the *General Plan 2005* for "Important Agricultural Lands." And a comparison of the *Draft General Plan 2040* Future Land Use Map with the *General Plan 2005* LUPAG Map indicates that many "Important Agricultural Lands" designated on the 2005 LUPAG Map were just carried over and renamed "Productive Agricultural Lands" on the Draft Future Land Use Map. (I observe that the *General Plan 1989* LUPAG map used the designation of "Intensive Agricultural" for many of these same lands.)

While in the past these lands may have been part of historic ranches or supported grazing, today, with changing ranching production and practices, many of these areas no longer support significant ranching and they are not productive land for crop production.

Not all of lands designated "Productive Agricultural Lands" appear to fit the designation criteria. The website for the *Draft General Plan 2040* does not provide reports, technical analysis, or GIS data to support the County's proposed designation of "Productive Agricultural Lands." It appears that no analysis was done to support the new designation of "Productive Agricultural Lands". Rather, it would appear that the *General Plan 2005* designation criteria were simply copied and pasted into the *Draft General Plan 2040*. Specifically, the *Draft General Plan 2040* lists the following criteria for "Productive Agricultural Lands"[3]:

[3] See pages 152 and 153 of the *Draft General Plan 2040*.

> *Productive Agricultural Lands: Productive agricultural lands are those with better potential for sustained high agricultural yields because of soil type, climate, topography, or other factors. (5 acre minimum lot size)* ***Productive agricultural lands were determined by including the following lands*** **[emphasis added]**:
>
> - *Lands identified as "Important Agricultural Lands" on the 2005 General Plan Land Use Pattern Allocation Guide maps.*
> - *Lands identified in the Agricultural Lands of Importance to the State of Hawaii (ALISH) classification system as "Prime" or "Unique".*
> - *Lands classified by the Land Study Bureau's Soil Survey Report as Class B "Good" soils. (There are no Class A lands on the Island of Hawaii)*
> - *Lands classified as at least "fair" for two or more crops, on an irrigated basis, by the USDA Natural Resource Conservation Service's study of suitability for various crops.*
> - *In North and South Kona, the "coffee belt", a continuous band defined by elevation, according to input from area farmers.*
> - *State agricultural parks.*

In the case of the Nakahili site[4] while the TMK parcels have been identified as "Important Agricultural Lands" on the *General Plan 2005* LUPAG maps, the site does not meet any of the supporting criteria:

- The site is identified in the ALISH classification system as "Other" (not "Prime" or "Unique")
- The Land Study Bureau's Soil Survey Report classifies the soils of the site as Class D "Poor" soils (not Class B "Good" soils)
- The USDA Natural Resource Conservation Service (NRCS) classifies approximately 96 percent of the site's soils as having "severe" to "very severe" limitations for choice of crops. The remainder of the site's soils are designated as having "severe limitations that make them generally unsuitable for cultivation". The NRCS Farmland Classification report classifies 100 percent of the site as "Not prime farmland".
- The site is not in North and South Kona and is not in the "coffee belt"
- The site is not a State agricultural park.

As the Nakahili site does not meet any of the criteria for designation of "Productive Agricultural Lands" on the Future Land Use Map (except that it was identified as "Important Agricultural Lands" on the 2005 LUPAG map), I request that the site be as designated as "Rural" on the Future Land Use Map so development of Nakahili is not hindered by the arbitrary and inappropriate designation as "Productive Agricultural Lands."

A "Rural" designation would closely match the Nakahili plan for farm dwellings on agricultural lots and a small neighborhood commercial "village" area with apartments, limited retail and light industrial uses. Per the vision of "Rural" lands in the *Draft General Plan 2040*, rural areas are outside of urban growth areas

[4] TMK parcels (3) 6-8-002:005, 006, 028, 029, and 030

and retain rural character with low density residential development, supporting small scale commercial development, and agricultural land uses.

While it is admirable that that *Draft General Plan 2040* acknowledges the major need for new housing units and it includes positive policies supporting the provision of providing equitable and safe housing for all, I believe that the findings and polices are not fully supported by the Future Land Use Map and other restrictions in the *Draft General Plan 2040*, particularly language which limits affordable workforce communities to areas designated "Urban" on the Future Land Use Map.

The *General Plan 2040* should support flexibility from the Future Land Use Map designations for worthy and appropriately planned affordable and workforce housing projects, regardless of Future Land Use Map designations. Some of these projects may only be viable on lands outside the Urban designation and Urban Growth Boundary areas, due to landownership and land acquisition costs (e.g. non-urban designated lands are often available to developers at lower costs). Especially in the cases where developers such as I are stepping up to provide all necessary infrastructure (water, wastewater, etc.), these projects deserve consideration on their merits and should not be dismissed out of hand solely on the Future Land Use Map designations.

As the the *Draft General Plan 2040* points out, there is a pressing need for quality affordable workforce housing. Many undeveloped areas within Urban designation and Urban Growth Boundary areas are not being developed for housing. There may be multiple issues driving this—the high land cost, individual developer or landowner financing or economic viability, infrastructure needs, the county procurement process, etc. If private developers have the wherewithal, experience, and resources to develop viable housing outside of Urban designation and Urban Growth Boundary areas, the *General Plan 2040* should have policies that are supportive of at least granting consideration to these initiatives, to meet the County's housing goals.

Thank you for the opportunity to provide comments on the *Draft General Plan 2040*. I would be happy to meet with you and your staff regarding Nakahili, the designation of the Nakahili site as "Rural" on the Future Land Use Map, and any of my other comments on the *Draft General Plan 2040*. Please feel free to call [redacted] or email [redacted]

Sincerely,

[redacted]