

Maui County's Housing Challenge

Maui County is experiencing a number of housing challenges including, but not limited to, the following:

- Housing and transportation costs outpacing wages;
- Overcrowding; and
- Increasing homelessness.

Illegal vacation rentals, which remove housing from the available inventory, exacerbate these problems. Offshore buyers purchasing second homes further limit housing options for our full-time residents.

The resulting housing shortage affects low income families and individuals as well as our local workforce including teachers, farmers, hotel workers, police officers, and nurses. These hardships will continue unless a comprehensive and proactive housing program is implemented.

To address the growing housing crisis, numerous actions must be implemented concurrently. The following includes an array of actions the County could take to address the crisis.

Formalize the County's Role/Function – Maui County could...

- Expand the County's role in addressing affordable and workforce housing. Options include restructuring existing departments, creating a housing authority, and developing an ongoing partnership(s) with a land or housing trust.
- Expand the approach of leveraging public and private money to access additional funds (such as federal grants).
- Revisit mechanisms to ensure long-term affordability, such as development agreements and deed restrictions.

County Codes/Development Regulations – Maui County could...

- Revise the county code to increase the inventory of housing by:
 - Reducing minimum lot sizes;
 - Increasing density; and
 - Easing the requirements for ohana units.
- "Up-zone" properties in locations where additional infrastructure capacity exists to increase density and add dwellings to the housing inventory.
- Maintain a policy that requires developers to build affordable housing instead of contributing cash in lieu.

County Actions on Land Use/Development/Permitting – Maui County could...

- Expedite permitting.
- Direct and promote affordable housing projects to infill/redevelopment sites where infrastructure is already present.
- Collaborate with design professionals to develop a catalog of pre-approved plans for unit types.
- Designate staff to navigate affordable housing projects through the development review process.

Changes in Taxes & County's Financing of Affordable Units – Maui County could...

- Increase the percentage of real property tax to be set aside in the affordable housing fund.
- Provide greater tax incentives for developers of affordable rentals.
- Impose significantly higher taxes on residential units owned by foreign individuals and entities.

[Various markets around the globe have been encountering skyrocketing real estate values prompted in part by foreign buyers. A growing number of locales are addressing this issue through taxing. Vancouver, BC, for example, has imposed a significantly higher tax on dwellings purchased by foreign individuals. New Zealand, on the other hand, aims to altogether outlaw home purchases by foreign individuals.]

- Raise taxes for non-primary residential units (second homes owned by U.S. citizens and entities).

Get Aggressive with Illegal Vacation Rentals – Maui County could...

- Pursue high-tech options and get more help with enforcement action against illegal vacation rental operators.

[Preliminary assessments of illegal vacation rentals have indicated that upwards of ten thousand dwellings may be present in Maui County that are being rented out illegally.]

Various reports have been generated that assess housing in Hawaii. A number of these can be viewed at the following:

<https://www.wearemaui.org/event/west-maui-community-plan-housing-meeting>

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